



ASX/MEDIA RELEASE

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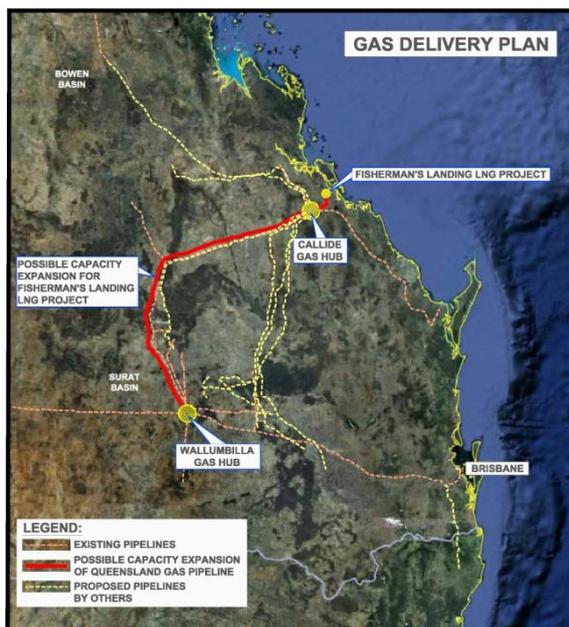
PRE-FEED STUDY AGREEMENT SIGNED AND PETROLEUM FACILITY LICENCE GRANTED GLADSTONE “FISHERMAN’S LANDING” LNG PROJECT

Liquefied Natural Gas Limited (**Company**) (ASX: LNG) is pleased to provide an update on two important developments in relation to the Company’s 100% owned Gladstone LNG Project, at Fisherman’s Landing, Port of Gladstone, Queensland, Australia:

- The Company has signed a Pre-Front End Engineering Design (**Pre-FEED**) Study Agreement with Jemena, to evaluate the expansion capacity of Jemena’s Queensland Gas Pipeline, to transport gas from the Wallumbilla Gas Hub to the Callide Gas Hub at Gladstone (refer to the Gas Delivery Plan below); and
- The Queensland Government Minister of Mines has granted a Petroleum Facility Licence for the Company’s Fisherman’s Landing LNG Project.

Gas Delivery Plan

As advised in February this year, the Company has received Environmental Approval for a planned 20 km gas pipeline from the Callide region in Queensland (**Callide Gas Hub**) to the LNG Project site at Fisherman’s Landing. The existing Queensland Gas Pipeline (**QGP**), owned and operated by Jemena Queensland Gas Pipeline (1) Pty Ltd and Jemena Queensland Gas Pipeline (2) Pty Ltd (**Jemena**), currently operates from Wallumbilla to Gladstone, with its route running through the Callide Gas Hub as identified on the following map.



Importantly, the Callide Gas Hub is the location where four new pipelines from the Surat Basin and two new pipelines from the Bowen Basin are planned to enter Gladstone, for gas supply to the proposed Curtis Island, LNG projects.

The QGP pipeline is currently operating at close to full capacity between Wallumbilla and Gladstone but may be capable of expansion in order to transport up to 520 TJ/day (180 PJ/Year) of gas supply from Wallumbilla (**Wallumbilla Gas Hub**) to the Callide Gas Hub, then connecting to the Fisherman’s Landing LNG Project’s planned 20 km gas pipeline to its LNG plant site at Fisherman’s Landing.

The Company has signed a Pre-Front End Engineering Design Study Agreement (**Study**) with Jemena, to evaluate the expansion capacity of Jemena’s QGP, to transport gas from the Wallumbilla Gas Hub to the Callide Gas Hub at Gladstone.

The Study is planned for completion in June and if satisfactory, and subject to agreement of acceptable terms with Jemena, it is proposed to progress to a full front end engineering and design study, in parallel with ongoing discussions with potential gas suppliers for delivery of gas to either the Wallumbilla or Callide Gas Hubs.

The Company's proposed Gas Delivery Plan would therefore provide for two main gas delivery locations, being the Wallumbilla Gas Hub and Callide Gas Hub, for gas supply to the Company's planned 3 million tonnes per annum Fisherman's Landing LNG Project. Furthermore, aside from potential gas supply at the Wallumbilla and Callide Gas Hubs, the QGP pipeline route runs past, or close to, several gas permit areas, thus opening up the potential for several additional gas supply delivery points.

About Jemena:

Jemena is a unique Australian infrastructure company that builds, owns and maintains a combination of major electricity, gas and water assets. They operate nationally, manage more than \$9 billion worth of Australian utilities assets and employ more than 2300 people.

Jemena specialises in both the transmission and distribution of electricity and gas and combine the skills and experience of renowned Australian electricity and gas infrastructure companies. They are a key outsourcing partner of electricity, gas and water utility companies and deliver innovative infrastructure solutions that support the vital daily electricity, gas and water needs of millions of Australians.

Jemena is also backed by the vast strength and resources of Singapore Power.

Petroleum Facility Licence

The Company is pleased to advise that the Queensland Government Minister of Mines has now granted a Petroleum Facility Licence for the Company's Fisherman's Landing LNG Project.

The purpose of the Petroleum Facility Licence is to ensure that acceptable and safe practices are adopted and complied with throughout the design, construction and operation of the Fisherman's Landing LNG Project.

The application was assessed under sections 446 and 448 of the Petroleum and Gas (Production and Safety) Act 2004, to determine that the Fisherman's Landing LNG Project development and operation satisfied the requirements for the grant of a Petroleum Facility Licence.

The granting of a Petroleum Facility Licence is a mandatory requirement for the operation of an LNG project in Queensland and, equally important for the Company, the obtaining of the Petroleum Facility Licence is one of the conditions precedent to the proposed share placement to CNPC HQCEC, as announced on the 27 January 2011.

The Company's Managing Director and CEO, Maurice Brand, said that "these two developments are of significant importance to the Company, both from a corporate perspective and in relation to the ongoing development of the Fisherman's Landing LNG Project. The Company's key objectives in the immediate term are completion of the ~19.9% share placement to CNPC HQCEC and securing of gas supply for its Fisherman's Landing LNG Project. The two developments represent critical steps in the Company's program to achieve both of these objectives."

For further information contact:

Mr Maurice Brand
Managing Director & Chief Executive Officer
Telephone: + 61 8 9366 3700

Mr David Gardner
Company Secretary
Telephone: + 61 8 9366 3700

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
Web site: www.LNGLimited.com.au