



ASX/MEDIA RELEASE

27 August 2014

LIQUEFIED NATURAL GAS LIMITED FINALISES ACQUISITION OF BEAR HEAD LNG PROJECT IN CANADA AHEAD OF SCHEDULE

Highlights

- **LNGL has finalised the acquisition of Bear Head LNG Corporation whose assets include a 255 acre (land and water) industrial-zoned site in Richmond County, Nova Scotia, Canada with all project rights, approvals, LNG tank foundations and significant civil works**
- **LNGL proposes to develop the site for initial 4 mtpa LNG export project with potential for future expansion**
- **LNGL in discussions with gas transmission companies to transport natural gas to Bear Head**
- **LNGL will use the development, technical and engineering work already completed for the Magnolia LNG Project and integrate with the Bear Head project's existing civil works and detailed engineering work**
- **Bear Head project has excellent LNG export opportunities to European markets**
- **Experienced executive team to drive project development to Final Investment Decision**
- **Magnolia LNG Project in USA remains on schedule and budget of US\$2.2 billion and will not be affected by the Bear Head acquisition**

Liquefied Natural Gas Limited (ASX: LNG; OTC ADR: LNGLY) (LNGL or the Company) today announced that it has finalised the acquisition of 100% of Bear Head LNG Corporation (BHLC). This follows the announcement to the ASX by LNGL on 28 July 2014 regarding the signing of an agreement to acquire BHLC from a subsidiary of Anadarko Petroleum Corporation (Anadarko) for US\$11.0 million, and the satisfaction of standard closing conditions and consents.

This acquisition of BHLC is in line with LNGL's strategy of acquiring sites in North America where the Company can replicate its Magnolia LNG Project and fast-track development by using its existing LNGL development team and its OSMR® technology.

Overview of the Bear Head LNG Project

The Bear Head LNG Project is located in Richmond County, Nova Scotia, Canada, and the key assets include:

- **A 255-acre site** comprising industrial-zoned land (180 acres) and deep-water acreage (75 acres) as well as foundations in place for two 180,000 cubic meter LNG tanks. The land has been cleared, a majority of site works completed and roads constructed.
- **The Project Rights** of the previously proposed LNG import terminal, including all assets, rights and obligations associated with the Bear Head project.

LNGL plans to transform Bear Head into a 4 mtpa LNG export facility with potential for future expansion.

LNGL is in discussions with gas transportation companies and owners of gas reserves regarding the supply of natural gas from onshore and offshore Canadian natural gas supply options, and the Marcellus Shale Gas Play in North-Eastern USA, to the Bear Head LNG project site.

Managing Director's Comments

LNGL's Managing Director Maurice Brand stated: "We are very pleased to have finalised the acquisition. This is a significant transaction for LNG Limited and is consistent with our strategic plan to selectively secure sites that meet our criteria and develop a strong North American presence. Importantly, Bear Head LNG will further de-risk the Company's asset base.

"We are particularly keen to secure opportunities where we can either replicate Magnolia LNG or substantially use all the Company's technical, engineering, technology and development expertise. Bear Head fits those criteria with the development plan based on the use of the Company's OSMR® LNG Process Technology which will deliver lower capital costs, improved energy efficiency and a shorter development and construction schedule.

"The Bear Head LNG Project Site has two LNG tank foundations in place with considerable civil works, including roads and culverts, which are advantageous for transforming the site into an LNG export facility.

"Our Executive Team for the Bear Head LNG Project will be led by John Godbold (as the Chief Operating Officer and Project Director) and Ian Salmon (Chief Financial Officer and Chief Commercial Officer) who have considerable operational, commercial and financial experience in the energy sector, particularly LNG. John and Ian will officially commence work on 1 September 2014. We look forward to working with local governments in developing this project that will have significant local economic benefits.

"With the appointment of John and Ian and several other key managers to follow, we are well resourced to progress our second North American LNG export project in a timely manner. Bear Head LNG will share an office in Houston with Magnolia LNG," Mr Brand said.

Mr Brand confirmed that Magnolia LNG was on schedule and budget and the Board of Directors is very pleased with the high calibre execution team that has been established and is satisfied that the acquisition and development of Bear Head will not detract from the Company achieving Financial Close of Magnolia LNG in mid 2015.

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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 wholly owned subsidiary of LNGL, which is developing an 8 million tonne per annum (mtpa) LNG export terminal, in the Port of Lake Charles, Louisiana, US;
- Bear Head LNG Corporation (**Bear Head**), a Canadian based wholly owned subsidiary of LNGL, which is developing a 4 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with further potential for expansion;
- Gladstone LNG Pty Ltd, a wholly owned subsidiary, which is progressing the **Fisherman's Landing LNG (FLLNG) Project** at the Port of Gladstone in Queensland, Australia; and
- LNG Technology Pty Ltd, a wholly owned subsidiary, which owns and develops the Company's **OSMR[®] LNG liquefaction process**, a mid-scale LNG business model that plans to deliver: lower capital operating costs; faster construction; and improved efficiency, relative to larger traditional LNG projects.

Figure 1: Indicative Bear Head LNG Project Timetable

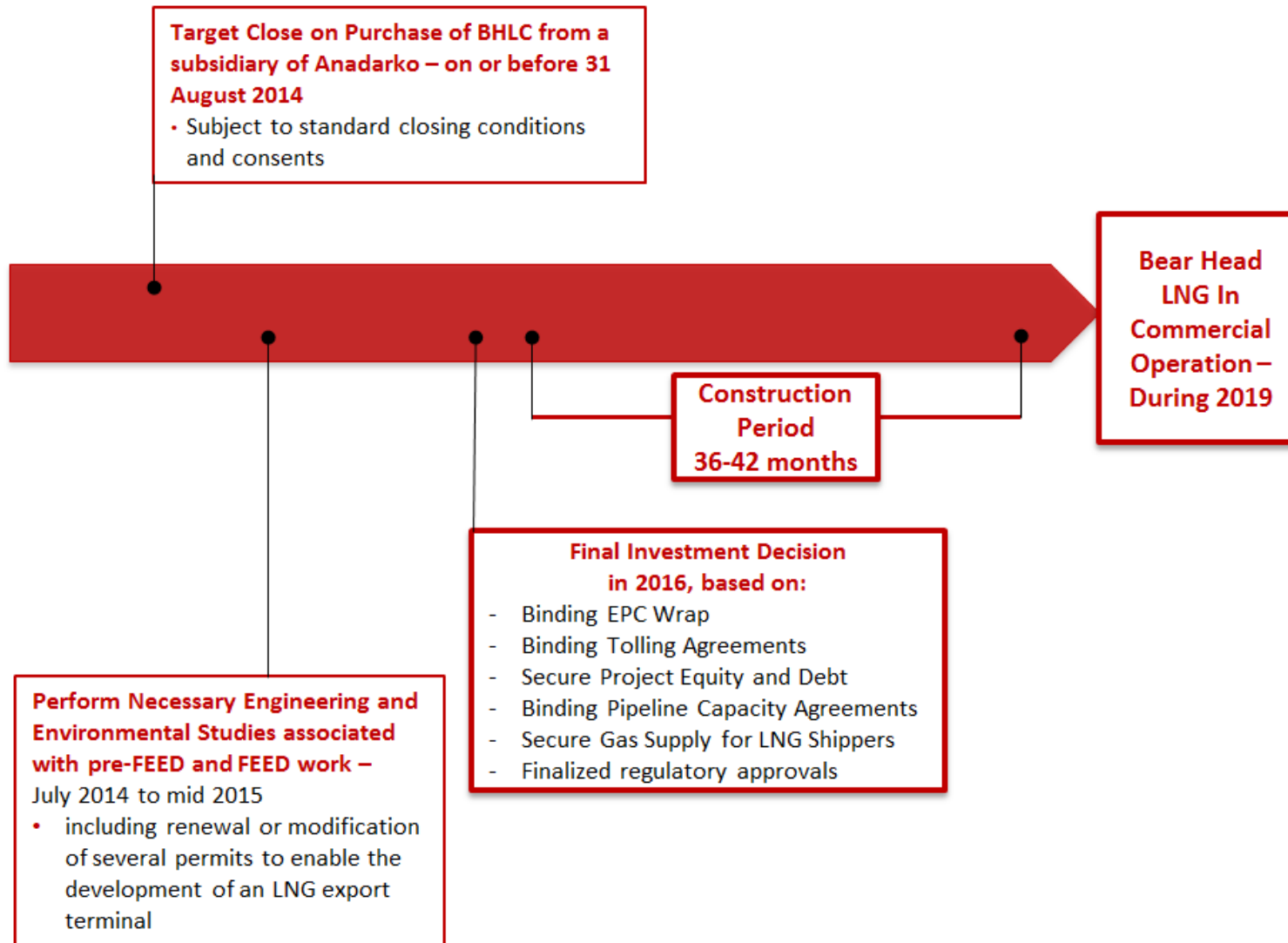


Figure 2: Aerial Views of the Bear Head LNG Project Site, Nova Scotia, Canada



Figure 3: Schematic Site Layout for the proposed Bear Head LNG Export Project, Nova Scotia, Canada

