



LIQUEFIED NATURAL GAS LIMITED

19 JUNE 2014

APPENDIX 3B - CLARIFICATION

Liquefied Natural Gas Limited (**Company**) has revised its latest Appendix 3B – Annexure 1 (attached) to reflect recent issues of securities. The revised Annexure 1 shows the Company's current available capacity to issue securities under ASX Listing Rules 7.1 and 7.1A.

It should be noted that following the completion of the recent placement of securities, the Company is fully funded to develop the Magnolia LNG Project.

It should also be noted that 160,000 securities allotted on 17 June 2014, were issued under "Exception 4" of ASX Listing Rule 7.2.

As at the date of this letter, the Company has 446,439,015 securities on issue.

A handwritten signature in black ink, appearing to read 'DMG', is positioned above the typed name of the Company Secretary.

David Michael Gardner
Company Secretary
Liquefied Natural Gas Limited

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital																															
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated																															
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	267,699,015																														
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">7/8/2013</td> <td style="padding-right: 10px;">40,000,000</td> <td>Placement</td> </tr> <tr> <td>9/9/2013</td> <td>3,130,000</td> <td>Share Purchase Plan</td> </tr> <tr> <td>30/4/2014</td> <td>150,000</td> <td>Exercise of Options</td> </tr> </table> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">20/5/2014</td> <td style="padding-right: 10px;">20,000</td> <td>Exercise of Options</td> </tr> <tr> <td>22/5/2014</td> <td>50,000</td> <td>Exercise of Options</td> </tr> <tr> <td>29/5/2014</td> <td>100,000</td> <td>Exercise of Options</td> </tr> </table> • Number of partly paid +ordinary securities that became fully paid in that 12 month period <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">6/06/2014</td> <td style="padding-right: 10px;">80,000</td> <td>Exercise of Options</td> </tr> <tr> <td>13/6/2014</td> <td>50,000</td> <td>Exercise of Options</td> </tr> <tr> <td>17/6/2014</td> <td>160,000</td> <td>Exercise of Options</td> </tr> <tr> <td>18/6/2014</td> <td>58,792,746</td> <td>Placement</td> </tr> </table> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	7/8/2013	40,000,000	Placement	9/9/2013	3,130,000	Share Purchase Plan	30/4/2014	150,000	Exercise of Options	20/5/2014	20,000	Exercise of Options	22/5/2014	50,000	Exercise of Options	29/5/2014	100,000	Exercise of Options	6/06/2014	80,000	Exercise of Options	13/6/2014	50,000	Exercise of Options	17/6/2014	160,000	Exercise of Options	18/6/2014	58,792,746	Placement	
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18/6/2014	58,792,746	Placement																													
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0																														
“A”	370,231,761																														

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”									
“B”	0.15 <i>[Note: this value cannot be changed]</i>								
Multiply “A” by 0.15	55,534,764								
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used									
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table> <tr> <td>19/12/2013</td> <td>35,000,000 shares</td> </tr> <tr> <td>15/01/2014</td> <td>1,500,000 options</td> </tr> <tr> <td>20/03/2014</td> <td>10,000,000 shares</td> </tr> <tr> <td>13/05/2014</td> <td>124,352 shares</td> </tr> </table>	19/12/2013	35,000,000 shares	15/01/2014	1,500,000 options	20/03/2014	10,000,000 shares	13/05/2014	124,352 shares
19/12/2013	35,000,000 shares								
15/01/2014	1,500,000 options								
20/03/2014	10,000,000 shares								
13/05/2014	124,352 shares								
“C”	46,624,352								
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1									
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	55,534,764								
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	46,624,352								
Total [“A” x 0.15] – “C”	8,910,412 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>								

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	370,231,761
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	37,023,176
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	13/05/2014 31,082,902 shares
“E”	31,082,902

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A

<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>37,023,176</p>
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>31,082,902</p>
<p>Total ["A" x 0.10] – "E"</p>	<p>5,940,274</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>