



ASX/MEDIA RELEASE

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FERC UPDATE FOR MAGNOLIA LNG PROJECT

Liquefied Natural Gas Limited (ASX: LNG; OTC ADR: LNGLY) (“**LNG**” or the “**Company**”) announces that its 100% subsidiary, Magnolia LNG achieved two significant milestones this past week in progressing its pending application with the Federal Energy Regulatory Commission (“**FERC**”) for its proposed 8 mtpa LNG export project located in Lake Charles, Louisiana, USA:

- The US Coast Guard (“**USCG**”) has issued a Letter of Recommendation dated September 15, 2014, approving the Project’s Waterway Suitability Assessment. Since July 2013, the Project Team has worked closely with the USCG, the Lake Charles Pilots Association, the Lake Charles Harbor Safety Committee, key stakeholders along the Calcasieu Channel and local emergency response organizations, to assess and address all of the marine safety and security issues associated with the proposed vessel transit. With this approval, the USCG has assessed Magnolia LNG’s proposed marine traffic along the Calcasieu Channel and has determined that this waterway is “suitable for accommodating the type and frequency of LNG marine traffic associated with the project”; and
- The Department of Transportation’s (“**DOT**”) Pipeline and Hazardous Materials Safety Administration (“**PHMSA**”) has issued a Letter of No Objection to FERC dated September 17, 2014, approving the Project’s design spill methodology. Since filing its application on April 30, 2014, the Project Team has worked closely with DOT PHMSA during their review of the Project’s design spill methodology. This is a significant milestone for Project as it allows FERC to move closer to finalizing its review of the Project’s safety and engineering design.

In order for it to issue a Notice of Schedule for Environmental Review and the Draft Environmental Impact Statement for the Project, FERC requires these inter-agency approvals. Magnolia is confident that with these developments it is moving substantially closer to the issuance of an environmental review schedule and ultimately a draft environmental impact statement and looks forward to cooperating with FERC to achieve additional milestones.

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