ASX/MEDIA RELEASE

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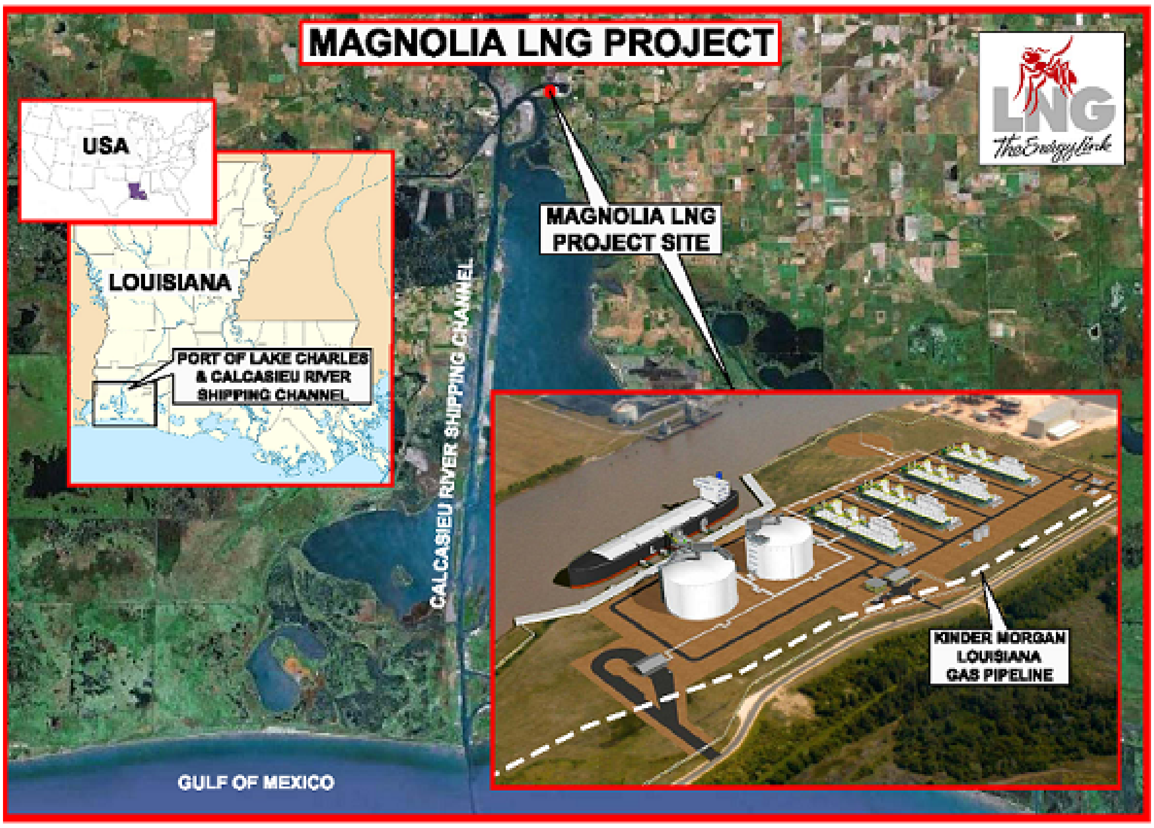
MAGNOLIA LNG PROJECT UPDATE – PROGRESS ON TRACK

The Directors of Liquefied Natural Gas Limited (***Company***) wish to provide a general update on the development progress of its wholly owned 8 million tonnes per annum (***mtpa***) Magnolia LNG Project **(*MLNG Project*),** in Louisiana, United States of America (***US***). The MLNG Project is held through the Company's indirect 100% owned US subsidiary, Magnolia LNG, LLC (***MLNG***) and is being designed to comprise four LNG trains, each of 2 mtpa nominal LNG production capacity.

- The MLNG Project's Pre-Filing process (project approvals and permits) continues on track for the lodgement of all 13 draft Resource Reports, with the US Federal Energy Regulatory Commission (***FERC***) in November 2013. Attached is a copy of the September 2013 Monthly Progress Report, submitted to FERC, as required under the FERC regulations.
- The Company expects to execute an Equity Commitment Agreement and the Magnolia LNG LLC Agreement with Stonepeak Partners LP (***Stonepeak***) during October 2013. The key terms were advised to Company shareholders on 26 July 2013, including that Stonepeak will provide 100% of the MLNG Project's equity finance requirement from financial close (currently estimated at ~US$660 million), for the construction and commissioning of the MLNG Project. In consideration of the equity financing, Stonepeak will be granted a currently estimated 50% interest in the MLNG Project, at financial close. The Company will receive a one-off success fee on the MLNG Project achieving financial close, equivalent to 3% of the total MLNG Project capital cost (such fee is estimated at US$66 million).
- During October 2013, the Company and Stonepeak will appoint a Financial Advisor from a shortlist of three international banks, with proven financial advisor and project financing experience. The Financial Advisor will assist MLNG secure long term project debt financing for the MLNG Project, which is estimated at US$1,540 million. In this regard, Stonepeak and the Financial Advisor will work with the Company in ensuring all material MLNG Project agreements and other documents, are in a bankable form.
- The Company has issued a preliminary draft definitive Tolling Agreement to Brightshore Overseas Ltd (***Brightshore***), an affiliate of Gunvor Group. Under the agreement, Brightshore is responsible to deliver gas, including gas usage for the LNG plant, at its own expense, to the MLNG Project for liquefaction, storage, and delivery onto LNG ships arranged by Brightshore. Other terms include the payment by Brightshore of (i) a Fixed Monthly Capacity Fee, to be paid over 20 years, to secure 1.7 mtpa firm, and 0.3 mtpa interruptible, LNG production capacity in the MLNG Project and (ii) inflation adjusted fixed and variable operating and maintenance fees.
- The Company is on track to deliver to Gas Natural SDG SA (***GNF***) a draft legally binding Tolling Agreement in October 2013, under which MLNG will reserve for GNF firm LNG production capacity of up to 1.7 mtpa and interruptible capacity of up to 0.3 mtpa. The general terms and conditions will be similar to the Brightshore Tolling Agreement.

- The Company is also on track to select its preferred Engineering, Procurement and Construction (***EPC***) Contractor and to obtain from the EPC Contractor, in November 2013, a total capital cost estimate range for the MLNG Project.
- Negotiations are well advanced with a number of other parties to secure tolling arrangements for the MLNG Project's remaining 4 mtpa of LNG production capacity.
- MLNG will lodge, in October 2013, its application to export up to 8 mtpa of LNG to countries that do not have Free Trade Agreements with the US.
- MLNG has established its US Head Office in Houston, Texas and a local project office in Lake Charles will be opened in the December 2013 quarter.



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Introduction

By letter order dated March 20, 2013, Magnolia LNG, LLC, LLC ("Magnolia LNG") was granted approval by the Director of the Office of Energy Projects of the Federal Energy Regulatory Commission ("FERC" or "Commission") to utilize the Commission's Pre-Filing review process for the proposed Magnolia LNG Project ("Project"). The Commission's Pre-Filing review of the Project has been assigned Docket No. PF 13-09-000.

The proposed Magnolia LNG Project includes an 8 million tonne per annum ("mtpa") liquefied natural gas ("LNG") facility in the Port of Lake Charles, Louisiana, that will receive natural gas sourced from North America via an existing pipeline and liquefy, store, and deliver it as needed to LNG carriers for export overseas; LNG carriers and barges for domestic marine distribution and the possibility of LNG bunkering; and LNG trucks for road distribution to LNG refueling stations in Louisiana and the surrounding states. The Project will include four 2-mtpa LNG trains.

This Monthly Progress Report, which covers the period from September 1, 2013 through September 30, 2013, provides a brief summary of significant Project activities or changes in Project information that have occurred during the reporting period.

Filings with the Commission

No filings were made with the Commission during this period.

Agency Contacts

A conference call was held with FERC staff and its consultants on September 5, 2013, to discuss storm surge analysis. A follow-up discussion is scheduled for October 15, 2013.

A monthly conference call was held with FERC staff on September 26, 2013 to review current status of project.

A meeting with FERC, DOT PHMSA and Magnolia LNG, originally scheduled for October 1, 2013, had to be cancelled due to the US Government shutdown. It will be re-scheduled once FERC and DOT personnel are available.

Engineering

The following engineering work was performed during the reporting period:

- Geotechnical site investigation was completed in early September 2013 and a preliminary geotechnical report is being prepared. The seismic analysis is being finalized and a draft report is being prepared.

- The Marine facilities basis of design has been prepared. The preliiminary platform layout and berth pocket drawings have been prepared and are being reviewed.
- LNG Tank Assembly drawings have been developed and are being reviewed.
- P&IDs and PFDs are being finalized for use in the vapour dispersion modelling.
- Applicable agency coordination regarding emergency plan manual, fire protection and military installations has been initiated.

Environmental

The following environmental work was performed during the reporting period:

- Continued obtaining and evaluating information and technical data needed to develop an air emissions inventory, air modelling protocols, and air emissions impact evaluations.
- Continued developing drafts of FERC Resource Reports (RRs) for: (a) General Project Description – RR1; (b) Water Use and Quality – RR2; (c) Fish, Wildlife, and Vegetation – RR3; (d) Cultural Resources – RR4, (e) Socioeconomics – RR5, (f) Geological Resources – RR6; (g) Soils – RR7; (h) Land Use, Recreation & Aesthetic – RR8, (i) Air Quality and Noise – RR9; (j) Alternatives – RR10; and (k) PCB Contamination – RR12.
- Collected soil and sediment samples from the Magnolia LNG site (onshore and offshore). Laboratory results currently being evaluated and a report prepared for submission to the U.S. Army Corps of Engineers.
- Conducted a baseline noise survey of the Magnolia LNG site September 23-25, 2013. Results are being processed and a report is being prepared.

Scope Update

There are currently no changes to the Project scope.

Stakeholder Activities

The following Stakeholder meetings have been held during the reporting period:

- Met with David Connor, Southwest Louisiana Economic Development Alliance. The organization and Magnolia LNG continue to share employment and housing data. Mr. Connor has been assisting Magnolia with data required for its socioeconomic resource report.
- Met with Dale Logan, Executive Director, Southwest Louisiana Construction Users Council (SLCUC), to discuss membership and training. The organization is affiliated with the Lake Area Industrial Alliance (LAIA) and consists of the same membership. Magnolia LNG anticipates working with this group going forward. The organization also works with the Southwest Louisiana (Sowela) Community Technical College.
- Met with officials from the City of Lake Charles to discuss fire protection, emergency response, and water and sewer issues. Mayor Randy Roach, City Administrator John

Cardone, City Attorney Billy Loftin, Public Works Director Mister Edwards, and Fire Chief Keith Murray discussed what services are available to Magnolia LNG outside of the city limits - where the site is located. Preliminary agreements are being discussed for use of fire protection and water and sewer.

Schedule Update

No changes were made in the project schedule during the reporting period.