



ASX/MEDIA RELEASE

22 NOVEMBER 2010

MR PHILLIP HARVEY CHAIRMAN 2010 ANNUAL GENERAL MEETING

Shareholders,

As you are aware, I am stepping down as Chairman at the conclusion of today's meeting. I recently wrote to all shareholders, in a letter that was included with the notice for this AGM, to advise that I would be stepping down, and to briefly review where the Company is at, at the present time.

I want to take just a few minutes now, to reflect on some of the issues I touched on in my letter.

In moving forward today, the Company has two core objectives.

The first is to successfully conclude negotiations with parties that are now examining in detail, under appropriate confidentiality agreements, the Company's proprietary LNG technology process, which we call OSMR. The Company's objective is that these parties will become strategic partners in the global marketing of OSMR, and make it the LNG process technology of choice for other companies around the world. Ongoing peer reviews have confirmed the technical, commercial and environmental benefits of using OSMR, when compared with existing LNG process technologies.

Secondly, these parties, together with other potential gas suppliers, are also considering becoming strategic partners in the Company's LNG Project in Gladstone. Termination of the gas supply proposed with Arrow Energy Limited, due to its takeover by Shell, caused the Company to immediately suspend construction of our Gladstone LNG project. Whilst this was clearly a cause of significant disappointment and frustration this year, the Company has not stood still. It is currently in ongoing discussions with gas supply companies, investors and LNG buyers.

We remain confident of a successful outcome to these negotiations, and believe the Company will achieve its core objectives.

During the year, the Board took the view that it needed to be more active in accessing gas resources for its potential LNG plants. This has initially taken the form of securing a substantial shareholding in Metgasco Limited, which has leases over a large gas resource in northern NSW and, in our view, the potential to supply gas to our Gladstone site.

The Company has also secured a substantial shareholding in Oil Basins Ltd (OBL). Whilst that company is very much in the exploration stage of its gas development, our Company considers that OBL has access to some prospective oil and gas permits that have the potential to supply gas for a LNG Project in the Kimberley.

In my letter to shareholders on the 19 October, I set out some of the Company's achievements during the eight years of my Chairmanship. During that time, the Company:

- raised over \$90 million, during a period which at times was marked by significant global financial uncertainty;
- increased its number of shareholders from 4 to 7,128;
- received widespread acceptance of the Company's OSMR LNG technology process and,
- secured an excellent site, in the Port of Gladstone, for the proposed LNG Project. It has also procured environmental and other key approvals for the site, and completed some early site works in preparation for moving into full construction.

During the eight year period, I have shared with shareholders the highs and lows – and the frustrations - that often accompany the development of a major new project.

Importantly, and I say this not only as Chairman but also as a significant shareholder, the Company has laid the foundations to enable it to proceed quickly to development of the Gladstone "Fisherman's Landing" LNG Project after securing a new gas supply.

I am confident that the abundance of gas reserves and resources in Eastern Australia will soon lead to a suitable gas supply arrangement, and development of a project of which the Company will be proud.

I am also pleased that the directors have elected Richard Beresford as the Company's new Chairman. Richard has been a director of the Company since 2004. I know he will provide strong and positive leadership as the Company continues the implementation phase of its business model, and I wish him all the best for the future as your Company Chairman.

Finally, I take this opportunity to thank the Company's management and my fellow directors and shareholders for all their support and assistance during my tenure as Chairman. I leave the Company in very good hands. LNG's greatest asset is its people, and the experience they have built up over time. Maurice, Richard, Norm, Paul and Leanne are first class business people, and it has been a great pleasure for me to have had the opportunity to work closely with them.

I will now to move to the formal part of the meeting.

Once that is concluded, your Managing Director Maurice Brand, will provide a more informal discussion of the Company's activities and at which time we will be pleased to address any questions that you may have.

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