



ASX/MEDIA RELEASE

26 NOVEMBER 2013

MAGNOLIA LNG PROJECT TOLLING TERM SHEET SIGNED WITH LNG HOLDINGS CORP FOR A FURTHER 1.7 mtpa

Liquefied Natural Gas Ltd (the “Company”) is pleased to advise that its 100% owned project company, Magnolia LNG, LLC (“**Magnolia**”), has signed a Tolling Term Sheet with LNG Holdings Corp., (“**LNG Holdings**”) in relation to the Magnolia LNG Project, in Lake Charles, Louisiana, United States (“**MLNG Project**”). The Term Sheet is effective until 30 June 2014 and, under the provisions of the Term Sheet, the parties intend to now progress and enter into a definitive Tolling Agreement.

The Term Sheet provides for a proposed 20 year Tolling Agreement, covering LNG production capacity of 1.7 million tonnes per annum (“**mtpa**”).

Under the proposed Tolling Agreement, LNG Holdings will be responsible for delivery of gas to the MLNG Project for liquefaction, storage, and delivery onto LNG ships arranged or designated by LNG Holdings. In consideration of Magnolia’s provision of the tolling services, LNG Holdings will pay to Magnolia a fixed monthly capacity fee, over the 20 year tolling term, and other fees in relation to the MLNG Project’s fixed and variable operating and maintenance costs.

The MLNG Project comprises up to four gas liquefaction trains, each with a guaranteed capacity of 1.7 mtpa and an estimated nameplate capacity of 2.0 mtpa. Magnolia anticipates receiving final United States federal and state permitting in 2015, commencement of construction in 2015, and initial start-up of operations in mid-2018.

Magnolia has received approval from the United States Department of Energy (“**DOE**”) to export 4 mtpa of LNG to countries which have a Free-Trade Agreement with the United States. Magnolia has applied to increase the current approval by an additional 4 mtpa and also approval to export 8 mtpa of LNG to countries which do not have a Free Trade Agreement with the United States.

LNG Holdings, together with its operating partner Höegh LNG, will deliver LNG from the MLNG Project to both United States domestic and international markets via use of their planned Floating Storage and Regasification Unit (“**FSRU**”) network. Markets to be supplied, subject to the relevant DOE and other approvals, will include Höegh’s Port Dolphin project off Tampa in Florida and LNG Holding’s Port Ambrose project off Long Island, New York and the Port Meridian LNG import terminal in the UK, as well as other destinations compatible with Höegh’s FSRU vessels.

See the attached map for the two US locations of Port Ambrose and Port Dolphin and the UK location of Port Meridian.

Magnolia's President, Mr. Maurice Brand, said "this is another valuable step forward for the MLNG Project. In addition to plans to supply LNG to the UK, we are particularly pleased to embrace a unique United States domestic LNG supply option, which has the potential to materially benefit consumers from Florida to New York."

About LNG Holdings:

LNG Holdings is a portfolio company of a fund advised by West Face Capital, a Toronto, Canada based investment management firm with \$2.8 billion under management. LNG Holdings is focused on the development of the Port Meridian LNG import terminal off the coast of North West England (www.portmeridian.com), and the Port Ambrose LNG import terminal off the coast of Long Island, New York (www.portambrose.com).

Contact:

Roger Whelan, Managing Director, Port Meridian Energy Ltd., and President, LNG Holdings Telephone +1 877 985-6711.

About Höegh LNG:

Höegh LNG is a provider of floating LNG infrastructure services, offering regasification, transportation and production services under long-term contracts. The company operates a fleet of two floating storage and regasification units (FSRUs) which act as floating LNG import terminals, and four LNG transportation vessels. In addition, Höegh LNG has four new FSRUs on order and has developed a solution for floating LNG production (FLNG). Höegh LNG is a Bermuda based company with established presence in Oslo, Singapore, London, Tampa and Jakarta. The company employs about 100 office staff and 350 seafarers. In the US, Höegh LNG is the owner and operator of the fully permitted proposed Port Dolphin deep-water port gas receiving project located of Tampa, Florida (www.portdolphin.com)

For further information contact:

Mr Maurice Brand
Managing Director & Joint Chief Executive Officer

Mr David Gardner
Company Secretary

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

Website: www.LNGLimited.com.au

MAP

