

By Fax: 9221 2020



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Mr Wade Baggott
Adviser, Issuers (Perth)
ASX Markets Supervision Pty Ltd
2 The Esplanade
Perth WA 6000

23 December 2009

Dear Mr Baggott

**LIQUEFIED NATURAL GAS LIMITED (THE "COMPANY")
- APPENDICES 3X AND 3Z - DIRECTOR'S INTEREST NOTICES**

We refer to the Australian Securities Exchange letter dated 23 December 2009 in relation to the Appendix 3X for Ms LEEANNE BOND, the Appendix 3Z for Mr Gary Smith and the Appendix 3Z for Mr William Hornaday.

As to the questions detailed in the referenced letter, we respond as follows:

- 1. *Please explain why the Appendices 3X and 3Z were lodged late.*

The lodgements of an Appendix 3X for Ms Bond and an Appendix 3Z for Mr Hornaday within the prescribed timeframe was overlooked. The oversight was subsequently identified and the Appendices lodged immediately. Lodgement of an Appendix 3Z for Mr Smith was not lodged late, however it brought to our attention that lodgement of an Appendix 3X when he became a Director on 7 April 2006 was inadvertently overlooked too.

- 2. *What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*

The Company has issued Guides for Directors outlining their disclosure obligations and Continuous Disclosure is a permanent agenda item at the Company's board meetings. Regular discussions occur in relation to Director's obligations and the implications of non disclosure.

- 3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B.*

The current arrangements are adequate.

Please do not hesitate to contact David Gardner or Maurice Brand if you require any additional information.

Yours sincerely

Maurice Brand
Managing Director & CEO

David Gardner
Company Secretary

**ASX**

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23 December 2009

David Gardner
Company Secretary
Liquified Natural Gas Limited
Ground Floor
5 Ord Street
WEST PERTH WA 6005

By Facsimile: 9366 3799

Dear David

Liquified Natural Gas Limited (the "Company")
Appendices 3X and 3Z – Director's Interest Notices.

We refer to the following:

The Appendix 3X lodged by the Company with ASX Limited ("ASX") on 22 December 2009 for Leeanne Bond and the Appendices 3Z lodged with ASX on 23 December 2009 for William Hornaday and Gary Smith and

1. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

2. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity

all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

3. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3X indicates that Ms Bond commenced as a Director of the Company on 20 October 2009, it appears that the Appendix 3X should have been lodged with ASX by 27 October 2009. Further, we note that no Appendix 3X has been lodged for Mr Smith pursuant to his appointment on 7 April 2006.

As the Appendix 3Z for William Hornaday indicates that Mr Hornaday ceased as a Director of the Company on 26 November 2009, it appears that the Appendix 3Z should have been lodged with ASX by 3 December 2009.

Consequently as a result of these matters, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions .

1. Please explain why the Appendices 3X and 3Z were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, **not later than 1:00pm W.S.T on Thursday, 24 December 2009.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,



Wade Baggott
Adviser, Issuers (Perth)