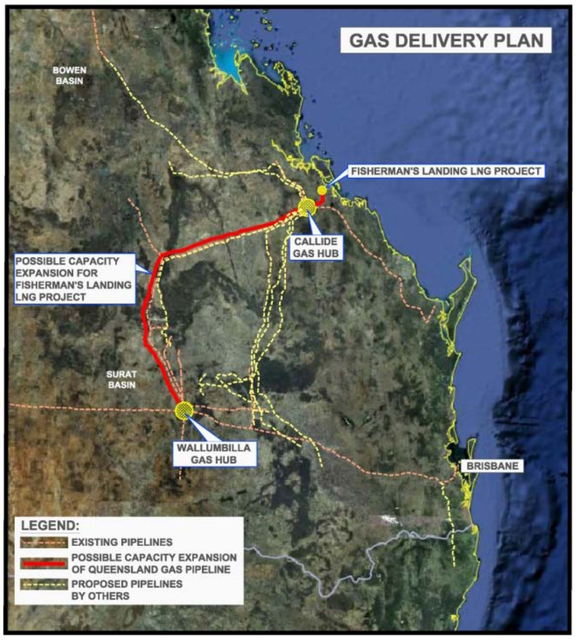
**ASX/MEDIA RELEASE**
**17 JUNE 2011**

# GLADSTONE "FISHERMAN'S LANDING" LNG PROJECT UPDATE
# GAS DELIVERY PLAN

Liquefied Natural Gas Limited (***Company***) (ASX: LNG) is pleased to advise that Jemena has completed the Pre-Front End Engineering Design (***Pre-FEED***) study. The Pre-FEED study report confirms that the existing Jemena Queensland Gas Pipeline (***QGP***) from Wallumbilla to Gladstone can be expanded to allow for gas supply for the first LNG train to be available in 2014 for the company's LNG Project at Fisherman's Landing, Port of Gladstone, Queensland, Australia. The Gas delivery plan with Jemena also provides for gas supply in 2015 for a second LNG train, each LNG train having a guaranteed capacity of 1.5 mtpa.

As advised in February and March this year, the Company's Gas Delivery Plan provides for two main gas delivery locations, being the **Wallumbilla Gas Hub** and **Callide Gas Hub** (see location plan below), for gas supply to the Fisherman's Landing LNG Project. The existing QGP, owned and operated by Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd (***Jemena***), currently operates from Wallumbilla to Gladstone with its route running through the Callide Gas Hub.




Importantly, the Callide Gas Hub is the location where four new pipelines from the Surat Basin and two new pipelines from the Bowen Basin are planned to enter Gladstone, for gas supply to the proposed Curtis Island LNG projects and Gladstone region.

Furthermore, in addition to potential gas supply at the Wallumbilla and Callide Gas Hubs, Jemena's QGP pipeline route runs past, or close to, several gas permit areas thus opening up the potential for several additional gas supply delivery points.

LNG Managing Director Maurice Brand said "whilst the outcome from the Pre – FEED study was expected, we are pleased that we have confirmed the Company's schedule for gas supply to Fisherman's Landing. It is proposed that LNG and Jemena will proceed to agree acceptable terms for the final FEED study and also negotiate a Gas Transportation Agreement".

"The completion of the Pre-FEED study has been an important step for gas delivery to Fisherman's Landing. This provides a timeframe for negotiation with gas suppliers who are capable of supplying into the expanded Queensland Gas Pipeline in 2014 for delivery of gas to either the Wallumbilla or Callide Gas Hubs."

"Following on from completion of the Share Placement with HQCEC earlier this week and the pending appointment of Madam Wang Xinge as an Executive Director and Co CEO strengthening the management team, the Company is now well placed to secure gas supply," said Mr Brand.

**For further information contact:**

**Mr Maurice Brand**
**Managing Director & Chief Executive Officer**
**Telephone: + 61 8 9366 3700**

**Mr David Gardner**
**Company Secretary**
**Telephone: + 61 8 9366 3700**

***About Liquefied Natural Gas Limited (LNG Limited):***

LNG Limited is an Australian public listed company (ASX: LNG) and parent company to subsidiaries including the 100% owned Gladstone LNG Pty Ltd project at Fisherman's Landing, Port of Gladstone, Queensland. The company's key objective is to secure market leadership in the mid-scale LNG sector by identifying and then supplying "fast-track" energy solutions to both gas suppliers and energy users who would otherwise not have access to natural gas or have a mismatch of LNG supply and demand.

With its mid-scale LNG business model including the proprietary OSMR® LNG process, LNG Ltd projects will deliver significant cost and efficiency benefits compared with the traditional larger LNG projects. With the recent alignment with its largest shareholder, HQCEC (19.92%) which is owned by CNPC, the primary Company focus is to recommence development of the 3.0 million tonne per annum Gladstone LNG Project at Fisherman's Landing, Gladstone, Australia.

***About Jemena:***

Jemena is a unique Australian infrastructure company that builds, owns and maintains a combination of major electricity, gas and water assets. It is a nation-wide operation, and manages more than $9 billion worth of Australian utilities' assets, and employs more than 2,300 people.

Jemena specialises in both the transmission and distribution of electricity and gas; and combines the skills and experience of renowned Australian electricity and gas infrastructure companies. Jemena is a key outsourcing partner of electricity, gas and water utility companies to deliver innovative infrastructure solutions that support the vital daily electricity, gas and water needs of millions of Australians.

Jemena is wholly owned by Singapore Power.

***About China Huanqiu Contracting & Engineering Corporation (HQCEC):***

HQCEC is a technology-focused engineering, procurement, construction, consulting, R&D, manufacturing and project management group with over 9,500 employees. HQCEC has delivered more than 2,000 projects over its 50 years of operation including the execution and delivery of:

- Guangdong LNG receiving terminal;
- Jiangsu LNG receiving terminal near Shanghai;
- Dalian LNG receiving terminal; and
- Is a likely EPC contractor for the Tangshan LNG receiving terminal near Beijing.

Additionally, HQCEC is the EPC contractor for the Ansai LNG plant (500,000 tpa) in China using its own technology which is scheduled to be commissioned later in 2011.

HQCEC is wholly owned by CNPC.

***About China National Petroleum Corporation (CNPC):***

CNPC is China's largest oil (54% share) and gas (82% share) producer and supplier. Additionally, it is within the Top 5 global oil and gas companies, with over 1.6 million employees, and is ranked 10 in revenue amongst 2010 Fortune Global 500 companies.

CNPC has oil and gas assets and interests in 29 countries and presence in almost 70 countries. It owns businesses covering petroleum exploration & production, natural gas & pipelines, refining & marketing, oilfield services, engineering construction, equipment manufacturing, R&D, capital management, finance and insurance services.

CNPC is a state owned company.

**Liquefied Natural Gas Limited**
Ground Floor, 5 Ord Street, West Perth WA 6005
**Telephone:** (08) 9366 3700 Facsimile: (08) 9366 3799
Email: LNG@LNGLimited.com.au
Web site: www.LNGLimited.com.au