



ASX/MEDIA RELEASE
23 DECEMBER 2016

MAGNOLIA LNG EPC CONTRACT STATUS UPDATE

Liquefied Natural Gas Limited (**LNGL** or the **Company**) advises that its wholly owned subsidiary, Magnolia LNG, LLC (**Magnolia**) is in the process of agreeing with KSJV (a KBR – SKE&C joint venture led by KBR) to extend the validity period of the current binding engineering, procurement, and construction (**EPC**) contract.

Both LNGL and KSJV are intent to continue their Magnolia LNG relationship through a further extension of the binding lump sum turnkey (**LSTK**) EPC contract. The companies were targeting completion of this extension by December 31, 2016, but considering likelihood of third party information delays during the holiday season, have agreed to an interim extension to the EPC contract through January 31, 2017 as a bridging step to agreement on a longer term extension.

As previously announced on 16 November 2015, Magnolia and KSJV signed a LSTK EPC contract with a cost of US\$4.354 billion for four LNG trains (a total of 8 mtpa or greater) and associated facilities. The original agreement maintained the validity of the LSTK EPC contract price through 30 April 2016. An extension agreement was subsequently announced on 26 April 2016 guaranteeing the LSTK price for an additional eight-month period through December 31, 2016.

LNGL Managing Director and Chief Executive Officer, Greg Vesey stated, “We are pleased to continue to be working closely with KBR-SK E&C as well as other key contractors and suppliers to maintain momentum on the Magnolia LNG project as we finalize LNG offtake agreement efforts. Extension of the lump sum turnkey contract price validity along with the recent receipt of the US Department of Energy (**DOE**) non-FTA export approval helps maintain Magnolia’s standing as the low cost, low risk, construction ready Gulf Coast LNG export project.”

ABOUT MAGNOLIA LNG PROJECT

Magnolia LNG proposes to construct and operate up to four liquefaction production trains, each with a capacity of 2 mtpa or greater using the Company's patented OSMR® LNG process technology. Construction and operation includes two 160,000m³ full containment storage tanks, ship, barge, and truck loading facilities, and supporting infrastructure. The LSTK EPC contract includes all elements of the project necessary to bring the facility into full guaranteed production operations. Magnolia LNG is fully permitted, having received its FERC Order and both FTA and non-FTA approval from the DOE. Final investment decision and initiation of construction is expected upon execution of sufficient offtake agreements to support financing.

ABOUT LIQUEFIED NATURAL GAS LIMITED

LNGL 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 or greater LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation Inc. (**Bear Head LNG**), a Canadian based subsidiary, which is developing an 8 mtpa or greater LNG export terminal in Richmond County, Nova Scotia, Canada;
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**), which is proposing to construct and operate a 62.5 km gas pipeline lateral to connect gas supply to Bear Head LNG;
- Gladstone LNG Pty Ltd, a subsidiary which plans to develop the 3.5 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.

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