



LIQUEFIED NATURAL GAS LIMITED

ASX/MEDIA RELEASE

7 AUGUST 2013

ISSUE OF PLACEMENT SHARES - CLEANSING NOTICE

Notice under Section 708A of the Corporations Act 2001 (Cth)

Liquefied Natural Gas Limited (**Company**) has issued 40,000,000 fully paid ordinary shares in the Company (**Share**) to institutional and sophisticated investors, as outlined in the Company's announcement on 31 July 2013.

As required by section 708A(6) of the Corporations Act 2001 (Cth) (**the Act**), the Company notifies ASX that:

- a) The Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- b) This notice is being given under section 708A(5)(e) of the Act;
- c) As at the date of this notice, the Company has complied with:
 - i. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - ii. section 674 of the Act; and
- d) As at the date of this notice, investors should note the following excluded information (within the meanings of section 708A(7) and 708A(8) of the Act:

HEADS OF AGREEMENT with GAS NATURAL SDG, SA for up to 2 MTPA from MAGNOLIA LNG

The Company has signed a non-binding Tolling Heads of Agreement (**HOA**) with Gas Natural SDG, S.A. (**GNF**), part of the Gas Natural Fenosa Group (www.gasnaturalfenosa.com), in relation to the Company's 100% owned Magnolia LNG Project, in Louisiana, USA (**MLNG Project**). The term of the HOA is to 30 June 2014 and, under the provisions of the HOA, GNF will now undertake detailed due diligence of the MLNG Project and the Company will prepare the first draft of the proposed definitive Tolling Agreement (by no later than 31 October 2013). The Tolling Agreement will be between GNF and the Company's wholly owned project company, Magnolia LNG, LLC (**MLNG**).

The HOA provides for a proposed 20 year Tolling Agreement, including firm LNG production capacity of up to 1.7 million tonnes per annum and additional interruptible capacity.

Under the proposed Tolling Agreement GNF will be responsible for delivery of gas, including gas usage for the LNG plant, at its own expense, to the MLNG Project for liquefaction, storage, and delivery onto LNG ships arranged or designated by GNF. In consideration of MLNG's provision of the tolling services, GNF 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.

The Company is bound by a Confidentiality Agreement with GNF and has not been required to previously disclose the signing of the HOA, under its continuous disclosure obligations. In this regard, the Company

has relied on the disclosure exceptions afforded by ASX Listing Rule 3.1A (which exceptions do not apply to a Cleansing Notice, as prescribed by section 708A of the Act).

GNF is a leading multinational group in the energy sector, pioneering in gas and electricity integration. It currently has a presence in more than 25 countries, across 5 continents, where it offers services to more than 20 million customers. GNF has 16 gigawatts of installed power and a diversified mix of electricity generation plants. GNF is the largest integrated gas and electricity company in Spain and Latin America, leading the natural gas sales market in the Iberian Peninsula, and is the major distributor of natural gas in Latin America.

GNF has a natural gas and LNG supply portfolio of around 30 billion cubic metres and a fleet of 10 LNG tankers (7 belonging to GNF, 2 to Unión Fenosa Gas and 2 jointly owned by Repsol, run by Repsol Gas Natural LNG), making GNF one of the major global LNG operators in the Atlantic basin and the Mediterranean.

GNF has stakes in three regasification plants (Reganosa-A Coruña, Saggas-Valencia and Puerto Rico) and in two liquefaction plants (Damietta-Egypt and Oman), and has a regasification terminal project in Italy, Trieste-Zaule, which is currently in the process of obtaining all required licenses.

GNF is also a foundation LNG buyer of the Cheniere Partners, Sabine Pass LNG Export Project (www.cheniereenergypartners.com), also located in Louisiana, USA. The project comprises up to four LNG trains, providing planned aggregate LNG production capacity of approximately 18 mtpa, with construction of the initial two LNG trains having already commenced. As a result, GNF has a very close involvement and understanding of the USA LNG industry.



David Michael Gardner
Company Secretary

Liquefied Natural Gas Limited

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