



ASX/MEDIA RELEASE
3 DECEMBER 2012

SITE AGREEMENT EXTENDED TO 31 DECEMBER 2013

GLADSTONE FISHERMAN'S LANDING LNG PROJECT

The Directors of Liquefied Natural Gas Limited (**Company**) are pleased to advise that Gladstone Ports Corporation has granted a 12 month extension in the term of the Agreement for Lease (**Site Agreement**), to **31 December 2013**. The Site Agreement:

- relates to the site for the Company's wholly owned 3 million tonnes per annum LNG project, at Fisherman's Landing, in the Port of Gladstone, Queensland (**LNG Project**); and
- includes as an annexure the agreed form of long term Site Lease, which includes a lease term of 25 years, plus 2 x 5 year term extension options.

The full 12 month extension is subject to the Company's written confirmation, by 30 June 2013, of access to gas supply and execution of a commercial tolling agreement with PetroChina International Investments (Australia) Pty Ltd (**PetroChina**).

Following PetroChina's successful acquisition of Molopo's Queensland coal seam gas assets, on the 1 November 2012, the Company and PetroChina have been actively cooperating to secure additional gas to enable recommencement of construction of the LNG Project's first LNG train, during 2013. The first LNG train will have a guaranteed LNG production capacity of 1.5 million tonnes per annum.

On the 1 August 2012, the Company and PetroChina entered into a Letter of Intent whereby the parties will use their reasonable endeavours to negotiate and execute a commercial tolling agreement, for gas owned and arranged by PetroChina to be supplied to the Company's first LNG train. The parties have agreed to progress the tolling agreement immediately following the conclusion of gas supply access arrangements.

Based on the progress to date your Directors are confident that the Company can satisfy both the gas supply and tolling agreement requirements under the Agreement, by no later than 30 June 2013.

PetroChina is related to the Company's largest shareholder (19.9%), China Huanqiu Contracting & Engineering Corporation (**HQC**), who has been selected as the proposed engineering, procurement and construction (**EPC**) contractor for the LNG Project's first LNG train.

HQC and the Company have completed all material engineering and related activities and are in the closing stages to agree an EPC price for the LNG Project's first LNG train. The EPC price is a prerequisite for the Company and PetroChina to finalise a commercially acceptable and bankable tolling agreement.

For further information contact:

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