ASX/MEDIA RELEASE

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MAGNOLIA LNG STATUS UPDATE

Highlights:

- The FERC's DEIS comment period expired on 8 September 2015.
- LNGL and KSJV have agreed a schedule to conclude pricing negotiations and subsequent signing of the turnkey EPC contract in the fourth quarter 2015.
- Marketing of binding offtake agreements for 6 mtpa of Magnolia LNG capacity continues with some negotiations advanced.

Federal Energy Regulatory Commission (FERC)

Liquefied Natural Gas Limited (**LNGL** or **Company**) wishes to advise on the outcome of the FERC's Draft Environmental Impact Statement (**DEIS**) comment period for Magnolia LNG. The FERC's DEIS comment period expired on 8 September 2015. The FERC's DEIS public comment process allows interested parties, including agencies, citizens groups, and individuals, to review FERC's extensive environmental analysis and provide feedback to FERC to be incorporated into the final environmental impact statement (**FEIS**), if appropriate.

Several entities submitted letters to FERC stating that after reviewing the DEIS they agree with FERC staff's conclusions and recommendations and have no comment. One substantive comment was received from the National Marine Fisheries Service (**NMFS**) recommending resolution of certain dredging issues in advance of the FEIS. Magnolia LNG is working with FERC, NMFS and the Army Corps of Engineers on this matter and expects to have it resolved promptly. The EPA regional office also offered comments to FERC that are consistent with its comments in other LNG export projects. Magnolia is confident that it can address the EPA's comments to the satisfaction of its obligations under the National Environmental Policy Act.

Engineering, Procurement, and Construction (EPC) contract

The Company wishes to provide an update on the status of Magnolia LNG's EPC contract negotiations with the KBR-SK joint venture (**KSJV**) LNGL and KSJV have agreed a schedule to conclude pricing negotiations and subsequent signing of the turnkey EPC contract in the fourth quarter 2015. KSJV will provide LNGL a fixed-price on the full 8 million tonnes per annum (**mtpa**) project, as well as a 6 mtpa project, providing certainty of pricing for a six-month period from the EPC contract's effective date. The two firm KSJV prices allow LNGL flexibility in its FID decision to match a firm EPC contract price with the outcome of ongoing liquefaction capacity marketing efforts, without further KSJV negotiations during the six-month period. As part of the EPC contract, the KSJV will fully guarantee the LNG production and fuel gas efficiency of each train at the guaranteed production rate of 206 metric tons/hour (1.7 mtpa equivalent) and fuel gas efficiency of 8%, incorporating the OSMR® (optimized single mixed refrigerant) process design provided by LNGL.

Tolling Agreements

The Company wishes to provide an update on the status of Magnolia LNG's marketing efforts for the remaining 6 mtpa of Magnolia LNG offtake capacity.

On 23 July 2015, Magnolia LNG announced a binding offtake agreement with Meridian LNG Holdings Corp for firm LNG production capacity of 1.7 mtpa, with a possible further 0.3 mtpa to be offered at Magnolia LNG's discretion.

Marketing of binding offtake agreements for the remaining 6 mtpa of Magnolia LNG capacity continues with a number of investment-grade, as well as some non-investment grade counterparties. Certain negotiations (with investment-grade counterparties) are advanced and progressing through the internal investment decision authorisation processes attendant to each counterparty. Each of the offtake negotiations are for initial 20-year terms, with some taking the form of a liquefaction tolling agreement and some being LNG sale and purchase agreements. Current negotiated pricing remains at levels supporting previously announced (30 July 2015) EBITDA guidance of $2.50/mmBtu across the full 8 mtpa project.

LNGL will update the market further on terms and conditions of the EPC contract and marketing efforts, respectively, once binding agreements are signed. Any updates will be after 30 September 2015. The Company continues to discuss the provision of equity by Stonepeak Infrastructure Partners and debt arrangement with BNP Paribas in relation to the 8 mtpa Magnolia LNG Project.

ABOUT MAGNOLIA LNG

The Magnolia LNG project is 100% owned by Magnolia LNG LLC, which is a wholly owned subsidiary of LNGL. The project comprises the proposed development of an 8 mtpa LNG project on a 115-acre site, located on an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America. The project is based on development of four LNG production trains of 2 mtpa each using the Company's wholly owned OSMR® LNG process technology.

Feed gas supply will come from the highly-liquid US Gulf Coast gas market via several gas suppliers. Gas supply will be delivered to the site via the Kinder Morgan Louisiana Pipeline (**KMLP**). Magnolia LNG has entered into a 20-year binding pipeline capacity agreement with Kinder Morgan Louisiana Pipeline LLC to deliver gas to the site for the full 8 mtpa of the project.

The Magnolia LNG project has received its FERC issued Schedule of Environmental Review (**SER**), setting November 16, 2015 as the anticipated date for issuance of the project's final environmental impact statement (**FEIS**). The draft environmental impact statement (**DEIS**) was released on 17 July 2015. The SER also establishes a 90-day-post-FEIS decision deadline for all agencies responsible for issuing related federal authorizations.

Magnolia LNG signed a binding agreement with Meridian LNG Holdings Corp for firm capacity rights for up to 2 mtpa on 22 July 2015. Magnolia LNG continues negotiations with a number of other LNG buyers for the purchase of LNG on 20-year terms (with extension options).

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 subsidiary, which is developing an 8 mtpa LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation (**Bear Head**), a Canadian based subsidiary, which is developing an 8 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Gladstone LNG Pty Ltd, a subsidiary which is progressing the 3.8 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 project.

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