



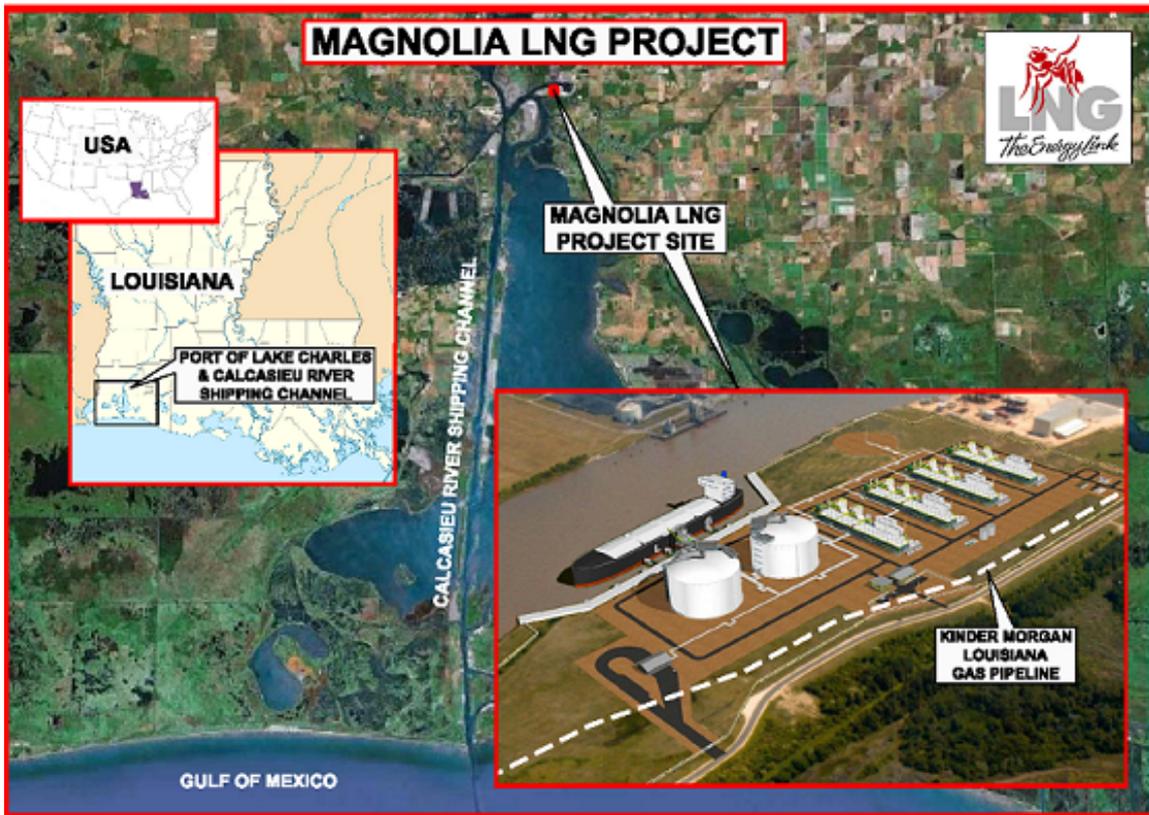
## ASX/MEDIA RELEASE

9 JANUARY 2014

### MAGNOLIA LNG PROJECT UPDATE

The Directors of Liquefied Natural Gas Limited (**Company**) wish to provide a general update on the development progress of its wholly owned 8 million tonnes per annum (**mtpa**) Magnolia LNG Project (**MLNG Project**), in Louisiana, United States of America (**US**). The MLNG Project is held through the Company's indirect 100% owned US subsidiary, Magnolia LNG, LLC (**MLNG**) and is being designed to comprise four LNG trains, each of 2 mtpa nominal (1.7 mtpa firm) LNG production capacity.

- Attached is a copy of the December 2013 Monthly Progress Report, submitted to the US Federal Energy Regulatory Commission (**FERC**), as required under the FERC regulations. MLNG remains on schedule to submit its application to FERC for the granting by FERC of full filing status in March/April 2014.
- As announced on 13 December 2013, the Company completed a \$10.85 million equity capital raising to progress the MLNG Project. The Company is now well funded to continue to progress all permits and environmental approvals required by FERC and all key commercial agreements during the 2014 calendar year.
- Negotiations are continuing with a number of other parties to secure tolling arrangements for the MLNG Project's remaining LNG production capacity.
- MLNG is in the advanced stage of:
  - selecting its preferred engineering, procurement and construction contractor; and
  - agreeing the terms of a definitive Precedent Agreement for the transportation of gas to the MLNG Project. Responsibility for the supply and transportation of gas will be assumed by the tolling parties on the execution of definitive Tolling Agreement.
- MLNG is on track to open its local project office in Lake Charles, Louisiana in January 2014 after planned tenant improvements are completed.



For further information contact:

Mr Maurice Brand  
Managing Director & Joint Chief Executive Officer

Mr David Gardner  
Company Secretary

**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](mailto:LNG@LNGLimited.com.au)  
Website: [www.LNGLimited.com.au](http://www.LNGLimited.com.au)



## **Introduction**

By letter order dated March 20, 2013, Magnolia LNG, LLC, LLC ("Magnolia LNG") was granted approval by the Director of the Office of Energy Projects of the Federal Energy Regulatory Commission ("FERC" or "Commission") to utilize the Commission's Pre-Filing review process for the proposed Magnolia LNG Project ("Project"). The Commission's Pre-Filing review of the Project has been assigned Docket No. PF 13-09-000.

The proposed Magnolia LNG Project includes an 8 million tonne per annum ("mtpa") liquefied natural gas ("LNG") facility in the Port of Lake Charles, Louisiana, that will receive natural gas sourced from North America via an existing pipeline and liquefy, store, and deliver it as needed to LNG carriers for export overseas; LNG carriers and barges for domestic marine distribution and the possibility of LNG bunkering; and LNG trucks for road distribution to LNG refueling stations in Louisiana and the surrounding states. The Project will include four 2-mtpa LNG trains.

This Monthly Progress Report, which covers the period from December 1, 2013, through December 31, 2013, provides a brief summary of significant Project activities or changes in Project information that have occurred during the reporting period.

## **Filings with the Commission**

Two supplements to Resource Report 13 were filed with FERC on December 12, 2013 and December 13, 2013.

## **Agency Contacts**

The following agency contacts were held during the reporting period:

- A monthly conference call was held with FERC staff and consultants on December 19, 2013, to review current status of the project and for FERC to provide its initial comments on the draft Resource Reports which were submitted in November 2013.
- Submission of the draft air emissions protocol to the Louisiana Department of Environmental Quality ("LDEQ") on December 9, 2013.
- Submission of the draft Follow-On Waterway Suitability Assessment to the US Coast Guard on December 12, 2013.



## **Engineering**

The following engineering work was performed during the reporting period:

- Preparation of the information that was included in the supplemental filings for Resource Report 13 to FERC on December 12 and 13, 2013.

## **Environmental**

The following environmental work was performed during the reporting period:

- Preparation and submission of the draft air modeling protocol to the LDEQ on December 9, 2013.

## **Scope Update**

There are currently no changes to the Project scope.

## **Stakeholder Activities**

The following Stakeholder meetings have been held during the reporting period:

- Attended the Waterway Suitability Assessment workshop on December 10, 2013, for the G2X Energy Gas-to-Liquids project to be located across the Industrial Canal in the Port of Lake Charles from the Magnolia LNG project.
- Attended the Fusion Five (a Lake Charles young professionals group) meeting on December 11, 2013, and presented an overview of the Magnolia LNG project to the group and answered their questions.
- Presented an overview of the Magnolia LNG project to the Sulphur Kiwanis Club on December 11, 2013, and the Calcasieu Kiwanis Club on December 12, 2013. Both presentations were attended by local reporters, who reported highlights of the Project to the local communities through the local newspapers in the days following these meetings.
- Met with Ryan Bourriaque, Assistant Administrator for the Cameron Parish Police Jury, on December 11, 2013, and presented an overview of the Magnolia LNG project and discussed impacts/opportunities for the Cameron Parish.



- Met with Grant Bush, Executive Director of the Imperial Calcasieu Planning Commission (“IMCAL”), and IMCAL staff on December 12, 2013, to provide update on the Magnolia LNG Project and discuss a recent traffic assessment prepared for the Project. Also in attendance were members of the Port of Lake Charles, Lake Charles’ Mayor’s Office, Southwest Louisiana Economic Development Alliance and the Calcasieu Parish Police Jury Planning Commission.

#### **Schedule Update**

No changes were made in the Project schedule during the reporting period.