ASX/MEDIA RELEASE

17 JULY 2013

2 MTPA TOLLING TERM SHEET SIGNED WITH GUNVOR

MAJOR STEP FOR MAGNOLIA LNG PROJECT

The Directors of Liquefied Natural Gas Limited (Company) are pleased to advise that its wholly owned subsidiary, Magnolia LNG, LLC (***MLNG***), has executed a Tolling Agreement – Term Sheet (***Agreement***) with Brightshore Overseas Ltd (***Brightshore***), an affiliate of Gunvor Group. The Agreement details the key terms to be included in a legally binding tolling agreement (***Tolling Agreement***), including:

- Brightshore shall be responsible to deliver gas, including gas usage for the LNG plant, at its own expense, to MLNG's Magnolia LNG Project (described below) for liquefaction, storage, and delivery onto LNG ships arranged by Brightshore;
- A term of 20 years from first LNG production, plus a five year extension option at Brightshore's election;
- MLNG shall reserve, for Brightshore, firm LNG production capacity of 1.7 million tonnes per annum (***mtpa***), plus 0.3 mtpa of interruptible capacity, in total being equivalent to one LNG train;
- Brightshore will pay to MLNG:
  - Fixed Monthly Capacity Fee over the 20 years, that totals approximately US$3.7 billion;
  - Fixed Monthly Operating and Maintenance Fee, which increases in line with US inflation; and
  - Variable Operating and Maintenance Fee based on actual LNG production and which increases in line with US inflation;
- Brightshore will also pay a Fixed Monthly Bonus Capacity Fee in the event that MLNG obtains authorisation from the USA Department of Energy, Office of Fossil Energy, for the export of LNG to countries that do not have a Free Trade Agreement with the USA;
- MLNG to provide certain preferential rights to Brightshore, as a foundation customer of the Magnolia LNG Project; and
- The parties' agreement to work together with the intention to agree a legally binding Tolling Agreement. The Company is required to submit the first draft by the 30 September 2013.

The Company's Managing Director, Mr Maurice Brand, said "this is a major step for the Magnolia LNG Project and demonstrates confidence in the technical and financial fundamentals of the project. The key commercial terms support the economics of proceeding on the basis of only one (2 mtpa) LNG train. However, it remains the Company's objective to secure a further tolling party (or parties) to proceed with a second 2mtpa LNG train and, to this extent, the Company expects to enter into further Tolling Agreement Term Sheets or Heads of Agreement during 2013."

"In view of the substantial progress of the Magnolia LNG Project, the Company will issue a comprehensive update on the Magnolia LNG Project later this month", added Mr Brand.

Magnolia LNG Project – www.magnolialng.com (refer to attached diagrams):

The project comprises the proposed development of an 8 mtpa LNG project on a 108 acres site, in an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America.

The development is based on the staged development of 4 x 2 mtpa LNG production trains using the Company's wholly owned OSMR® LNG process technology and the completed LNG plant front end engineering and design of the Company's Gladstone Fisherman's Landing LNG Project in Queensland, Australia.

The business model being adopted for the Magnolia LNG Project is to provide liquefaction services to LNG buyers who pay a monthly fixed capacity fee, plus all LNG plant operating and maintenance costs. In addition, the LNG buyers are responsible to supply and transport their owned or contracted gas to the Magnolia LNG Project site.

There are 11 major gas transportation "corridors" that can be accessed for gas supply to the Magnolia LNG Project.

Shale gas resources in the US are estimated at ~ 750 trillion cubic feet. The Magnolia LNG Project only annually requires 0.4 trillion cubic feet for the full 8 mtpa LNG project. By 2020, total US gas production, including shale gas, is projected to annually exceed 25 trillion cubic feet.

Gunvor Group - http://gunvorgroup.com/

Brightshore Overseas Ltd is an affiliate of Gunvor Group, one of the world's largest independent commodities trading houses by turnover, which creates logistics solutions that safely and efficiently move physical energy to markets. With strategic investments in energy infrastructure—refineries, pipelines, storage, terminals and coal mining—Gunvor further generates sustainable value across the global supply chain for its customers.

Gunvor has signed a Heads of Agreement with LNG Group Panama as the aggregator and supplier of LNG to the first land based LNG terminal to be constructed in Panama, scheduled by LNG Group Panama for start-up in 2017, in order to serve the country's first combined cycle gas turbine power plant. Panama is a USA Free Trade Agreement (***FTA***) country and therefore LNG supply to the Panama is permitted under the Magnolia LNG Project's USA Department of Energy, Office of Fossil Fuel, authorisation to export LNG of up to ~4 mpta from the USA to USA FTA markets.

(Source: The Gunvor Group website (Summary 2012 – copy attached) and the Gunvor Group)

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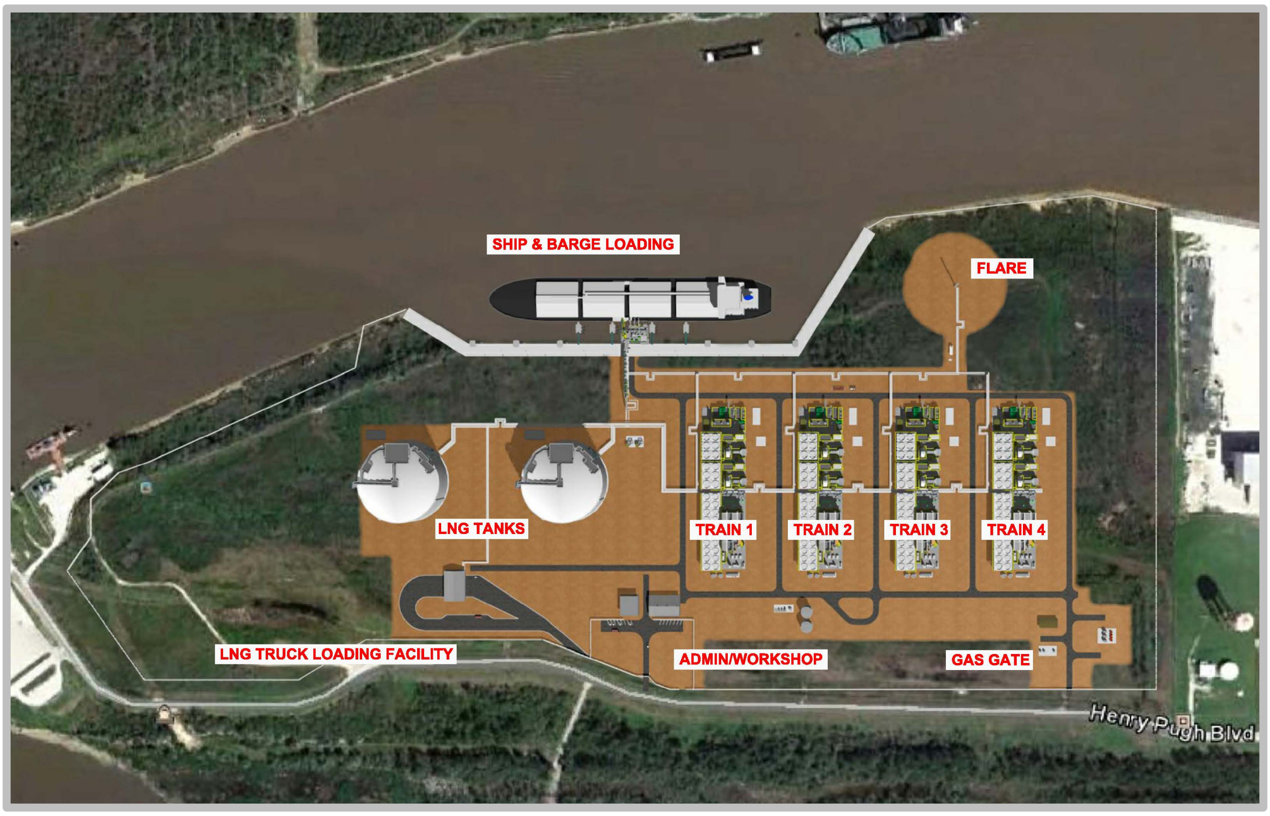
MAGNOLIA LNG PROJECT



GUNVOR GROUP SUMMARY 2012

GUNVOR

Gunvor continues to focus on geographic expansion, investments across the value chain, and product diversification. The company has diversified and expanded its sources of crude oil—off-taking from small producers, oil majors and national oil companies to be traded, stored or delivered worldwide from four main trading centers in Geneva (Switzerland), Singapore, Nassau (the Bahamas), and Dubai (United Arab Emirates).

The principal commodities traded by Gunvor continue to be refined petroleum products (fuel oil, gasoil, gasoline, naphtha, and LPG), crude oil, coal, natural gas, LNG, biofuels, carbon emissions and grains. Gunvor also opened a metals desk in 2012.

Strategic investments in energy infrastructure—refineries, pipelines, storage, terminals and coal mining—have already begun to contribute meaningfully by effectively complementing trading activities. The company also benefits from long-term leasing agreements for storage in strategic locations throughout the world.

SUMMARY

- **EBITDA:** USD 575 million, compared with USD 535 million in 2011
- **EARNINGS:** USD 433 million, compared with 356 million in 2011 (before tax and one-time equity-settled share-based payment)
- **VOLUME:** 130 million tons, compared with 122 million tons in 2011
- **TURNOVER:** USD 93 billion, compared with USD 87 billion in 2011

BASICS

- Number of countries Gunvor sources crude oil from: **>35**
- Number of worldwide employees: **>1,600**
- Number of global banking partners: **>60**
- Number of barrels traded per day: **~2.5** million

INVESTMENTS

REFINING

- **Independent Belgian Refinery** (Belgium): Gunvor owns 100 percent of the Independent Belgian Refinery (IBR), which is located on a 105ha site at the entrance of the port of Antwerp. The refinery has a crude distillation capacity of 107,500 barrels per day, and a storage farm of 90 tanks with a total capacity of 1.2 million m3, which is used to support Gunvor's trading operations. The Nelson index is 4.5, with a Visbreaker as the only residue conversion unit. As of December 2012, the Antwerp Refinery employed 222 people.

- **Gunvor Refinery Ingolstadt** (Germany): Gunvor owns 100 percent of Gunvor Refinery Ingolstadt (GRI), which is located on a 128ha site in Ingolstadt, Germany, about 80 kilometers north of Munich. The refinery has two crude units with a distillation capacity of 110,000 barrels per day. The Nelson index is 7.3. It has a fluid catalytic cracker and the capability to produce bitumen. As of December 2012, the refinery employed 382 people.

TERMINALS

- **Ust-Luga Oil Products Terminal** (Russia): Gunvor owns 100 percent of the Ust-Luga terminal, which when completed will be one of the largest rail/ocean transhipment terminals in the world. It has been operational since 2011, and is in the final stage of construction to add light product transhipment capacities and to increase the fuel oil transhipment capacity. As of December 2012, the refinery and marketing business had approximately 380 employees.

- **Novorossiysk Fuel Oil Terminal** (Russia): The Novorossiysk terminal is a 50/50 joint-venture project with Novorossiysk Commercial Sea Port. The terminal commenced in 2012 and has a projected throughput volume of more than 4 million metric tons of fuel oil per annum with a storage capacity of 119,000 m3.

PIPELINE

- **Nevskaya Pipeline Company** (Russia): Gunvor holds a 50 percent stake in Nevskaya Pipeline Company (NPC), with the remaining ownership stake split between Gazprombank and Transneft. NPC consists of an extension that connects the Baltic Pipeline System-2 project (BPS-2) to a sea export outlet near the oil products terminal owned by Gunvor.

- **Petroterminal de Panama** (Panama): Gunvor owns about 17 percent of Petroterminal de Panama, which owns a pipeline with throughput capacity of 600,000 barrels per day, linking the Pacific and Atlantic coasts, with storage locations on either side.

- **TAL Pipeline** (Italy, Austria and Germany): Gunvor owns a 10 percent stake in the Transalpine Pipeline (TAL), a 753 km pipeline originating in Trieste, Italy that supplies 100 percent of the energy requirements of Bavaria—including Gunvor Refinery Ingolstadt—and more than 50 percent of Baden-Württemberg, 90 percent of Austria and more than 30 percent of Germany and Czech Republic.

COAL MINING

- **Signal Peak** (United States): Gunvor has a 33 percent ownership stake in the Signal Peak (Bull Mountain Mine No. 1) coal mine in Montana through its wholly-owned U.S. subsidiary Pinesdale LLC. The Ohio-based Boich Group and utilities company First Energy Ltd. each own 33 percent of this entity.

- **Kolmar** (Russia): 60 percent investment though a 50/50 joint venture with a partner. Kolmar indirectly holds several mining licenses allowing its operating subsidiaries to extract coal through both open pit and underground mining within the Chulmakan and Denisovsky coalfields in Eastern Siberia.

- **Keaton Energy Holdings** (South Africa): Gunvor holds a 24 percent stake in Keaton Energy Holdings, whose assets comprise two operating coal mines, Vanggatfontein and Vaalkrantz; three development projects, Sterkfontein, Koudelager and Braakfontein; and an exploration pipeline.

UPSTREAM

- **Lagansky Block** (Russia): Gunvor has a 30 percent ownership stake in an oil exploration company with exploration and production rights in the Lagansky Block, an offshore area located in the Russian sector of the Caspian Sea. Lundin Petroleum owns the remaining 70 percent.

ABOUT GUNVOR GROUP

Gunvor Group is one of the world's largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy from where it is sourced and stored to where it is demanded most. With strategic investments in energy infrastructure—refineries, pipelines, storage, terminals and coal mining—Gunvor further generates sustainable value across the global supply chain for its customers. More information can be found at GunvorGroup.com or @Gunvor.