



ASX/MEDIA RELEASE

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MAGNOLIA LNG PROJECT EPCC PHASE STATUS UPDATE

Highlights:

- EPCC Contract Terms & Conditions agreed with KBR-SK E&C Joint Venture (KSJV)
- Clough-CH-IV selected to provide Owner's Engineer Services for MLNG
- Project activities being arranged to align with regulatory process calendar

Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNGLY**) (the **Company**) is pleased to advise that its wholly owned subsidiary, Magnolia LNG LLC (**MLNG**) has taken two significant steps in readiness for the engineering, procurement, construction and commissioning (**EPCC**) phase of the Magnolia LNG Project to be located in Lake Charles, Louisiana, USA.

In early January 2015, MLNG had initialled off on the EPCC contract with SK E&C Group. Kellogg Brown & Root LLC (**KBR**) then joined the Magnolia LNG project as the lead partner in an integrated joint venture with SK E&C (together, the KBR-SK joint venture, or KSJV). MLNG and KSJV have now agreed to terms and jointly initialled off on the updated EPCC contract including terms and conditions, full scope of work and all supporting contract schedules and attachments.

Additionally, MLNG has completed a tender process and has selected Clough-CH-IV to fulfil the roll of owners engineer for the EPC phase of the project. This will include providing technical and project execution support personnel to MLNG as oversight to the KSJV contractor activities as the project moves through detailed design, construction, commissioning and start-up in support of delivering LNG from the first of the four planned 2 mtpa LNG trains by the end of 2018.

"The alignment of the project activities and planning with the regulatory process is critical to advancing the project at a pace to meet our commitments to deliver LNG to our customers by the end of 2018," said John Baguley, MLNG Chief Operating Officer. "Our execution plans and activities are established on this basis and also optimized to enable the sequential completion of the full four train, eight mtpa MLNG facility. The agreement with KSJV on the contract terms and conditions marks an important step, in that it forms the basis for the final lump sum turnkey pricing reflecting current market conditions, and timed to initiate site works consistent with the availability of the necessary permits and authorizations. This also allows the project to initiate an early works program to de-risk the project schedule and maximize the use of the time available until our actual site works can begin."

ABOUT MAGNOLIA LNG:

The Magnolia LNG Project is 100% owned by Magnolia LNG LLC, which is a wholly owned subsidiary of Liquefied Natural Gas Limited. The project comprises the proposed development of an 8-mtpa LNG project on a 115-acre site, located on an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America. The project is based on the development of four x 2 mtpa LNG production trains using the Company's wholly owned OSMR® LNG process technology.

Magnolia LNG's business model provides liquefaction services to LNG buyers who pay a monthly fixed capacity fee, plus all LNG plant operating and maintenance costs. LNG buyers contract for liquefaction services under two contract models – a Liquefaction Tolling Agreement, whereby the LNG export terminal is only responsible for processing natural gas into LNG, and an LNG Sales and Purchase Agreement under which the customer buys LNG on a free on board basis (FOB).

ABOUT LIQUEFIED NATURAL GAS LIMITED

Liquefied Natural Gas Limited is an ASX listed company (Code: **LNG** and OTC ADR: **LNGLY**) whose portfolio consists of 100% ownership of the following companies:

- Magnolia LNG LLC (**Magnolia LNG**), a US - based subsidiary, which is developing an 8 mtpa LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation (**Bear Head**), a Canadian based subsidiary, which is developing an 8 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Gladstone LNG Pty Ltd, a subsidiary which is progressing the 3.8 mtpa **Fisherman's Landing LNG (FLLNG) Project** at the Port of Gladstone in Queensland, Australia; and
- LNG Technology Pty Ltd, a subsidiary which owns and develops the Company's **OSMR® LNG liquefaction process**, a mid-scale LNG business model that plans to deliver lower capital and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

For further information contact:

Mr Maurice Brand
Managing Director/CEO
Liquefied Natural Gas Ltd.
Level 1, 10 Ord Street
West Perth, WA 6005
+61 8 9366 3700

Mr John Baguley
Chief Operating Officer
Magnolia LNG LLC
1001 McKinney Street, Suite 600
Houston, TX, USA
+1 713 815 6940

Mr Michael Mott
Chief Financial Officer
Liquefied Natural Gas Ltd.
1001 McKinney Street, Suite 600
Houston, TX, USA
+1 713 815 6909

Liquefied Natural Gas Limited

Level 1, 10 Ord Street, West Perth WA 6005

Telephone: (08) 9366 3700 **Facsimile:** (08) 9366 3799

Email: LNG@LNGLimited.com.au

Website: www.LNGLimited.com.au

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