The LNG Limited Business
Gladstone and Our Project
Key Proposition
LNG Limited – An Overview

- Focused on exploiting mid-scale LNG opportunities
- Team of world-class professionals
- OSMR® liquefaction and membrane tank technology with clear competitive advantages
- Gaining long-term access to suitable project sites and associated infrastructure
- Strategic positioning to access gas resources
- Will deliver Gladstone LNG – WHY?
  - CSG available – multiple potential gas suppliers
  - LNG buyers available - multiple possible strategic partners identified
  - Capital costs ~ US$ 300 tpa*, based on 3.5 mtpa
  - Shorter timelines ~ 30 months from FID to First LNG
  - Energy efficiency ~ 30% higher
  - Environmental impact CO₂ ~ 30% lower
- Repeatable business model
  - Australia – three options under consideration
  - PNG – two options under consideration

* Excludes marine costs
LNG Limited – An Overview

<table>
<thead>
<tr>
<th><strong>ASX Code</strong></th>
<th>LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shares on Issue</strong></td>
<td>213 million</td>
</tr>
<tr>
<td><strong>Market Capitalisation</strong></td>
<td>AUD 85 million (at AUD 0.40/share)</td>
</tr>
<tr>
<td><strong>Cash Reserves</strong></td>
<td>AUD 24 million (at 30 May 2010), no debt</td>
</tr>
<tr>
<td><strong>Top 5 Shareholders</strong></td>
<td>33.3% ownership</td>
</tr>
<tr>
<td><strong>Top 50 Shareholders</strong></td>
<td>54.1% ownership</td>
</tr>
</tbody>
</table>
| **Major Shareholders** | Copulos Group (9.2%)  
                          | Arrow Energy Limited (7.5%)  
                          | P W Bridgwood (6.3%)  
                          | F M Brand (6.0%) |
LNG Limited – Our Board and Executive Team

A world-class team with strong capability in development, construction and operation of major energy and LNG projects, and reputation for managing risks and delivering outcomes.

INDUSTRY EXPERIENCE INCLUDES:
- AlintaGas
- British Gas
- Chevron
- China Light & Power Hong Kong
- Commonwealth Bank
- Department of Infrastructure (QLD)
- Gladstone Economic Industrial Development
- GHD
- Golar LNG
- Laing O’Rourke
- Origin Energy
- Ports Corporation of Queensland
- Shell
- Tarong Energy Corporation
- Woodside Petroleum
- Worley Parsons

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phil Harvey</td>
<td>Chairman</td>
</tr>
<tr>
<td>Richard Beresford</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Leeanne Kay Bond</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Maurice Brand</td>
<td>Managing Director &amp; Chief Executive Officer</td>
</tr>
<tr>
<td>Paul Bridgwood</td>
<td>Executive Director &amp; Chief Technology Officer</td>
</tr>
<tr>
<td>Norm Marshall</td>
<td>Executive Director &amp; Chief Financial Officer</td>
</tr>
<tr>
<td>Michael Schaumburg</td>
<td>Project Director &amp; General Manager</td>
</tr>
<tr>
<td>John Drew</td>
<td>General Manager – Operations</td>
</tr>
<tr>
<td>Garry Triglavcanin</td>
<td>Group Commercial Manager</td>
</tr>
<tr>
<td>Lincoln Clark</td>
<td>Group Engineering Manager</td>
</tr>
<tr>
<td>Stephen Ainscough</td>
<td>Development Manager</td>
</tr>
<tr>
<td>Steven Della Mattea</td>
<td>Infrastructure Manager</td>
</tr>
<tr>
<td>David Gardner</td>
<td>Company Secretary</td>
</tr>
</tbody>
</table>
Gas to LNG

CHALLENGING THE CONVENTIONAL

<table>
<thead>
<tr>
<th>LNG Limited Development Strategy</th>
<th>Conventional Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic viability</strong></td>
<td>Requires</td>
</tr>
<tr>
<td></td>
<td>1.5 mtpa for FID</td>
</tr>
<tr>
<td></td>
<td>Requires</td>
</tr>
<tr>
<td></td>
<td>4 – 8 mtpa for FID</td>
</tr>
<tr>
<td><strong>Securing gas supply</strong></td>
<td>Minimum 1.5 tcf</td>
</tr>
<tr>
<td></td>
<td>Minimum 5 tcf</td>
</tr>
<tr>
<td><strong>Accessing LNG markets</strong></td>
<td>Partnerships or direct marketing to users or internal trading</td>
</tr>
<tr>
<td></td>
<td>Short-term contracts possible</td>
</tr>
<tr>
<td></td>
<td>15-25 year contracts required</td>
</tr>
<tr>
<td><strong>Key project characteristics</strong></td>
<td>Established sites</td>
</tr>
<tr>
<td></td>
<td>Low capital cost</td>
</tr>
<tr>
<td></td>
<td>High efficiency</td>
</tr>
<tr>
<td></td>
<td>Low emissions</td>
</tr>
<tr>
<td></td>
<td>Reduced time-to-market</td>
</tr>
<tr>
<td></td>
<td>Green field sites</td>
</tr>
<tr>
<td></td>
<td>High capital cost</td>
</tr>
<tr>
<td></td>
<td>Lower efficiency</td>
</tr>
<tr>
<td></td>
<td>Prolonged development schedule</td>
</tr>
<tr>
<td><strong>Liquefaction technology</strong></td>
<td>Proprietary</td>
</tr>
<tr>
<td></td>
<td>Mid-scale trains</td>
</tr>
<tr>
<td></td>
<td>Licensed</td>
</tr>
<tr>
<td></td>
<td>Large-scale trains</td>
</tr>
<tr>
<td><strong>Storage technology</strong></td>
<td>Membrane or full containment tanks</td>
</tr>
<tr>
<td></td>
<td>Full containment tanks</td>
</tr>
</tbody>
</table>

Shibl
1 Project Location

<table>
<thead>
<tr>
<th>Curtis Island LNG Projects</th>
<th>Project Scale Considered (mtpa)</th>
<th>First LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origin and ConocoPhillips</td>
<td>~16</td>
<td>?</td>
</tr>
<tr>
<td>Santos and Petronas</td>
<td>~10</td>
<td>?</td>
</tr>
<tr>
<td>BG and others</td>
<td>~12</td>
<td>?</td>
</tr>
<tr>
<td>Shell and PetroChina</td>
<td>~16</td>
<td>?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fisherman's Landing LNG Projects</th>
<th>Project Scale Considered (mtpa)</th>
<th>First LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>LNG Limited</td>
<td>~5.25</td>
<td>2013/14</td>
</tr>
</tbody>
</table>

GLADSTONE LNG
Fisherman’s Landing
Advantages of Fisherman’s Landing

- Low complexity, under utilised and well suited to mid-scale LNG plant
- Site is serviced by a natural deepwater harbour with dredging approvals for a larger Targinie Channel in place
- Site is protected and does not require breakwater infrastructure
- Essential infrastructure elements including roads and water are in place
- Potential for expansion
Site Construction at Fisherman’s Landing March 2010
Earthworks and Tank Piling (DSM)
LNG Plant Model
What do we have?

- Agreement to Lease executed
- Superior Site with access to existing infrastructure
- Site area can potentially accommodate 4 trains at 8 mtpa total
- Environment approval received (2x1.5mtpa: OSMR® and membrane tank)
- Stage 1 dredging and disposal approval received
- FEED completed by LNGL/SKEC/LOR and detail design commenced
- Fixed price EPC proposal submitted (low cost)
- Access to OSMR® and membrane tank technology
- Most efficient LNG process by 30% (7% of feedgas used for fuel)
- Lowest capital cost LNG project in Gladstone (~US$300/tpa)
- Fastest project schedule of ~30 months (usually 40+ months)
- Construction started ($50m spent; 5 months of EPC program completed)
Gladstone LNG Project Overview

1. PROJECT LOCATION
   FISHERMAN’S LANDING
   Under utilised site with existing infrastructure well suited to mid-scale LNG plant

2. GAS SUPPLY
   GAS SUPPLY PLAN - ADVANCED

3. LNG OFFTAKE
   POSSIBLE STRATEGIC PARTNERS IDENTIFIED

4. TECHNOLOGY & EPC CONTRACTS
   OSMR* LIQUEFACTION & MEMBRANE TANKS
   SKEC & Laing O’Rourke proposed EPC Contractors

5. PROJECT FINANCING
   Acceptable returns on one train at floor price
   Improved economics with additional trains
2 Gas Supply

**Success requires a reliable long-term supply of affordable gas reserves of the right volume and specification**

- 18,000 PJ* risked forecast 2P reserves uncommitted in Queensland
- Key focus on multiple CSG companies for gas supply of ~4,500PJ
- Gas Supply Plan to involve exploring all gas supply options including
  - Direct or indirect equity interest
  - Joint ventures
  - Farm in
  - Gas sales agreement
- Gas Supply Plan to be supported by strategic partner(s)

*Company internal independent report*
3 LNG Strategic Partner(s)

Success requires long-term sale of high economic value gas to off-takers and contracted end-buyers

- **Essential criteria**
  - Commitment to Gas Supply Plan
  - Financial credibility
  - End buyer with existing or planned import terminal
    - OR
  - Existing LNG portfolio buyer
  - LNG buyer of at least one LNG train
  - Strong understanding of CSG to LNG challenges
  - Understanding of mid scale LNG projects and economic benefits
4a Technology and Project Costs

Mid-scale liquefaction technology is central to LNG Limited’s strategic focus in developing mid-scale LNG projects

<table>
<thead>
<tr>
<th>Technical highlights of LNG Limited Approach</th>
<th>Benefits for LNG Project Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smaller land access requirement</td>
<td>Increases ability to strategically locate LNG projects</td>
</tr>
<tr>
<td></td>
<td>Potential to site closer to gas supply</td>
</tr>
<tr>
<td></td>
<td>Potential to site closer to existing infrastructure such as sheltered deepwater harbours and roads</td>
</tr>
<tr>
<td>Simple and efficient process</td>
<td>Highly efficient</td>
</tr>
<tr>
<td>Using proven liquefaction technology</td>
<td>Low construction cost</td>
</tr>
<tr>
<td>Low equipment count</td>
<td>Easier installation</td>
</tr>
<tr>
<td></td>
<td>Easier operation &amp; maintenance</td>
</tr>
<tr>
<td><strong>OSMR ® Process</strong></td>
<td>Fast shut down and start up</td>
</tr>
<tr>
<td><strong>Developed and owned by LNG Limited</strong></td>
<td>Faster on-site construction</td>
</tr>
<tr>
<td>Use of proven membrane tank technology</td>
<td>Lower construction cost of around 50%</td>
</tr>
<tr>
<td></td>
<td>Faster construction by around 10 months</td>
</tr>
</tbody>
</table>
4b Technology and OSMR® Benefits

OSMR® KEY DESIGN FEATURES

- Simplicity in design, construction and operation
  - Faster build
  - Reduced capital intensity

- Mid-scale
  - Location flexibility
  - Reduced capital requirement

- High efficiency and low emissions
  - Better economics
  - Reduced emissions

Total energy efficiency improvement of 30% over conventional LNG processes results from OSMR® process innovations:

1. Gas turbine inlet air cooling improves plant capacity by 15%

2. Supplementary cold-box cooling improves plant capacity and efficiency by 25%
How is High Efficiency Achieved?

- **USE AERO-DERIVATIVE GAS TURBINES & EFFICIENT COMPRESSORS**
  - Improves fuel efficiency of gas turbine by 25%
  - Standard high efficiency compressors (87% polytropic efficiency)
  - No gear box, no helper motor, single stage (no inter-stage cooler/scrubber)
  - Aero’s already used in Darwin LNG Project in Australia

- **USE COMBINED HEAT AND POWER (CHP) TECHNOLOGY**
  - Recovers GT waste heat so LNG plant heat and power needs are substantially “free”
  - Commonly used in power industry and in gas pipeline compression/power generation

- **USE AMMONIA AUXILIARY REFRIGERATION**
  - Refrigeration power is provided by CHP plant so is substantially “free”
  - Cools GT inlet air to improve GT output by 15%
  - Cools MR and LNG streams to increase production by 25% - substantially “free”
  - Ammonia is a commonly used in industrial and commercial refrigeration
  - Commonly used for direct inlet air cooling of gas turbines in power industry.
Process Risk Mitigation

Numerous reviews completed by industry experts and recognised LNG companies

**General outcome of reviews**

- Process is technically sound and benefits confirmed
- Low technical risk due to integration of proven systems

The OSMR® Process has been reviewed by:

1. Foster Wheeler  
2. CH-IV  
3. CB&I  
4. Shell  
5. SKEC  
6. Worley Parsons

Small scale (proof of concept) LNG plant using ammonia pre-cooling has been operating successfully for 2 years in Karratha WA
Commercial Benefits of LNG Ltd’s Technology and Methodology

LNG Ltd project costs are substantially less (~half) of traditional LNG projects. The following contributes to the savings at Fisherman’s Landing:

- OSMR® LNG process technology
- Membrane tank technology
- Vendors standard specifications and scope
- Fit for purpose specifications (but compliance with international standards)
- Selection of suitable sites with existing infrastructure
- Innovative solutions (eg deep soil mixing for tank foundations)
- Challenging “conventional” methods (eg lift tank roof by crane, not air-lift)
- Modular construction for equipment, systems and piperacks
- Shop pre-fabrication (eg Logstor pre-insulated pipes)
- Use “flexible” EPC contractors
- Collaborative relationship between owner, EPC, vendors and consultants
Commercial Benefits of LNG Ltd’s Technology and Methodology

Project cost breakdown (USD):
- Engineering: $29m
- Procurement: $210m
- Construction: $374m
- Other (incl contingency): $107m

Total EPC (1 train): $720m
Marine Works: $85m
Additional train: $300m
Total cost for 3.5mtpa: $1,105m

Efficiency benefit (2.5% more LNG sales) at $10/MMbtu NPV_{10} $387m

EPC cost index for 3.5mtpa: $300/tpa
Project cost using cascade or other process >$600/tpa >$2,100m

Commercial Benefit at FL alone >$1,400m for 3.5mtpa
Full Containment v Membrane Containment Tanks

FULL CONTAINMENT

- Outer steel roof
- 100% NG atmosphere
- Loose insulation
- Prestressed Concrete Secondary container
- Insulation on Inside of Secondary container
- Base insulation
- Base heating
- Self standing Thick 9 Ni plates (Primary container)
- Corner Protection

MEMBRANE CONTAINMENT

- Outer concrete roof
- Inverted atmosphere
- Load bearing insulation
- Flexible Stainless Steel Membrane
- Prestressed Concrete Secondary container
- Integrated corner protection
- Base heating

(Membrane Containment System)

- Stainless Steel corrugated membrane
- Plywood
- Reinforced polyurethane foam
- Secondary Barrier
- Reinforced polyurethane foam
- Plywood
- Mastic
- Concrete wall covered with a moisture barrier

(Secondary Barrier)

(Insulation)
Membrane LNG Tanks: 68 Installed

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Client</th>
<th>Tank Capacity (m³)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Negishi Tokyo</td>
<td>Gas</td>
<td>10 000 to 200 000</td>
<td>7 in ground</td>
</tr>
<tr>
<td></td>
<td>Sodegaura Tokyo</td>
<td>Gas</td>
<td>60,000 to 140 000</td>
<td>17 in ground</td>
</tr>
<tr>
<td></td>
<td>Ohgishima Tokyo</td>
<td>Gas</td>
<td>60 000 to 200 000</td>
<td>4 in ground</td>
</tr>
<tr>
<td></td>
<td>Hitachi Satellite Station Tokyo Gas</td>
<td></td>
<td>650</td>
<td>1 in ground</td>
</tr>
<tr>
<td>2008</td>
<td>Inchon</td>
<td>Kogas</td>
<td>200 000</td>
<td>2 in ground</td>
</tr>
<tr>
<td>1997-2004</td>
<td>Inchon</td>
<td>Kogas</td>
<td>140 000 to 200 000</td>
<td>8 in ground</td>
</tr>
<tr>
<td>2003</td>
<td>Nagasaki</td>
<td>Saibu Gas</td>
<td>35 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>2003</td>
<td>Ohgishima</td>
<td>Tokyo Gas</td>
<td>200 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>1998</td>
<td>Pyeongtaek</td>
<td>Kogas</td>
<td>100 000</td>
<td>3 above ground</td>
</tr>
<tr>
<td>1997</td>
<td>Sendai</td>
<td>Sendai City Gas</td>
<td>80 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>1996</td>
<td>Negishi II</td>
<td>Tokyo Gas</td>
<td>200 000</td>
<td>2 in ground</td>
</tr>
<tr>
<td>1996</td>
<td>Fukuoka</td>
<td>Saibu Gas</td>
<td>35 000</td>
<td>2 in ground</td>
</tr>
<tr>
<td>1995</td>
<td>Pyeongtaek</td>
<td>Kogas</td>
<td>100 000</td>
<td>3 above ground</td>
</tr>
<tr>
<td>1990</td>
<td>Kaohsiung</td>
<td>CPC</td>
<td>100 000</td>
<td>3 in ground</td>
</tr>
<tr>
<td>1987</td>
<td>Pyeongtaek</td>
<td>Kogas</td>
<td>100 000</td>
<td>4 above ground</td>
</tr>
<tr>
<td>1987</td>
<td>Futtsu</td>
<td>Tokyo Electric Power</td>
<td>90 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>1985</td>
<td>Sodegaura</td>
<td>Tokyo Gas</td>
<td>130 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>1984</td>
<td>Higashi</td>
<td>Tokyo Electric Power</td>
<td>60 000</td>
<td>4 in ground</td>
</tr>
<tr>
<td>1981</td>
<td>Negishi</td>
<td>Tokyo Power</td>
<td>95 000</td>
<td>1 in ground</td>
</tr>
<tr>
<td>1981</td>
<td>Montoir</td>
<td>Gaz de France</td>
<td>120 000</td>
<td>2 above ground</td>
</tr>
</tbody>
</table>
Benefits

- Best solution - All aspects of the plant including gas pre-treatment, liquefaction, storage, utilities, construction techniques etc optimised and integrated. Numerous industry experts (consultants, process licensors, equipment suppliers, contractors, operators etc) engaged to accomplish the best techno-economic solution

- Liquefaction system - single mixed refrigerant composition, flowrate and pressures optimised to match cooling curve and best fit standard available equipment. Proven SMR process used with numerous reference sites

- Efficient process - only ~7% of feedgas used as fuel for the process. Modern high efficiency gas turbines (MR compressors) and CHP plant utilised for utility power

- Simple process – less equipment items required per train compared to alternative processes. This results in low capital and low operating/maintenance costs

- High train availability – parallel compressors (MR and ammonia) used compared to compressors in series for alternative processes

- Fast start-up time – only 24 hours compared to up to 72 hours for alternative processes

- Modular construction technique - minimises site construction/commissioning work, improves quality and reduces costs

- LNG storage tanks – uses membrane tanks and concrete slip form construction technique to minimise construction time (critical path) and reduce costs
5 Project Financing Plan

<table>
<thead>
<tr>
<th>US$720m* Project Capital Cost‡</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$360m Equity (50%)</td>
</tr>
<tr>
<td>US$360m Debt (50%)</td>
</tr>
</tbody>
</table>

- LNG Limited
- Strategic Partners
- Finance to be sourced from
  - Banking Consortium
  - Export Credit Agencies
  - Equipment Suppliers
- Strategic partners provide financial support to LNG Limited
- Acceptable returns on one train at floor price and improved economics with additional trains

*based on exchange rate of A$/US$0.90
‡Excluding port costs
Key Proposition

LNG Limited is in the business of developing high margin mid-scale LNG projects

**Gladstone LNG** remains the company’s strategic focus

Next steps
- Implement gas supply plan
- Secure strategic partners

Current and future projects have strong economics and will be characterised by
  - Lower capital costs
  - Shorter development and construction timelines
  - Higher energy efficiency
  - Lower carbon emissions and lower overall environmental impact

High-calibre project partners and a driven team of experienced professionals will underpin our success

Repeatable formula is underpinned by proprietary engineering, site selection, partner selection, and financing

Project expansion, upstream integration and regional diversification underpin future growth options
Disclaimer

The information in this presentation is not an offer or recommendation to purchase or subscribe for securities in Liquefied Natural Gas Limited (ASX:LNG) or to retain any securities currently being held. This presentation does not take into account the potential and current individual investment objectives or the financial situation of investors.

This presentation was prepared with due care and attention and the information contained herein is 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 reasonable, 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, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

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