

Liquefied Natural Gas Limited



Presentation for the Proactive Investors' One2One Investor Forum
Sydney - 19 March 2014



Key Factors for Developing a Successful LNG Project

ASX Code: LNG; OTC ADR Ticker: LNGLY

Company Snapshot

LNG Limited (“LNGL”) is a Liquefied Natural Gas (“LNG”) developer with a focus on developing LNG projects utilising its wholly-owned OSMR® LNG technology

Asset Portfolio	
Magnolia LNG (Louisiana, USA)	Under development
Fisherman’s Landing LNG (Gladstone, Australia)	On hold pending gas supply
OSMR® LNG liquefaction Process	Patent applications for OSMR and Boil-off gas handling already granted in many jurisdictions

Major Shareholders	% Ownership
Directors	6.0%
HQC (CNPC Technology & EPC arm)	14.9%
Top 20	51.8%

Corporate Snapshot	
ASX Code	LNG
OTC ADR Ticker	LNGLY
Cash (as at 14 March 2014)	~\$15 mil
Market Cap (@\$0.50/share)	\$178 mil
52 week high (\$/share)	\$0.58
52 week low (\$/share)	\$0.12
Shares on issue	355.8 mil

Board of Directors



Richard Beresford
Chairman



Yao Guihua
Executive Director & Joint CEO



Maurice Brand
Managing Director & Joint CEO



Leeanne Bond
Non-Executive Director



Zhang Goawu
Non-Executive Director

Project Overview

LNG Limited's flagship Magnolia LNG Project, Louisiana USA

- 8 million tonne per annum (mtpa) LNG facility in the Port of Lake Charles, Louisiana, USA using LNG's patented OSMR® LNG Technology



Proposed Site Layout for the Magnolia LNG Project

Robust Financial Returns

Key financial model assumptions for base case:

- 2 x 2.0 mtpa LNG Trains
- 4.0 mtpa nameplate LNG production capacity
- 3.4 mtpa guaranteed LNG sales capacity
- Total development costs of US\$30 million
July 2012 – June 2015 (Financial Close)
- Capital costs of \$US2.2 billion
- **EBITDA: US\$380 million per annum for 20 years on 100% LNGL ownership**

Success Factors for Developing an LNG Project

1.	Procuring Gas Suppliers
2.	Connecting Natural Gas Pipelines to LNG sites
3.	Securing a LNG Site
4.	Securing a Fixed Price Engineering, Procurement and Construction (EPC) Contract
5.	Tolling Agreements with LNG Buyers
6.	Project Finance (Equity and Debt)
7.	Satisfying all Permits and Regulatory Approvals
8.	Developing a Technological Advantage - OSMR® LNG Technology

Factor 1a: Procuring Gas Suppliers – shale gas production in the US*

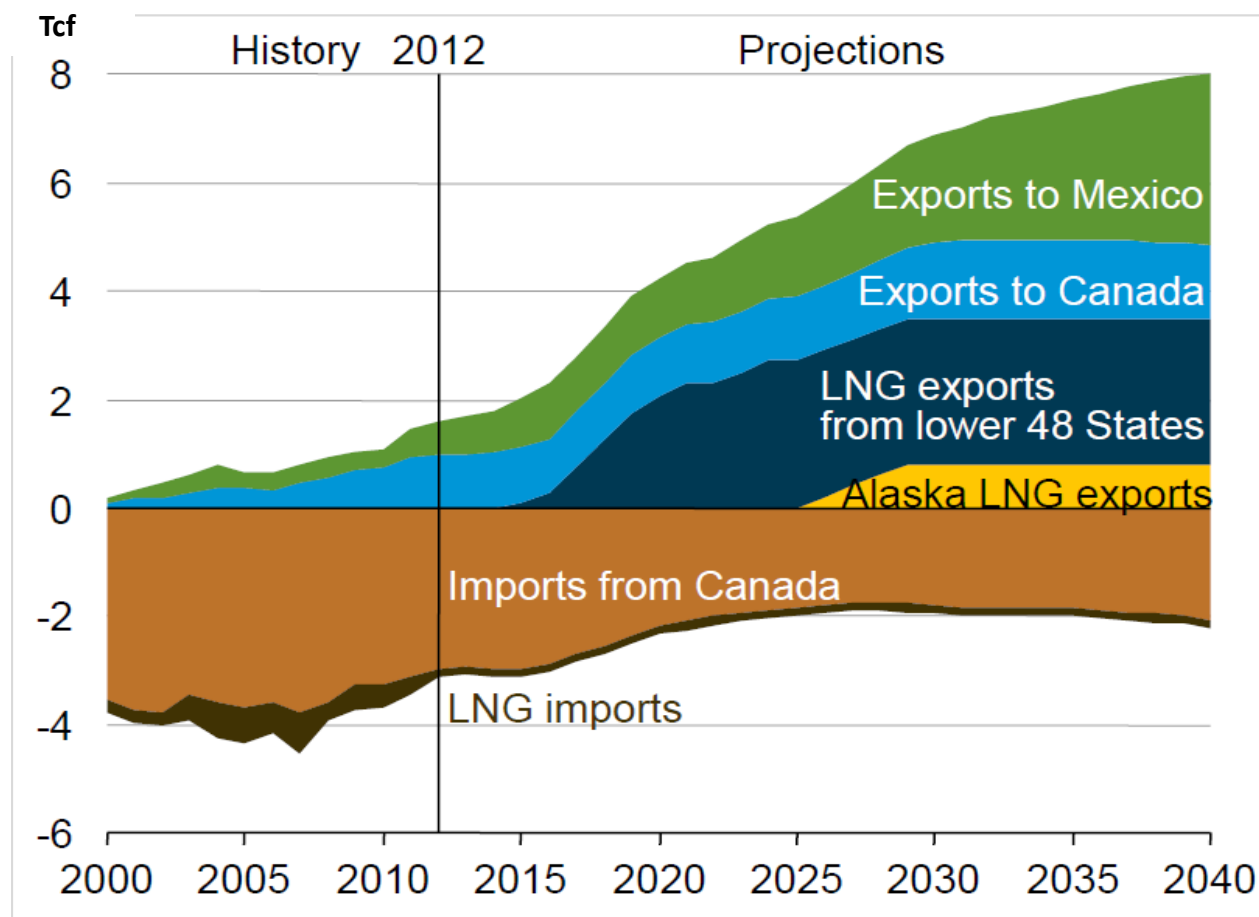
- Magnolia LNG requires 0.1 Tcf/year for each 2mtpa LNG train or 2 Tcf over 20 years
- US natural gas reserves totalled ~334 Tcf and Shale Gas reserves totalled ~132 Tcf in 2011
- June 2013, EIA identified several shale gas plays ~665 Tcf
- Combination of horizontal drilling and hydraulic fracturing has allowed access to large volumes of shale gas that were previously uneconomical



Shale plays in the USA

Factor 1b: Procuring Gas Suppliers – LNG export from the US*

U.S. natural gas imports and exports, 2000-40 (trillion cubic feet - Tcf)*

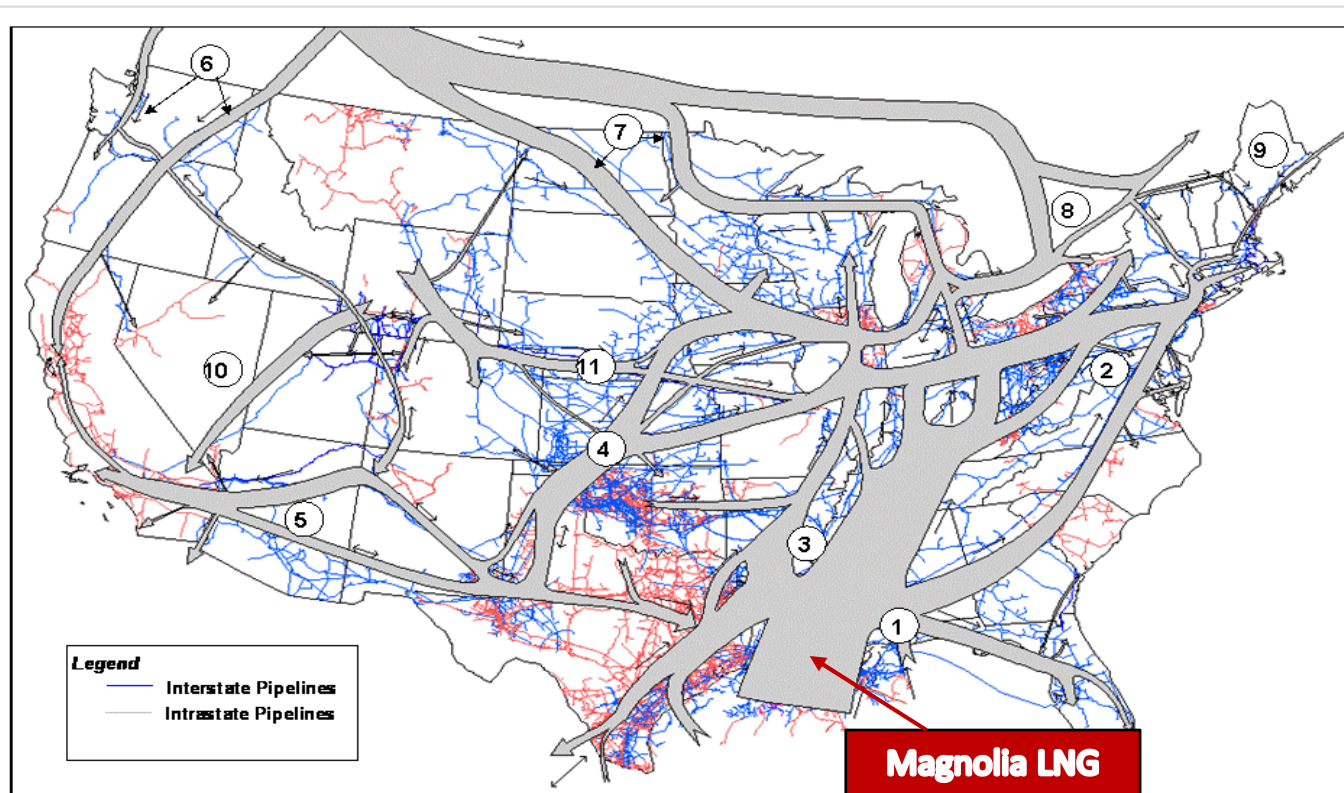


- US becomes an overall net exporter of natural gas in 2018
- US LNG exports from new liquefaction capacity expected to surpass 2 Tcf by 2020 and increase to 3.5 Tcf in 2029

*Source: U.S. Energy Information Administration Annual Energy Outlook 2014 Early Release Overview; page 2, Figure 4.

Factor 2: Connecting natural gas pipelines to LNG sites

- Magnolia LNG has secured pipeline capacity rights from Kinder Morgan Louisiana Pipeline LLC (KMLP)
- The KMLP Pipeline is underutilized and located on Magnolia LNG site
- Available to supply gas to the Magnolia LNG Project from Gas Suppliers
- 11 major transportation gas “corridors”(diagram right) mitigate infrastructure risks



Source: Energy Information Administration, Office of Oil and Gas, Natural Gas Division, GasTran Gas Transportation Information System.

The EIA has determined that the informational map displays here do not raise security concerns, based on the application of the Federal Geographic Data Committee's *Guidelines for Providing Appropriate Access to Geospatial Data in Response to Security Concerns*.

Factor 3: Securing a LNG Site

- 116 acre Magnolia LNG site is PLC Tract 475 Industrial Canal off the Calcasieu Shipping Channel and opposite existing Trunkline LNG Import Terminal
- Project site has minimal marine investment and well positioned to provide LNG ship access
- Legally binding Option to Lease secured. Term of lease up to 70 years
- Site located within 3 miles of three major underutilised pipelines
- Underutilised Kinder Morgan Louisiana Gas Pipeline located on site
- Project supported by local community, state and federal representatives

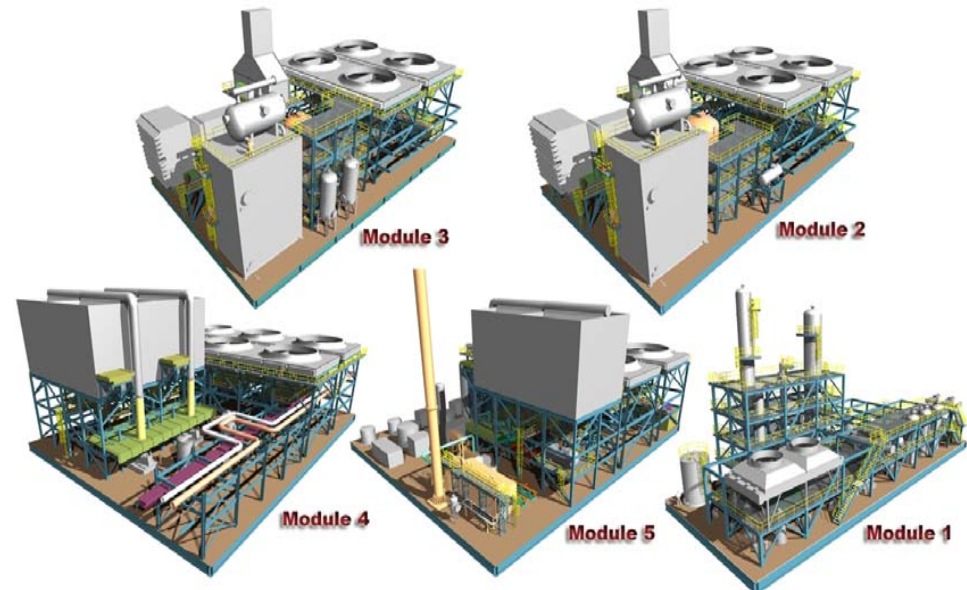


Schematic Representation of the Proposed Magnolia LNG Project
at the Port of Lake Charles, Louisiana, USA

Factor 4: Securing Fixed Priced Engineering, Procurement and Construction (EPC) Contract

- Selected SKEC Group (Korean) as preferred EPC Contractor
- SKEC Indicative EPC cost estimate of US \$1.57 billion, **less than the budget of US\$1.8 billion**, for phase 1 of Magnolia LNG. Phase 1 is all infrastructure for 8 mtpa and Financial Close for 4 mtpa LNG. Phase 2 is the additional 4 mtpa to follow during Construction
- EPC scope for Magnolia LNG is 8 mtpa includes completion of fully operational LNG Plant comprising: 4 LNG trains of 2mtpa design capacity each (1.7mtpa EPC guaranteed capacity), 2 LNG tanks of 160,000m³ capacity each, LNG ship loading for vessels up to 180,000m³ vessels and LNG truck loading facilities
- Fixed price lump sum EPC contract shifts construction risk away from company (and shareholders) to EPC Contractor
- Magnolia LNG Construction schedule of 36 - 39 months
- Final design to be progressed in 2014 with SKEC to enable open book EPC cost, scope and schedule to be agreed
- Bankable EPC Contract ready for execution end November 2014
- EPC Contract terms to include plant performance (capacity and efficiency) and schedule (completion) guarantees with liquidated damages

Modular LNG Plant: 2mtpa LNG train



- Based on detailed FEED completed for Fisherman's Landing LNG Project at the Port of Gladstone, Queensland
- Has enabled fast-track of the FERC process with significant cost savings to achieve FERC filing targeted for April 2014
- LNG's OSMR® LNG technology and smaller train size allows easy modularisation and economic project development

Factor 5: Tolling Agreements with LNG Buyers

LNG Tolling Model

- 20 year term, plus a 5 year extension option
- Fixed Monthly Capacity payments to Magnolia LNG over the Agreement term
- Fixed and Variable Monthly Operating and Maintenance payments to Magnolia – US inflation adjusted
- Tolling parties responsible for gas supply, delivery of gas to Magnolia LNG site through KMLP gas pipeline and supply of gas for use in LNG Plant
- Tolling parties will be responsible for marketing and shipping to LNG customers
- MLNG takes No COMMODITY RISK

Four Non-Binding Tolling Agreement Term Sheets in place

1. **Brightshore Overseas Ltd**
Affiliate of the commodities trading house Gunvor Group (Gunvor)
2. **Gas Natural SDG, S.A.**
Part of Spanish energy multinational, Gas Natural Fenosa Group (Madrid Stock Exchange: GAS)
3. **LNG Holdings**
Wholly-owned subsidiary of the Canadian Investment Fund, West Face Capital Group
4. **AES Latin American Development Ltd**
Wholly-owned subsidiary of the global power company, The AES Corporation Group (NYSE: AES)

LNG now focused on securing Binding Tolling Agreements in First Half 2014

Factor 6: Project Financing - Equity & Debt

**Magnolia LNG Project - The estimated capital cost of Phase 1 remains at US\$2,200 million.
Financing Plan - 70% project debt financing and 30% Project equity financing by Stonepeak**

Equity Financing: Definitive US\$660 million equity Commitment Agreement with Stonepeak

The Financing Plan includes:

- Success fee of 3% (~US\$66 million) of total capital cost to LNGL at Financial Close
- Trent Vichie, (Founding Partner of Stonepeak) appointed to the Board of Magnolia LNG, LLC – no voting rights prior to Financial Close and commencement of Stonepeak's project equity financing contribution
- Magnolia LNG to pay US\$25 million in licence fees to LNGL for trains 1 and 2 and further US\$25 million for trains 3 and 4. Payment in two tranches of 50% at Financial Close and 50% at commercial operations date

Debt Financing: BNP Paribas will progress the Magnolia LNG Project to Financial Close, targeted in mid-2015

BNP Paribas' role will include:

- Detailed project risk and bankability review, to enable potential project debt financing issues to be identified early and addressed
- Detailed review of all material project agreements to ensure compatibility with project lenders' requirements
- Project debt financing structure option analysis, including bridging finance, long term bank financing, Export Credit Agency financing, bond markets, supplier finance, etc.
- Completion of detailed Project Information Memorandum for presentation to potential project lenders
- Communication with potential project lenders and delivery of the total project debt financing package at Financial Close

Factor 7a: Satisfying all Permits and Regulatory Approvals

There are two main Federal Agencies which regulate LNG Projects in the US

US Department of Energy (DOE)	Federal Energy Regulatory Commission (FERC)
• Authorisation received from the DOE in February 2013 for LNG exports of up to 4 mtpa to Free Trade Agreement (FTA) countries. Term is 25 years from first LNG supply that must be within 10 years from Authorisation • In March 2014, the DOE authorised a further 4 mtpa of LNG export to FTA countries from Magnolia LNG • Application for LNG exports to non-FTA countries lodged for up to 8 mtpa. However, Magnolia LNG achieving Financial Close is NOT dependant of this authorisation	• FERC provides Authorisation for the construction and operation of a LNG facility, and includes a comprehensive analysis of the environmental, operational and safety implications of the Project • FERC granted Magnolia LNG Pre-Filing on 22 March 2013 • On 27 November 2013, Magnolia LNG submitted 13 draft Resource Reports to FERC which covered a wide range of environmental and engineering aspects • FERC and relevant government agencies reviewing all draft Resource Reports and providing feedback to Magnolia LNG. Following an interactive process to address any issues, next step is to submit to FERC an application for Filing. MLNG application for filing is planned for late April 2014 • Upon receiving FERC Filing, FERC prepares a draft Environmental Impact Statement (EIS) to satisfy the National Environmental Policy Act. Draft EIS is open for review and comment by public and permitting agencies • FERC filing process expected to take 12-15 months before FERC issues a "Notice to Proceed". This is required before MLNG can achieve Financial Close and commence construction. Financial Close is planned for mid 2015

Factor 7b: FERC Status of US LNG Projects

Project (Company)	Location	Sponsor	Capacity mtpa	Offtake mtpa	FTA Approval	Non-FTA Approval	Non-FTA Approval mtpa	First LNG Proposed	FERC Status	FERC 'filing' Date
Sabine Pass	Louisiana	Cheniere Energy	27	19.8	Y	Y	16.9	2015	Approved, Apr-12	Dec-11
Freeport LNG	Texas	Freeport	13.2	13.2	Y	Y	13.8	2017/18	Filing	Aug-12
Lake Charles	Louisiana	Southern Union (BG)	15	15	Y	Y	15.3	2018	Pre-filing	Mar-12
Cove Point	Maryland	Dominion Resources	5.3	4.6	Y	Y	5.9	2017/18	Filing	Apr-13
Cameron LNG, LLC	Louisiana	Sempra Energy	13.5	12.3	Y	Y	13	2017/18	Filing	Dec-12
Jordan Cove	Oregon	Veresen	6	-	Y	N	-	2017/18	Filing	May-13
Oregon LNG	Oregon	LNG Development Co	9	-	Y	N	-	2018	Filing	Jun-13
Corpus Christi	Texas	Cheniere Energy	13.5	-	Y	N	-	2018	Filing	Jun-13
Lavaca Bay FLNG	Texas	Excelerate Energy	4.4	-	Y	N	-	2018	Filing	Feb-14
Magnolia LNG	Louisiana	Liquefied Natural Gas Ltd	8	-	Y	N	-	2018	Pre-filing	Mar-13
Southern LNG	Georgia	Southern LNG/Kinder Morgan	2.5	2.5	Y	N	-	tbc	Pre-filing	Dec-12
Gulf LNG	Mississippi	GE Energy & Kinder Morgan	11.5	-	N	N	-	tbc	Pre-filing	Dec-12
Golden Pass	Texas	Exxon Mobil / Qatar Petroleum	15.6	-	Y	N	-	tbc	Pre-filing	Dec-12
CE FLNG	Louisiana	CE FLNG	8.2	-	Y	N	-	tbc	Pre-filing	Apr-13
Gulf Coast LNG	Texas	M S Smith	13.2	-	Y	N	-	tbc	n/a	-
Carib Energy	TBC	Crowley Maritime	0.3	-	Y	N	-	tbc	n/a	-
Main Pass Energy Hub	Louisiana	Freeport-McMoran Energy	24	-	Y	N	-	tbc	n/a	-
Pangea LNG	Texas	Pangea LNG Holdings	8.4	-	Y	N	-	tbc	n/a	-
Waller LNG	Louisiana	Waller LNG Services	1.2	-	Y	N	-	tbc	n/a	-
Gasfin LNG	Louisiana	Gasfin Development	1.5	-	Y	N	-	tbc	n/a	-
Venture Global LNG	Texas	Venture Global	5.1	-	Y	N	-	tbc	n/a	-
Eos & Barca LNG	Texas	Eos & Barca	24.5	-	Y	N	-	tbc	n/a	-
Total			230.9	67.4			64.9			

Source: US Dept of Energy; Company Presentations; Foster Stockbroking

Post FERC Filing LNG will move into the top 10 progressed US LNG project

Factor 8: Developing a Technological Advantage

Proposed Technology: OSMR® LNG Technology

LNG Limited's Optimised Single Mixed Refrigerant (OSMR®) process has following main features, which contribute to its higher efficiency:

- Aero Derivative Gas Turbines and Efficient Compressors
- Combined Heat and Power (CHP) plant which minimises plant fuel gas use
- Steam driven Ammonia refrigeration system
- Efficient re-liquefaction of Boil-Off Gas

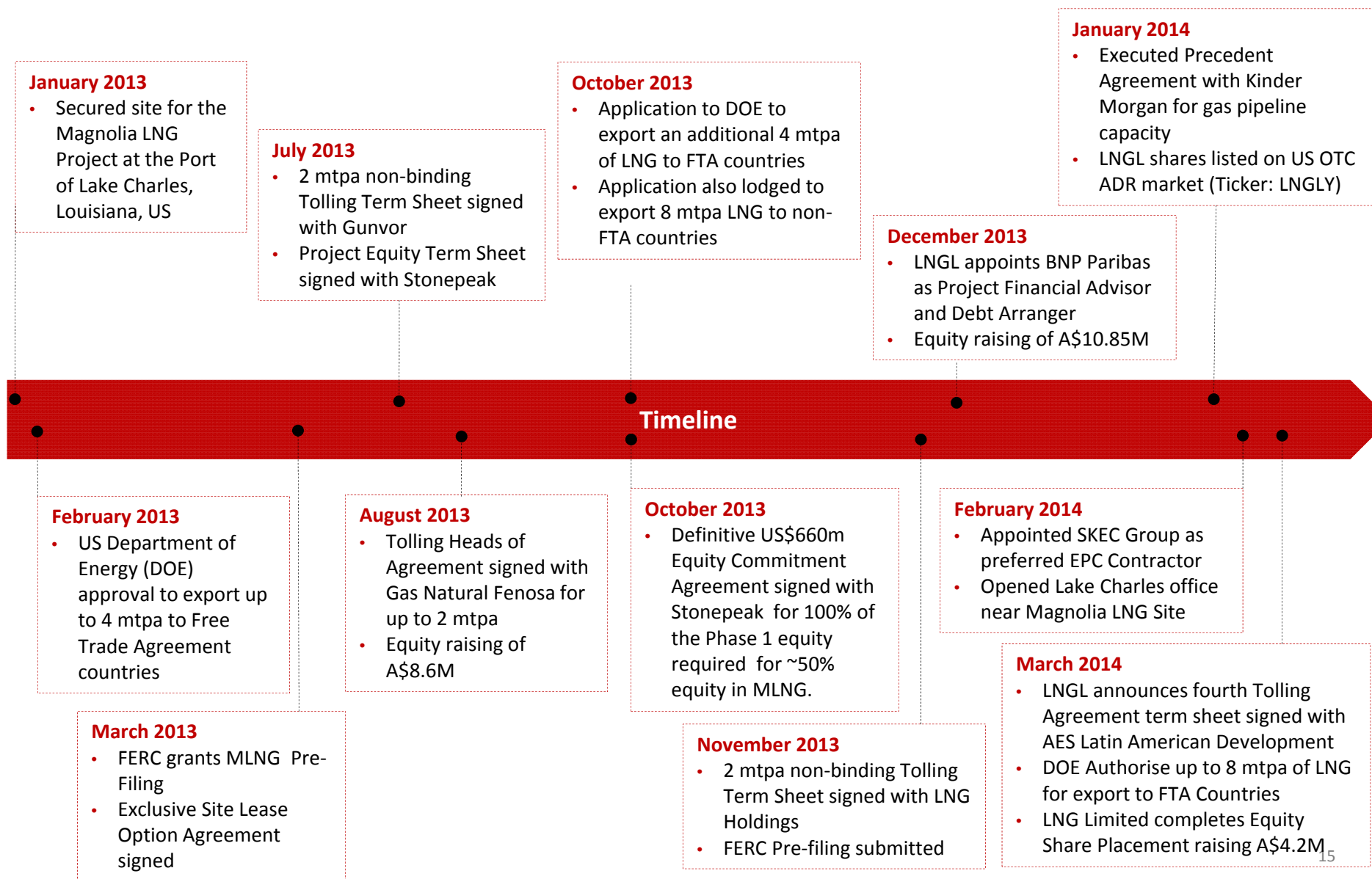
Market the OSMR® LNG liquefaction Process

- ~ 50% Lower capital cost
- ~30% Improved energy efficiency
- ~ 25% Shorter development and construction schedule
- ~ 30% Lower carbon emissions
- Patent applications for OSMR® and Boil-off gas handling already granted in many jurisdictions, including: Australia; Brunei; China; Eurasia; Hong Kong; Israel; and New Zealand

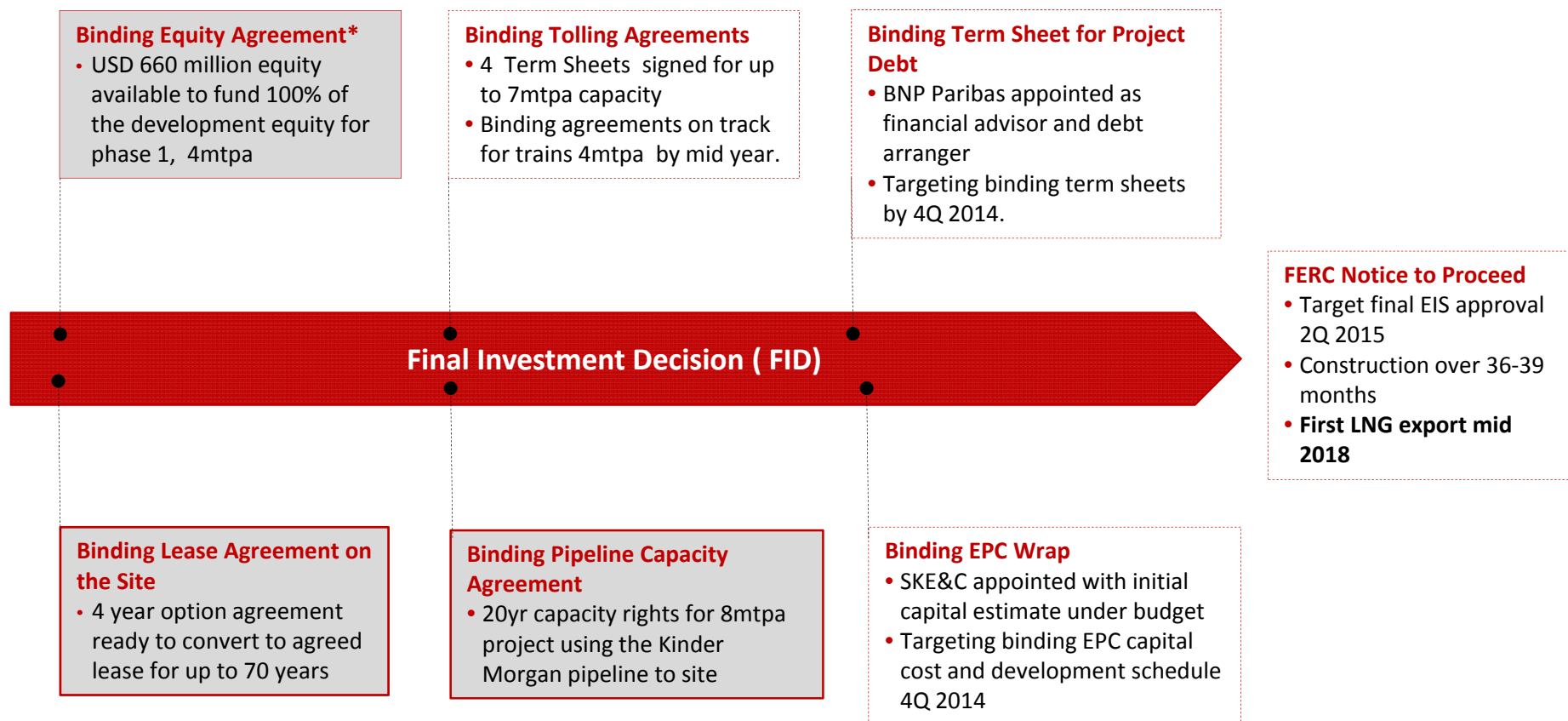
Recognised Independent Engineer's Technology Reviews/Reports include:

- CH-IV - Evaluation of OSMR LNG Process in October 2008
- Foster Wheeler – Gladstone LNG - OSMR Study Report in June 2009
- SKEC - Evaluation of the OSMR Process for Gladstone in June 2009
- Arrow-WP - Interim Review of Fisherman's Landing LNG Plant in Dec 2009
- Evaluation Report of LNG's OSMR by I. Aoki in January 2010
- LNG Industry Article in March 2010
- HQC and Consultants OSMR Technical review in November 2010
- SKEC OSMR Technical review August 2013

LNG Limited's Progress to Date



Components on Track for Successful Final Investment Decision in 2014 and Financial Close mid- 2015



***Subject to certain Conditions Precedent**



Binding agreements **complete**



Binding agreements **in progress**

Summary

- LNG Limited has established a strategic position and early mover advantage in the dynamic US Export LNG market through its Magnolia LNG Project in Louisiana, USA
- Significant progress has been made on the Magnolia LNG Project since January 2013, including:
 - Secured Site for the Magnolia LNG Project in the Port of Lake Charles, Louisiana, USA;
 - DOE authorisation to export up to 8 mtpa to FTA countries
 - Pipeline Capacity Agreement secured with Kinder Morgan;
 - Definitive US\$660m Equity Commitment Agreement signed with Stonepeak;
 - Non-Binding Tolling Agreement Term Sheets with Gunvor, GNF, LNG Holdings, AES Corporation;
 - Appointed SKEC Group as preferred EPC Contractor;
 - Appointed BNP Paribas as Financial Advisor and debt arranger; and
 - FERC Pre-Filing in March 2013 – Expected FERC Filing in late April 2014
- As evident in the companies mentioned above, LNG Limited has secured relationships with well known and established partners
- The Magnolia LNG Project is targeting – FERC filing in late April 2014; Execution of legally binding Tolling Agreements for 4 mtpa of LNG Supply in first half 2014; SKEC EPC Contract in November 2014 ; FID in November 2014; and Financial Close in mid 2015
- The Fisherman's Landing LNG (FLLNG) Project at the Port of Gladstone in Queensland, Australia, provides project optionality, as well as upside earnings potential, depending on securing a gas supply agreement
- LNG Limited's wholly owned subsidiary, LNG Technology Pty Ltd, owns the Optimised Single Mixed Refrigerant or OSMR® LNG process technology that is planned to be used at the Magnolia LNG and FLLNG Projects
- LNG Limited has a very experienced Board and Management Team

Gladstone LNG Project – Path Forward

Gas Supply

- LNGL's major focus remains to secure adequate gas supply for the first LNG Train either through the PetroChina Australia Letter of Intent and/or directly under Gas Sale Agreements/Tolling Agreements with third parties.
- LNGL, in its own right, is continuing to directly pursue other potential gas supply sources.

Lease Agreement

- Secured until 30 June 2014 with Gladstone Ports Corporation.

EPC Contract with HQC

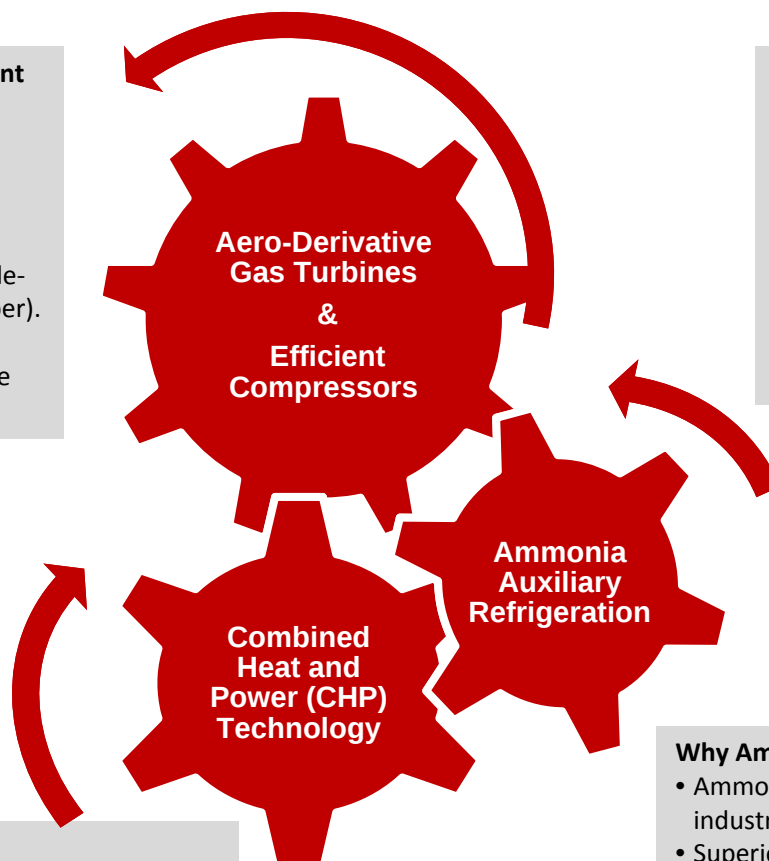
- Draft fixed price Engineering, Procurement and Construction (EPC) contract on hold pending gas supply.



Features of OSMR® LNG Technology

Aero Derivative Gas Turbines Efficient Compressors

- Better fuel efficiency compared to Industrial Turbines
- Higher reliability and availability
- Smaller foot print and weight
- No gear box, no helper motor, single-stage (no inter-stage cooler/scrubber).
- Compact modular design reduces installation and commissioning time and ensures ease of maintenance



Ammonia Refrigeration Plant

- Driven by Steam Turbines from Waste heat powered CHP plant
- Pre-cools single mixed refrigerant and feed gas streams to increase LNG production by 20%
- Direct Cooling of GT inlet air to improve GT power output by 15%

Combined Heat and Power Plant

- Waste heat recovery using Once Through Steam Generators from Gas Turbine exhausts
- Steam Turbine drivers for Ammonia Refrigeration Compressors.
- Steam Turbine driven power generation
- Process Steam used for heating – smaller heaters
- Auxiliary boiler for startup also uses N2 rich end flash gas as fuel

Why Ammonia?

- Ammonia is a commonly used industrial refrigerant
- Superior refrigerant properties allow smaller air-cooled condensers, exchangers and plant size
- Smaller overall plant foot print compared to a Propane system

OSMR® vs Conventional Liquefaction LNG Plants

- LINGL's OSMR® process provides an alternative which is simple, efficient, low cost and uses proven conventional technologies
- Smaller Train sizes allows easy modularization and economic project development

	APCI – C3/MR	CoP- Cascade	OSMR
Train Size (mtpa)	4.1	3.9	1.9
Refrigeration Power • Gas Turbine (x Nos) • Steam Turbine (x Nos)	85 MW Frame 7 (x2) n/a	32 MW LM2500 (x6) n/a	32 MW LM2500 (x2) 8 MW (x2)
Plant Power Generators • Installed • Running	Gas Turbine Driven 70 MW 30 MW	Gas Turbine Driven 30 MW 25 MW	Steam Turbine Driven 8 MW 6 MW
Plant Fuel Usage (% of Feed Gas)	9-11 %	8-9 %	6%
Heat Exchanger Types • Pre-cooling (x Nos) • Main Cooling (x Nos)	C3 Tube in Kettle (x3) MR Spiral Wound (x1)	Brazed Aluminum C3 Core-in-Kettle (x2) C2, C1 Cold Box (2+2)	Brazed Aluminum NH3 Core-in-Kettle (x2) MR Cold Box (x2)
CAPEX (\$/tpa)	1000-1200	1000-1200	500-600

OSMR® Process Technology Patent Application Submitted / Granted

- OSMR® Process patents have been granted in Australia, Brunei, China, Eurasia, Hong Kong, Israel, New Zealand, OAPI, Singapore, South Africa and Ukraine;
- BOG Treatment Process patents have been granted in Australia, Brunei, China, Eurasia, Hong Kong, Israel, New Zealand, OAPI, Singapore, South Africa and Ukraine.



Patent Key

- ✓ Granted
- Submitted

Forward Looking Statement

Australia and All Jurisdictions

The information in this presentation is not an offer or recommendation to purchase or subscribe for securities in Liquefied Natural Gas Limited (LNG Limited) (ASX: LNG; OTC ADR: LNGLY) or to retain or sell any securities currently being held. This presentation does not take into account, nor is it intended to take into account, the potential and/or current individual investment objectives and/or the financial situation of investors.

This presentation was prepared with due care and attention and the information contained herein is, to the best of the LNG Limited's knowledge, current at the date of the presentation.

This presentation contains forward looking statements that are subject to risk factors associated with the gas and energy industry. The expectations reflected in these statements are currently considered reasonably based, but they may be affected by a range of variables that could cause actual results or trends to differ materially, including but not limited to: price and currency fluctuations, the ability to obtain reliable gas supply, gas reserve estimates, the ability to locate markets for LNG, fluctuations in gas and LNG prices, project site latent conditions, approvals and cost estimates, development progress, operating results, legislative, fiscal and regulatory developments, economic and financial markets conditions, including availability of financing.

All references to dollars, cents or \$ in this document is a reference to US\$ Dollars, unless otherwise stated.

United States (Only):

Any offering or solicitation will be made only to qualified prospective investors pursuant to a prospectus or offering memorandum, each of which should be read in their entirety. To the extent applicable, any placement of securities will only be available to parties who are "accredited investors" (as defined in Rule 501 promulgated pursuant to the Securities Act of 1933, as amended) and who are interested in investing in the securities on their own behalf.