



Schematic Site Layouts for the proposed 8 mtpa or greater Magnolia LNG Project in the Port of Lake Charles, Louisiana, USA (left) and the 8 mtpa or greater Bear Head LNG Project, in Richmond County, Nova Scotia, Canada (right)

March 2016

Quarterly Highlights and Appendix 4C

A Message from the Managing Director and Chief Executive Officer

I am very pleased to have joined Liquefied Natural Gas Limited on 4 April 2016, prepared to lead the next phase of the Company's projects and corporate development. While the LNG industry is currently challenged by an LNG supply / demand imbalance, LNGL's business model of mid-scale LNG export projects, using our wholly owned patented OSMR® liquefaction process technology, positions the Company for long-term global success due, in part, to our industry leading low cost solutions.

Our Company has a foundation portfolio of geographically diverse projects, all poised to move quickly into construction and operation. Magnolia LNG, Bear Head LNG, and Fisherman's Landing LNG each have beneficial siting attributes that enhance commercial execution, and are particularly advanced in relation to permitting and regulatory approvals, and project engineering status relative to regional greenfield competition.

Our focus is threefold: complete marketing of Magnolia LNG's offtake capacity to progress this project through financing and into construction; finalize Bear Head LNG regulatory permitting, engineering, and the marketing of liquefaction tolling capacity; and preserving our existing liquidity through effective cash management.

I would like to reiterate the comments made by LNGL's Chairman, Mr. Richard Beresford, in recognizing the achievements of our former Managing Director and Chief Executive Officer, Mr Maurice Brand, citing his vision and enormous contribution as founder and Managing Director in developing the Company to its current position. I am excited to work with Maurice, the LNGL staff, our Board, our strategic partners, and current and potential customers in realizing our Company's vision.

I look forward to meeting our shareholders to discuss our strategy, our plans, and our future.

Yours sincerely

Gregory M. Vesey, Managing Director and Chief Executive Officer

Liquefied Natural Gas Limited

ASX Code: LNG
OTC ADR: LNGLY
ABN: 19 101 676 779

CONTACT DETAILS

PERTH	HOUSTON
First Floor, 10 Ord Street, West Perth 6005, Western Australia	1001 McKinney Street Suite 600 Houston, TX 77002 USA

Tel: +61(0)8 9366 3700 **Tel:** +1 713 815 6900
Fax: +61(0)8 9366 3799 **Fax:** +1 713 815 6905

Email: LNG@LNGLimited.com.au
Website: www.lnlimited.com.au

BOARD OF DIRECTORS

Richard Jonathan Beresford
Chairman
Gregory M Vesey
Managing Director and Chief Executive Officer
Fletcher Maurice Brand
Executive Director
Leeanne Kay Bond
Non-Executive Director
Paul J. Cavicchi
Non-Executive Director
D. Michael Steuert
Non-Executive Director
Philip D. Moeller
Non-Executive Director

ISSUED CAPITAL

Shares on Issue	503,477,606
Performance Rights	16,582,858
Unlisted Options on Issue	2,259,000
ADRs on Issue	2,747,061

SUBSTANTIAL SHAREHOLDERS

Top 20 Shareholders	56.4%
North American	~ 50.0%
- Baupost Group, LLC	12.4%
- Valinor Management, LLC	8.3%
Directors & Management	1.9%

Liquefied Natural Gas Limited (**LNGL** or the **Company**) is an Australian Securities Exchange (**ASX**) listed company (Code: **LNG** and OTC ADR: **LNGLY**).

Highlights

- Appointments of a new Managing Director and Chief Executive Officer, Mr Greg Vesey, and Mr Maurice Brand as an Executive Director
- Magnolia LNG received its United States Federal Energy Regulatory Commission (**FERC**) Order to site, construct, and operate facilities to liquefy and export domestically produced natural gas from the LNG export terminal
- Magnolia LNG and the KSJV (a joint venture between KBR and SKE&C, led by KBR) agreed to extend the validity period of the signed engineering, procurement, and construction (**EPC**) contract price through 31 December 2016
- Magnolia LNG and Meridian LNG extended the financial close date condition precedent for the Magnolia LNG project contained in the executed offtake agreement through 31 December 2016
- United States Department of Energy (**DOE**) issued final authorization for Bear Head LNG to export LNG derived from U.S. produced natural gas to countries that do not have Free Trade Agreements (**FTA**) with the USA
- Bear Head LNG reached agreement to purchase additional land to allow for expansion of the proposed LNG export facility to up to 12 million tonnes per annum (**mtpa**) consistent with the approval granted previously by Canada's National Energy Board (**NEB**)
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**) registered its Environmental Assessment (**EA**) with Nova Scotia Environment (**NSE**)
- Fisherman's Landing LNG extended its site lease agreement with the Gladstone Ports Corporation

Magnolia LNG Project, Lake Charles, Louisiana, United States (Magnolia LNG)

The Magnolia LNG project has achieved significant project milestones to date, which include (amongst other achievements):

- Receiving its FERC Order on 15 April 2016
In a related matter, FERC also authorized the Kinder Morgan Louisiana Pipeline LLC (**KMLP Pipeline**) to install compression and other related facilities on the KMLP Pipeline, facilitating the transportation of full feed gas volumes to the Magnolia LNG project.
Magnolia LNG and KMLP Pipeline have both accepted their FERC Order conditions;
- Signing of a binding lump sum turnkey EPC contract with the KSJV with pricing validity extended through 31 December 2016;
- Receiving the Louisiana Department of Environmental Quality air permit approval for the Magnolia LNG project;
- Signing an offtake agreement with Meridian LNG Holdings Corp. for up to 2 mtpa with an extended financial close date condition precedent for the Magnolia LNG project through 31 December 2016;
- Executing an Equity Commitment Agreement with Stonepeak and appointing BNP Paribas as the Financial Advisor; and
- Being granted FTA approval by the DOE for the export of 8 mtpa, and anticipating non-FTA approval in 2016.

Our commercial focus remains on signing additional offtake agreements that shall enable the project to progress to financial close, construction and operation. The financial close date for the Magnolia LNG project is dependent on the execution of these binding offtake agreements, the timing of which is uncertain due to current market conditions.

Bear Head LNG Project, Richmond County, Nova Scotia, Canada (Bear Head LNG)

Bear Head LNG holds all Canadian initial federal, provincial, and local regulatory approvals and permits required to commence site construction.

On 5 February 2016, the DOE issued final authorization for Bear Head LNG to export liquefied natural gas derived from U.S. produced natural gas to countries that do not have FTA with the U.S. The DOE decision is a determination that these exports are not inconsistent with the U.S. public interest. This approval, in addition to DOE's prior approval for exports to FTA countries, allows Bear Head LNG to export LNG to countries with which trade is not prohibited by U.S. law or policy. In tandem with the non-FTA export permit, DOE determined that Bear Head LNG does not require DOE's authorization for Canadian natural gas to pass through U.S. pipelines (in transit) on its way to the export facility in Nova Scotia.

The NEB had previously granted Bear Head LNG approval to export up to 12 mtpa of LNG from the export facility.

On 29 March 2016, LNGL announced that Bear Head LNG had reached an agreement to purchase additional land from Nova Scotia Business Inc. (**NSBI**) for approximately C\$450,000 to support expansion of its proposed LNG facility on the Strait of Canso in Richmond County, Nova Scotia. Under the agreement reached with NSBI, Bear Head LNG will acquire an additional 72-acres of land directly adjacent to its existing 255-acre site. The acquisition of the additional land enables Bear Head LNG to increase the capacity of the LNG facility from a nominal 8 mtpa up to 12 mtpa in 2024, as per Bear Head LNG's approval from the NEB.

On 30 March 2016, LNGL announced that Bear Paw, an indirect wholly owned subsidiary of LNGL, had registered its EA with NSE. Bear Paw is proposing to construct and operate a 62.5 km natural gas pipeline from Goldboro to the proposed Bear Head LNG export facility. This Goldboro to Point Tupper pipeline will connect Bear Head LNG to the North American natural gas pipeline network.

Bear Head LNG's land acquisition and Bear Paw's regulatory, permitting, and certain other costs were contemplated in LNGL's previously disclosed three-year cash management plan. Expenditures for construction of the export facility and the Bear Paw pipeline shall commence only after financial close of the Bear Head LNG project.

Fisherman's Landing LNG Project, Gladstone, Queensland (FLLNG)

The major focus for the FLLNG project is to secure adequate gas supply for the first LNG train. Management continues to work this requirement with a number of parties.

On 7 March 2016, LNGL announced that its 100% owned subsidiary, Gladstone LNG Pty Ltd, owner of the FLLNG project had:

- (i) Extended the FLLNG Site Agreement for Lease with the Gladstone Ports Corporation (**GPC**) to 31 March 2017 for A\$320,000; and
- (ii) Agreed an option to further extend on the same terms (with an inflation index) through 31 March 2018, subject to the provision of appropriate evidence demonstrating to GPC that the FLLNG project remains a positive investment intention.

The lease extension payment was contemplated in LNGL's previously disclosed three-year cash management plan.

The Queensland Government's Department of Natural Resources and Mines has approved extension of the dates for completion of construction (associated with the LNG Facility) for the Petroleum Facility Licence 18 and the Petroleum Pipeline Licence 161 through 31 December 2017.

Corporate

Share movements

- On 9 February 2016, 100,000 ordinary shares were issued on the exercise of options and on 31 March 2016, a further 150,000 ordinary shares were issued on exercise of the options.

At the date of this report, there are 2,259,000 options outstanding, having option expiration dates of 8 July 2016 (1,259,000 options with strike prices ranging from A\$0.24 to A\$0.28) and 20 December 2016 (1,000,000 options with a strike price of A\$0.465).

Personnel

On 4 April 2016, LNGL announced the appointment of Mr Gregory (Greg) M Vesey as Managing Director and Chief Executive Officer of LNGL effective April 4, 2016. Mr Vesey is based in Houston, Texas. Mr. Vesey succeeds Mr Maurice Brand who continues as an Executive Director until his retirement in June 2017.

Mr Vesey brings a wealth of experience through his 35 years with Chevron Corporation where his responsibilities most recently covered Chevron's Global Gas marketing and trading activity including extensive LNG development work. Previously, Mr Vesey was President of Chevron Natural Gas and Vice President Gas Supply and Trading from 2011 to 2015, where he was responsible for Chevron's global LNG, natural gas, and natural gas liquids marketing and trading activity. Mr Vesey's other assignments included President of Chevron Global Power Company as well as President of Chevron Technology Ventures.

In February 2016, LNGL announced changes in management of the Bear Head LNG project, with Mr John Baguley taking over project executive management responsibilities and Mr Darshi Jain assuming the project director role.

Financial Position

During the March quarter 2016, net operating cash outflow was A\$29.6 million, which compares with the December quarter 2015 figure of A\$44.0 million. Management expects net cash outflows to continue to trend lower reflecting execution of the Company's cost management strategy. LNGL's total cash balance as at 31 March 2016 was A\$85.8 million, which compares to A\$113.8 million as at 31 December 2015. The Company has no debt.

For further information contact:

Mr. Greg Vesey
Managing Director and CEO
LNG Limited
+1 713 815 6900

Mr. Maurice Brand
Executive Director
LNG Limited
+61 8 9366 3700

Mr. Mike Mott
Chief Financial Officer
LNG Limited
+1 713 815 6909

ABOUT LIQUEFIED NATURAL GAS LIMITED

LNGL is an ASX listed company 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 or greater LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation (**Bear Head LNG**), a Canadian based subsidiary, which is developing an 8 mtpa or greater LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Gladstone LNG Pty Ltd, a subsidiary which plans to develop the 3.5 mtpa (**Fisherman's Landing LNG**) 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.

Liquefied Natural Gas Limited

Level 1, 10 Ord Street, West Perth WA 6005

Telephone: +61 (0)8 9366 3700 Facsimile: +61 (08) 9366 3799

Email: LNG@LNGLimited.com.au

Website: www.LNGLimited.com.au

Disclaimer

Forward-looking statements may be set out within this correspondence. Such statements are only predictions, and actual events or results may differ materially. Please refer to our forward-looking statement disclosure contained on our website at www.LNGLimited.com.au and to the Company's Annual Report and Accounts for a discussion of important factors, which could cause actual results to differ from these forward-looking statements. The Company does not undertake any obligation to update publicly, or revise, forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Liquefied Natural Gas Limited

ABN

19 101 676 779

Quarter ended ("current
quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	377	377
1.2	Payments for:		
	(a) staff costs	(6,577)	(16,123)
	(b) patent costs	(17)	(138)
	(c) LNG project development	(14,814)	(71,894)
	(d) leased assets	(1)	(3)
	(e) other working capital	(8,654)	(17,740)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	120	515
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net operating cash flows		(29,565)	(105,006)

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(29,565)	(105,006)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(2)	(42)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(2)	(42)
1.14 Total operating and investing cash flows	(29,567)	(105,048)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	63	79
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	63	79
Net increase (decrease) in cash held	(29,504)	(104,969)
1.21 Cash at beginning of quarter/year to date	113,771	177,604
1.22 Exchange rate adjustments to item 1.20	1,530	13,162
1.23 Cash at end of quarter	85,797	85,797

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	490
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to directors include salaries, directors' fees, bonuses and superannuation payments to executive and non-executive directors.

Non-cash financing and investing activities**2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows**

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/a	N/a
3.2	Credit standby arrangements	N/a	N/a

Reconciliation of cash

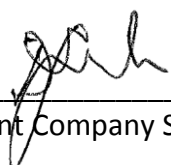
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	81,409	109,476
4.2 Deposits at call	4,388	4,295
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	85,797	113,771

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/a	N/a
5.2 Place of incorporation or registration	N/a	N/a
5.3 Consideration for acquisition or disposal	N/a	N/a
5.4 Total net assets	N/a	N/a
5.5 Nature of business	N/a	N/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
Joint Company Secretary

Date: 29 April 2016

Print name: David Gardner