

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Liquefied Natural Gas Limited

ABN

19 101 676 779

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Performance rights to acquire fully paid ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Tranche 1 – 6,604,737<br>Tranche 2 – 1,200,206<br>Total 7,804,943  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Performance rights issued on terms summarised in 2013 Notice of Annual General Meeting released to ASX on 25 October 2013. No exercise price or other amount is payable on vesting of performance rights.<br><br>In order for any performance rights to vest, the total shareholder return (TSR) of the Company over the measurement period must be greater than nil. There are also separate performance conditions that relate to two separate tranches of performance rights, as described below. |

+ See chapter 19 for defined terms.

### Tranche 1

Tranche 1 performance rights have a measurement period from 1/1/2014 to 30/6/2016. In respect of Tranche 1:

- **4,403,158** performance rights will vest if the Company's TSR is greater than 150% of the TSR of the All Ordinaries Accumulation Index (with full vesting achieved at 300%) during the measurement period; and
- **2,201,579** performance rights will vest if the Board, in its reasonable opinion, assesses that 'financial close' in relation to the financing of the Magnolia LNG Project (or another project of equivalent value to the Company) has been achieved during the measurement period.

### Tranche 2

Tranche 2 performance rights have a measurement period from 1/7/2014 to 30/6/2017. In respect of Tranche 2:

- **800,137** performance rights will vest if the Company's TSR is greater than 100% of the TSR of the All Ordinaries Accumulation Index (with full vesting achieved at 200%) during the measurement period; and
- **400,069** performance rights will vest if the Board, in its reasonable opinion, assesses that 'financial close' in relation to the financing of the Magnolia LNG Project (or another project of equivalent value to the Company) has been achieved during the measurement period.

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The performance rights are not listed and do not carry a right to vote, receive dividends or generally participate in other corporate actions.</p> <p>Ordinary shares allocated upon vesting of performance rights will rank equally with all existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>7,804,943 unlisted performance rights were issued under the Company's Incentive Rights Plan to 11 staff and executives as long term incentives in accordance with the Company's remuneration policy.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>25 November 2013</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	7,804,943 unlisted performance rights were issued pursuant to ASX Listing Rule 7.2 Exception 9(b) under the Company's Incentive Rights Plan following Shareholder approval of the Incentive Rights Plan at the Company's annual general meeting on 25 November 2013.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	7 November 2014

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+ See chapter 19 for defined terms.

8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		461,923,201	Fully Paid Ordinary Shares
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	Number	<sup>+</sup> Class
		7,804,943	Performance Rights
		3,739,000	Options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Performance Rights do not carry rights to dividends.	

## Part 2 - Pro rata issue

11	Is security holder approval required?	Part 2 not applicable.
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the <sup>+</sup> securities will be offered	
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	
15	<sup>+</sup> Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

<sup>+</sup> See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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- 18 Names of countries in which the entity has security holders who will not be sent new offer documents
- Note: Security holders must be told how their entitlements are to be dealt with.
- Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)

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+ See chapter 19 for defined terms.

- |    |   |  |
|----|---|--|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                            |  |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? |  |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?                    |  |
| 33 | +Issue date   |  |

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of +securities  
(tick one)
- (a)  +Securities described in Part 1
- (b)  All other +securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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+ See chapter 19 for defined terms.



**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



David Gardner,  
Company Secretary

Date: 7 November 2014

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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>																												
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>																												
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	310,829,015																											
<b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2               <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">30/4/2014</td> <td style="padding-right: 10px;">150,000</td> <td>Exercise of Options</td> </tr> <tr> <td>20/5/2014</td> <td>20,000</td> <td>Exercise of Options</td> </tr> <tr> <td>22/5/2014</td> <td>50,000</td> <td>Exercise of Options</td> </tr> </table> </li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval               <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">29/5/2014</td> <td style="padding-right: 10px;">100,000</td> <td>Exercise of Options</td> </tr> <tr> <td>6/06/2014</td> <td>80,000</td> <td>Exercise of Options</td> </tr> <tr> <td>13/6/2014</td> <td>50,000</td> <td>Exercise of Options</td> </tr> </table> </li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period               <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">17/6/2014</td> <td style="padding-right: 10px;">160,000</td> <td>Exercise of Options</td> </tr> <tr> <td>18/6/2014</td> <td>58,792,746</td> <td>Placement</td> </tr> <tr> <td>24/6/2014</td> <td>40,000</td> <td>Exercise of Options</td> </tr> </table> </li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	30/4/2014	150,000	Exercise of Options	20/5/2014	20,000	Exercise of Options	22/5/2014	50,000	Exercise of Options	29/5/2014	100,000	Exercise of Options	6/06/2014	80,000	Exercise of Options	13/6/2014	50,000	Exercise of Options	17/6/2014	160,000	Exercise of Options	18/6/2014	58,792,746	Placement	24/6/2014	40,000	Exercise of Options	
30/4/2014	150,000	Exercise of Options																										
20/5/2014	20,000	Exercise of Options																										
22/5/2014	50,000	Exercise of Options																										
29/5/2014	100,000	Exercise of Options																										
6/06/2014	80,000	Exercise of Options																										
13/6/2014	50,000	Exercise of Options																										
17/6/2014	160,000	Exercise of Options																										
18/6/2014	58,792,746	Placement																										
24/6/2014	40,000	Exercise of Options																										
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	0																											
<b>“A”</b>	370,342,761																											

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>											
“B”	0.15 <i>[Note: this value cannot be changed]</i>										
<b>Multiply “A” by 0.15</b>	55,551,414										
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>											
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">19/12/2013</td> <td style="width: 30%;">35,000,000 shares</td> </tr> <tr> <td>15/01/2014</td> <td>1,500,000 options</td> </tr> <tr> <td>20/03/2014</td> <td>10,000,000 shares</td> </tr> <tr> <td>13/05/2014</td> <td>124,352 shares</td> </tr> <tr> <td>06/08/2014</td> <td>8,923,912 shares</td> </tr> </table>	19/12/2013	35,000,000 shares	15/01/2014	1,500,000 options	20/03/2014	10,000,000 shares	13/05/2014	124,352 shares	06/08/2014	8,923,912 shares
19/12/2013	35,000,000 shares										
15/01/2014	1,500,000 options										
20/03/2014	10,000,000 shares										
13/05/2014	124,352 shares										
06/08/2014	8,923,912 shares										
“C”	<b>55,548,264</b>										
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>											
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	55,551,414										
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	55,548,264										
<b>Total [“A” x 0.15] – “C”</b>	3,150  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>										

+ See chapter 19 for defined terms.

Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>							
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>							
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	370,342,761						
<b>Step 2: Calculate 10% of “A”</b>							
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>						
<b>Multiply “A” by 0.10</b>	37,034,276						
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>							
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">13/05/2014</td> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">31,082,902 shares</td> </tr> <tr> <td>06/08/2014</td> <td></td> <td style="text-align: right;">5,949,274 shares</td> </tr> </table>	13/05/2014		31,082,902 shares	06/08/2014		5,949,274 shares
13/05/2014		31,082,902 shares					
06/08/2014		5,949,274 shares					
<b>“E”</b>	37,032,176						

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	37,034,276
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	37,032,176
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p>2,100</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

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+ See chapter 19 for defined terms.