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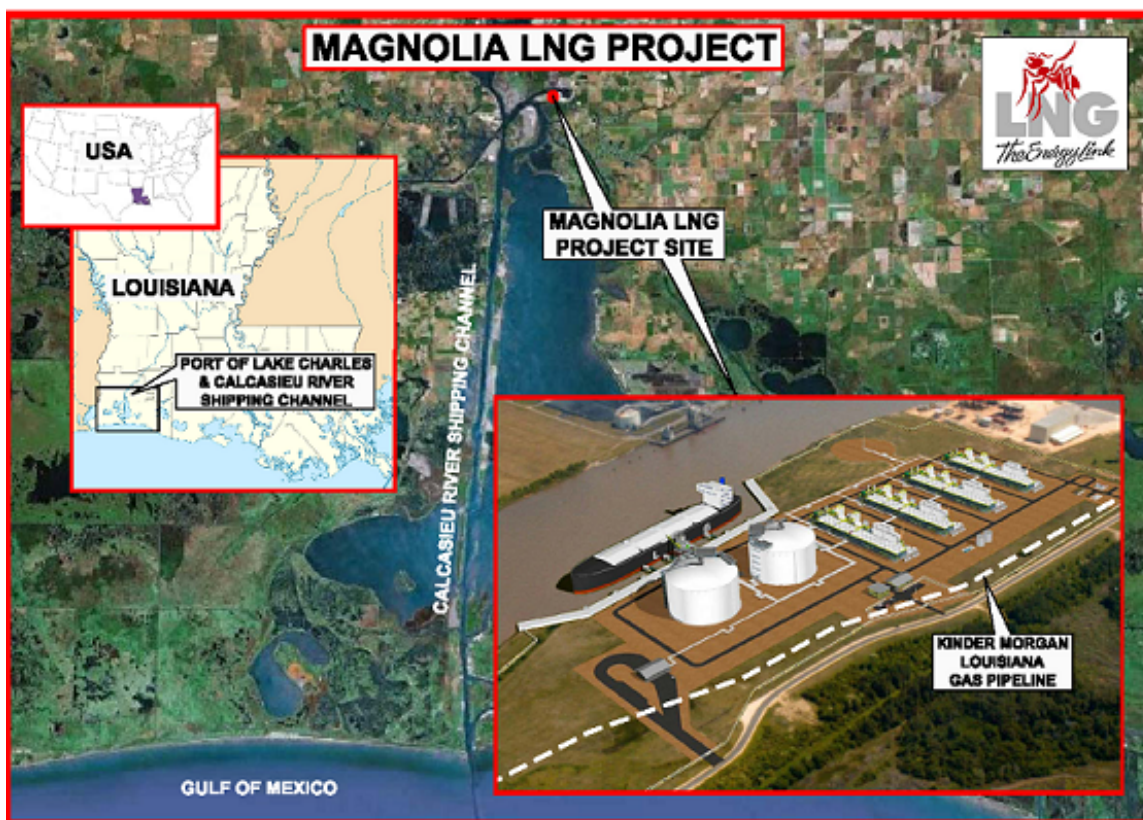
16 DECEMBER 2013

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.

- Draft Resource Reports 1-13 were filed electronically with the US Federal Energy Regulatory Commission (**FERC**) in November 2013. The 13 reports are:
 - Resource Report 1 – General Project Description;
 - Resource Report 2 –Water Use and Quality;
 - Resource Report 3 – Fish, Wildlife and Vegetation;
 - Resource Report 4 – Cultural Resources;
 - Resource Report 5 –Socioeconomics;
 - Resource Report 6 –Geological Resources;
 - Resource Report 7 –Soils;
 - Resource Report 8 –Land Use, Recreation and Aesthetics;
 - Resource Report 9 –Air and Noise Quality;
 - Resource Report 10 –Alternatives;
 - Resource Report 11 –Reliability and Safety;
 - Resource Report 12 –PCB Contamination; and
 - Resource Report 13 –Engineering and Design Material.
- Attached is a copy of the November 2013 Monthly Progress Report, submitted to FERC, as required under the FERC regulations.
- As announced on 26 November 2013, the Company has signed a Tolling Term Sheet with LNG Holdings Corp. The Term Sheet provides for a proposed 20 year Tolling Agreement, covering firm LNG production capacity of 1.7 mtpa. Under the proposed Tolling Agreement, LNG Holdings will be responsible for delivery of gas to the MLNG Project for liquefaction, storage, and delivery onto LNG ships arranged or designated by LNG Holdings. In consideration of MLNG's provision of the tolling services, LNG Holdings will pay to MLNG a fixed monthly capacity fee, over the 20 year tolling term, and other fees in relation to the MLNG Project's fixed and variable operating and maintenance costs.
- Based on the terms of an existing Tolling Term Sheet and Tolling Heads of Agreement, MLNG has now issued draft definitive Tolling Agreements to Brightshore Overseas Ltd (a member of the Gunvor Group), for firm LNG production capacity of 1.7 mtpa and Gas Natural SDG S.A (a member of the Gas Natural Fenosa Group), for firm LNG production capacity of up to 1.7 mtpa.
- Negotiations are continuing with a number of other parties to secure tolling arrangements for the MLNG Project's remaining LNG production capacity.

- On the 13 December 2013, the Company announced MLNG's appointment of BNP Paribas as Project Finance Advisor.
- MLNG is in the finals stages 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;
- Following the October 2013, execution of a definitive Equity Commitment Agreement, between MLNG and Stonepeak Partners LP (**Stonepeak**), Trent Vichie, Managing Director and Co-Founder of Stonepeak has joined the Board of MLNG. The parties are now working closely together on all aspects of the MLNG Project, to a targeted financial close in the first half of 2015.
- MLNG is on track to open its local project office in Lake Charles Louisiana in January 2014 after planned tenant improvements are completed.



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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 November 1, 2013, through November 30, 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

Draft Resource Reports 1-13 were filed electronically with FERC on Wednesday, November 27, 2013. Hardcopy printed copies and CDs containing the draft Resource Reports will be delivered to FERC during early December 2013.

Agency Contacts

The following agency contacts were held during the reporting period:

- A monthly conference call was held with FERC staff on November 14, 2013, to review current status of the project.

Magnolia LNG received the following:

- An email response dated November 1, 2013, from the Frazier Library at McNeese State University stating that it is not aware of any historic or cultural properties that will be affected by the Project.



Engineering

The following engineering work was performed during the reporting period:

- Tolunay-Wong completed a Phase II Geologic Fault Study for the Magnolia LNG Project site,
- Fugro finalized its seismic and geotechnical reports,
- Matrix PDM finalized its LNG storage tank design package,
- Moffat & Nichol finalized its marine facilities design package,
- LNG Ltd. finalized the liquefaction process and utility design,
- CH-IV completed the hazard detection and mitigation design, and
- The draft of Resource Report 11 and Resource Report 13 were compiled and submitted to FERC.

Environmental

The following environmental work was performed during the reporting period:

- Finalized draft Resource Reports 1 through 10 and Resource Report 12 and submitted to FERC.

Scope Update

There are currently no changes to the Project scope.

Stakeholder Activities

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

- None this period.

Schedule Update

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