ASX/MEDIA RELEASE

20 FEBRUARY 2014

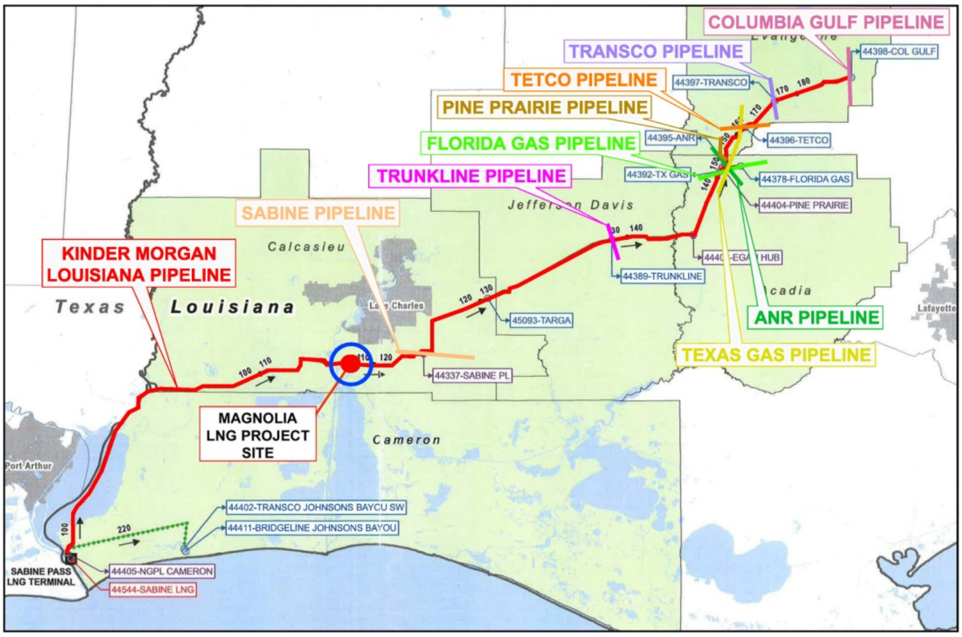
MAGNOLIA LNG PROJECT UPDATE

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 (1.7 mtpa firm) LNG production capacity.

Attached is a copy of the January 2014 Monthly Progress Report, submitted to the US Federal Energy Regulatory Commission (***FERC***), as required under the FERC regulations. MLNG remains on schedule to submit its application to FERC for the granting by FERC of full filing status in March/April 2014.

Since the last report and up to this date, the following three significant milestones have been completed:

- MLNG executed a legally binding pipeline capacity agreement, known in the United States as a Precedent Agreement (***PA***), with Kinder Morgan Louisiana Pipeline LLC. The PA secures sufficient firm gas transportation service rights for the full 8 mtpa capacity of the MLNG Project. The Kinder Morgan Louisiana Pipeline interconnects with six major gas pipelines (as shown on the Map below) and traverses the Magnolia LNG site. In accordance with the PA, KMLP commenced the Open Season process on 14 February 2014. The Open Season is expected to remain open for 3 to 4 weeks, with formal award of capacity to MLNG scheduled for the end of March 2014.



- MLNG executed a Memorandum of Understanding (***MOU***) with SK Engineering and Construction Co. Ltd and its subsidiary SK E&C USA, Inc. (***SKEC Group***). The MOU relates to the preferred engagement of the SKEC Group as the engineering, procurement and construction contractor for the MLNG Project. Under the MOU the parties agree to negotiate in good faith a Technical Services Agreement pursuant to which SKEC Group and MLNG will undertake the necessary activities to conclude a bankable Fixed Price EPC Contract. The key scope of activities under the Technical Services Agreement will include:

(i) Review all the Resource Reports submitted to the Federal Energy Regulatory Commission (***FERC***) and assist MLNG to complete the FERC filing process through to FERC Notice to Proceed with construction;

(ii) Complete sufficient Front End Engineering Design (***FEED***) and open book cost estimating activities, in conjunction with MLNG, to enable the Fixed Price EPC Contract to be agreed and signed; and

(iii) Negotiate all commercial terms, including compensation to MLNG by way of liquidated damages for late completion and LNG plant performance non-compliance, satisfactory to MLNG's equity partner and debt providers.

The SKEC Group has already satisfactorily completed a detailed review of the Company's OSMR® process technology, which will be employed in the MLNG Project and as a result, subject to final FEED verification, each LNG train will have a design capacity of a minimum of 2 mtpa and a SKEC guaranteed capacity of 1.7 mtpa.

The SKEC Group has also provided the Company with an initial estimate of the capital costs of US$1.57 billion, which was consistent with the Company's budget estimate, including appropriate contingencies. This estimate is for the EPC contract portion of the MLNG Project for the initial phase of 2 LNG Trains (4 mtpa), including gas treatment facilities, 2 x 160,000 m^3 storage tanks, jetty/ship loading facilities and related infrastructure for the full 8 mtpa LNG Project.

- MLNG opened its local project office in Lake Charles, Louisiana in January 2014.

The office is located on the 18th floor of the Capital One Tower, downtown Lake Charles, and is approximately ten miles from the MLNG site where the Company is planning to construct the MLNG Project.

The office will provide a:

- Focal point for the local community to be informed of the project's progress;
- Management of all stakeholder relationships, in conjunction with MLNG's Houston office; and
- Coordination of services and logistics for all local project activities.

The office was officially opened by City of Lake Charles Mayor Randy Roach in a ribbon-cutting ceremony and open house that was attended by more than 70 local and state elected officials; the board of commissioners and executive management of the Lake Charles Harbor and Terminal District (Port of Lake Charles); Southwest Louisiana Economic Development Alliance officials; and numerous local community and business leaders.

For further information contact:

Mr Maurice Brand
Managing Director & Joint Chief Executive Officer

Mr David Gardner
Company Secretary

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February 10, 2014

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Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Magnolia LNG, LLC
PF13-9-000
Monthly Status Report, January 1 - January 31, 2014

Dear Secretary Bose:

On March 20, 2013, the Commission issued an Approval of the Pre-Filing Process Request for Magnolia LNG, LLC's ("Magnolia") proposed Magnolia LNG Project ("Project") and the associated National Environmental Policy Act ("NEPA") review process, as filed under the above-referenced docket.

Pursuant to Section 157.21(f)(6) of the Commission's regulations, Magnolia hereby submits the monthly status report for the period of **January 1 through January 31, 2014.**

If you have any questions regarding this filing, please contact me at (202) 778-9014 or david.wochner@klgates.com.

Best regards,

/s/ David L. Wochner

David L. Wochner
Counsel for Magnolia LNG, LLC

Monthly Progress Report: No. 10 Period Ending: January 31, 2014

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 January 1, 2014, through January 31, 2014, 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

The following agency contacts were held during the reporting period:

- FERC issued its Comments on Draft Resource Reports 1 through 8 and 10 on January 16, 2014.
- Louisiana Department of Environmental Quality ("LDEQ") issued its approval of Magnolia LNG's proposed air modeling protocol in a letter dated January 22, 2013.
- A Magnolia LNG representative attended a meeting between the U.S. Coast Guard ("USCG") and the local Lake Charles Harbor Safety Committee ("HSC") and Area Maritime Security Committee ("AMSC") on January 23, 2014. The purpose of the meeting was to allow the USCG to present their comments on the draft Follow-On

Waterway Suitability Assessment for the Magnolia LNG project and to solicit comments from the HSC and AMSC on the document.

- A monthly conference call was held with FERC staff and consultants on January 30, 2014, to review current status of the Project.
- A meeting was held with the U.S. Army Corps of Engineers (New Orleans) on January 31, 2014, to discuss dredge spoil disposal permit requirements.

Engineering

The following engineering work was performed during the reporting period:

- Initiation of the vapor dispersion modeling based on the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration's approved guidelines for recent projects pending official response related to the proposed vapor dispersion protocols for the Magnolia LNG Project.

Environmental

The following environmental work was performed during the reporting period:

- Preparation of responses to FERC's Comments on Draft Resource Reports 1 through 8 and 10, dated January 16, 2014.
- Development of draft air model based on LDEQ's approval of proposed air modeling protocols.
- Development of an 'IT Questionnaire' that will accompany Magnolia LNG's draft air permit application to the LDEQ.

Scope Update

There are currently no changes to the Project scope.

Stakeholder Activities

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

- Maurice Brand, President of Magnolia LNG, presented an update on the Magnolia LNG project to the Port of Lake Charles Board of Commissioners' meeting on January 28, 2014, in an open session which was covered by local television and newspaper reporters. Mr. Brand also presented a check to the Port for securing an extension of the Site Option Agreement for the project site through March 2015.

- Magnolia LNG held a ribbon-cutting ceremony at its new Lake Charles office on January 29, 2014. The office was officially opened by City of Lake Charles Mayor Randy Roach in a ribbon-cutting ceremony and open house that was attended by more than 70 local and state elected officials, the Board of Commissioners and executive management of the Lake Charles Harbor and Terminal District (Port of Lake Charles), Southwest Louisiana Economic Development Alliance officials, and numerous local community and business leaders. A luncheon followed, which was attended by many of the same elected officials and Port Commissioners.

Schedule Update

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

Document Content(s)