



ASX/MEDIA RELEASE

15 June 2011

ASIC RELIEF GRANTED FOR 2004 AND 2005 EMPLOYEE SHARE OPTION PLANS

Liquefied Natural Gas Limited (“**LNG**”) (ASX Code: LNG) refers to its announcements dated 8 October 2010 and 13 May 2011 and its Cleansing Prospectus dated 7 February 2011 in relation to its 2004 and 2005 Employee Share Option Plans (**Plans**).

As explained in those announcements and the Cleansing Prospectus, the Plans did not qualify for the relief set out in ASIC Class Order [CO 03/184] in relation to the issue of shares upon the exercise of options granted under the Plans. As a result, upon the exercise of options under the Plans, LNG has been required to issue “cleansing notices” under section 708A(5) of the Corporations Act 2001 (Cwlth) to ensure that the shares issued are able to be freely sold within 12 months of their date of issue without breaching the secondary trading provisions of the Corporations Act.

As foreshadowed in the Cleansing Prospectus, LNG subsequently applied to ASIC for a modification (analogous to the modification provided by ASIC Class Order [CO 04/671]) to the on-sale provisions of sections 707(3) and (4) of the Corporations Act as they apply to future sales of shares issued upon exercise of options granted under the Plans. ASIC has now agreed to grant the requested relief and a copy of the ASIC instrument is attached to this announcement.

The effect of the instrument is that, subject to the terms of the instrument, LNG is able to issue shares upon exercise of the remaining options under the Plans without having to issue a “cleansing notice” under section 708A(5) of the Corporations Act, and the shares issued will be able to be freely sold within 12 months of their date of issue without breaching the secondary trading provisions of the Corporations Act.

LNG is pleased to advise that this completes the final step in the process undertaken by LNG to regularise the position in relation to the Plans.

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**Australian Securities and Investments Commission
Corporations Act 2001 - Subsection 741(1) – Declaration**

Under subsection 741(1) of the *Corporations Act 2001 (Act)* the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6D of the Act applies to the persons specified in Schedule A, in the case referred to in Schedule B, as if section 707 were modified or varied by omitting subsections (3) and (4) and substituting the following:

- “(3) An offer of a body’s securities for sale within 12 months after their issue needs disclosure to investors under this Part if the body issued the securities:
- (a) without disclosure to investors under this Part; and
 - (b) with the purpose of the person to whom they were issued:
 - (i) selling or transferring them; or
 - (ii) granting, issuing or transferring interests in, or options or warrants over, them;
- and section 708 or 708A does not say otherwise.
- (4) Unless the contrary is proved, a body is taken to issue securities with the purpose referred to in paragraph 3(b) if any of the securities are subsequently sold, or offered for sale, within 12 months after their issue.”.

Schedule A

Each holder of shares in Liquefied Natural Gas Limited (ACN 101 676 779) (*LNG*) who makes an offer for sale of the kind referred to in Schedule B.

Schedule B

An offer for the sale of ordinary shares in LNG (*Shares*) where:

- (a) the Shares were issued by reason of the exercise of options issued or granted:
 - (i) before the date of this instrument;
 - (ii) without disclosure to investors under Part 6D.2 of the Act; and
 - (iii) under an options plan governed by Historical Option Plan Rules at the time of the issue or grant (*Options*);
- (b) the exercise of the Options did not involve any further offer of the Shares; and

- (c) LNG has given a copy of this instrument, together with a statement describing the effect of this instrument, to ASX for release to the financial market operated by ASX.

Interpretation

In this instrument:

ASX means ASX Limited (ACN 008 624 691); and

Historical Option Plan Rules means the following rules applying to a scheme for the issue of options over unissued shares in LNG:

- (a) the 'Option Plan Rules' released on the ASX company announcements platform on 10 September 2004 as pre-quotation disclosure in connection with the admission of LNG to the official list of the financial market operated by ASX; and
- (b) the 'Option Plan Rules' adopted by LNG on 30 November 2005 in accordance with a resolution passed on 23 November 2005 at the annual general meeting of LNG.

Dated this 14th day of June 2011


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Signed by Kim Demarte
as a delegate of the Australian Securities and Investments Commission.