



## ASX/MEDIA RELEASE

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### GLADSTONE “FISHERMAN’S LANDING” LNG PROJECT “Start of earthmoving and ground improvement”

The Company (ASX: *LNG*) is pleased to advise the following material progress in relation to the Company’s planned 3 million tonnes per annum LNG project at Fisherman’s Landing, in the Port of Gladstone, Queensland (*Gladstone LNG Project*).

- Commencement of ground improvement and earthmoving by Laing O’Rourke Australia Construction Pty Ltd in relation to that part of the Fisherman’s Landing site to accommodate the first LNG train of 1.5 million tonnes per annum (mtpa) production capacity. This work is in readiness for the commencement of LNG train foundation work in early 2010 to maintain schedule to produce first LNG in 2012.
- The lodgement of foundation improvement material at the location of the proposed second LNG train of 1.5 mtpa production capacity. As previously reported, work has commenced on the FEED for the second LNG train in anticipation of potentially securing adequate gas supply in 2010.
- Commencement of the above site activities follows confirmation of Gladstone Ports Corporation’s acceptance of the Quantitative Risk Assessment (*QRA*) for the LNG plant, LNG storage and LNG loading at Fisherman’s Landing. Finalising the *QRA* was a commitment made by the Company as part of the Environmental Impact Statement (*EIS*) Assessment Report issued by the Queensland authorities in April 2012. The *QRA* acceptance and recently reported acceptance of membrane tank technology, for use in the Gladstone LNG Project, are in compliance with two major requirements under the *EIS* Assessment Report, and critical for the Gladstone LNG Project to proceed and meet its target of first LNG in 2012.
- Completion of the front end engineering and design (*FEED*) by SK Engineering & Construction Co., Ltd (*SKEC*) of Korea and Laing O’Rourke Australia Construction Pty Ltd (*LOR*), including confirmation that the estimated capital cost of the Gladstone LNG Project remains in line with the Company’s expectation. *SKEC* and *LOR* will now jointly prepare and submit their engineering, procurement and construction proposal covering final project design, construction and commissioning of the first LNG train.
- Execution of a preliminary agreement with CB&I UK Limited to commence review of the FEED as the Company’s Project Management Consultant. CB&I’s role will be expanded on finalisation of a more fully termed Project Management Consultant Services Contract, which is being negotiated and expected to be executed this month.

Mr Brand, Managing Director & CEO, said “we are extremely pleased with the ongoing progress of the Gladstone LNG Project and that all the pre-construction activities are nearing completion and support the Company’s confidence in its project cost estimate and delivery schedule. The Company remains 100% focussed on delivery of the Gladstone LNG Project and the targeted commencement of construction in early 2010 and first shipment of LNG in late 2012”.

“In addition to finalising all development approvals, the challenge now for the Company is to convert all the Heads of Agreements into definitive and bankable agreements, including with Arrow Energy Limited in relation to the Gas Sales Agreement; Golar LNG Energy and Toyota Tsusho in relation to the LNG Sale and Purchase Agreement and SKEC/LOR in relation to the Engineering, Procurement and Construction Agreement. The recent engagement of CB&I and BNP Paribas will greatly assist the Company to progress all definitive agreements in a timely manner”, he further said.

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