



ASX/MEDIA RELEASE
14 APRIL 2014

MAGNOLIA LNG PROJECT

TECHNICAL SERVICES AGREEMENT SIGNED WITH SKEC GROUP

Liquefied Natural Gas Limited (the **Company**) is pleased to advise that Magnolia LNG, LCC (**MLNG**), its 100% owned subsidiary, has executed a Technical Services Agreement (**TS Agreement**) with SK E&C USA, Inc, a wholly owned subsidiary of SK Engineering and Construction Co. Ltd., of Korea (**SKEC Group**).

The TS Agreement relates to the ongoing engineering, procurement and construction (**EPC**) activities for MLNG's planned 8 million tonne per annum (**mtpa**) Magnolia LNG Project, in Lake Charles, Louisiana, United States (**Magnolia LNG Project**).

Under the TS Agreement the SKEC Group will, amongst other things:

- Continue to review all the pre-front end engineering design (**FEED**) information and data included in the preliminary Resource Reports submitted to the Federal Energy Regulatory Commission (**FERC**).
- Assist MLNG to complete the final Resource Reports as part of MLNG's filing application to FERC, which is targeted for submission by the end of April 2014.
- Complete the FEED for the Magnolia LNG Project including gas pre-treatment facilities, 4 LNG trains (each with nominal LNG production capacity of 2 mtpa), 2 x 160,000m³ full containment storage tanks, jetty and ship loader facilities and all related infrastructure and services. Refer to the attached Magnolia LNG Project layout.
- Prepare a detailed lump sum turn-key (**LSTK**) EPC cost estimate on an open book basis by 28 November 2014.
- Negotiate and agree with MLNG a detailed LSTK EPC Contract "Term Sheet", which is targeted for completion by 30 June 2014.
- Negotiate and agree a definitive and binding LSTK EPC Contract based on the Term Sheet.

The SKEC Group has for some time been progressing several of the above activities under a shorter term Letter of Engagement, which is now superseded by the TS Agreement.

In addition, the SKEC Group has already completed a satisfactory detailed review of the Company's OSMR[®] process technology, which will be employed in the Magnolia LNG Project, and provided the Company with an initial estimated EPC cost of US\$1.57 billion, which was consistent with the Company's budget estimate, including appropriate contingencies.

The Company's Managing Director, Mr Maurice Brand, said that the EPC activities remained on schedule with the SKEC Group and will be managed going forward by the recently appointed Chief Operating Officer, Mr John Baguley, who will commence on the 1 May 2014.

"We also remain on schedule to lodge our application for Filing with the Federal Energy Regulatory Commissions (FERC) on the 30 April 2014," said Mr Brand.

Liquefied Natural Gas Limited
Ground Floor, 5 Ord Street, West Perth WA 6005
Telephone: (08) 9366 3700 **Facsimile:** (08) 9366 3799
Email: LNG@LNGLimited.com.au
Web site: www.LNGLimited.com.au

MAGNOLIA LNG PROJECT LAYOUT – SUBJECT TO FINAL APPROVAL
(Existing Kinder Morgan Louisiana Gas Pipeline shown directly traversing the Project Site)

