



ACN 101 676 779

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Fraser's Function Centre, Fraser Avenue, Kings Park, West Perth, Western Australia, 6005, on Tuesday 18 November 2014 at 3:00pm (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 08 9366 3700.

Shareholders are urged to attend the Annual General Meeting or vote following the directions on the proxy form attached to the Notice

LIQUEFIED NATURAL GAS LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Liquefied Natural Gas Limited (**Company**) will be held at Fraser's Function Centre, Fraser Avenue, King's Park, West Perth, Western Australia, 6005, on Tuesday 18 November 2014 at 3pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Sunday 16 November 2014 at 3pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2014, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is

connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-Election of Leeanne Kay Bond as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Leeanne Kay Bond, who retires in accordance with Rule 9.1(e)(2) of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director."

4. Resolution 3 – Election of Paul Joseph Cavicchi as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Paul Joseph Cavicchi, who retires in accordance with Rule 9.1(e)(1) of the Constitution and, being eligible, offers himself for election, be elected as a Director."

5. Resolution 4 – Increase in Non-Executive Directors' Fee Pool

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.17 and Rule 9.3(a) of the Constitution of the Company and for all other purposes, the maximum aggregate amount of directors' fees that may be paid to the Company's Non-Executive Directors per annum be increased by \$900,000 to \$1,200,000 per annum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 4 by any Director or an associate of a Director of the Company.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 - Issue of First Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 1,429,488 Performance Rights to Fletcher Maurice Brand under the Incentive

Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 5 by any Director of the Company who is eligible to participate in the Incentive Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 6 - Issue of Second Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 410,445 Performance Rights to Fletcher Maurice Brand under the Incentive Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by any Director of the Company who is eligible to participate in the Incentive Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 7 - Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 32,819 NED Rights to Richard Jonathan Beresford under the NED Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 7 by any Director of the Company who is eligible to participate in the NED Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 8 - Issue of NED Rights to Leeanne Kay Bond under NED Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 20,102 NED Rights to Leeanne Kay Bond under the NED Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 8 by any Director of the Company who is eligible to participate in the NED Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. Resolution 9- Issue of NED Rights to Madam Yao Guihua under NED Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 16,409 NED Rights to Madam Yao Guihua under the NED Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 9 by any Director of the Company who is eligible to participate in the NED Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. Resolution 10 - Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, the grant of up to 7,771 NED Rights to Paul Joseph Cavicchi under the NED Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 10 by any Director of the Company who is eligible to participate in the NED Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. Resolution 11 – Approval to provide termination benefits under Incentive Rights Plan and NED Rights Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes, approval be given to provide benefits to any current or future Company employees (or their associates) under the Incentive Rights Plan or Non-Executive Directors (or their associates) under the NED Rights Plan in connection with the loss of that person’s position or office with the Company, as further described in the Explanatory Memorandum.”

Voting Exclusion

A vote on this Resolution 11 must not be cast (in any capacity) by or on behalf of a current or proposed participant in the Incentive Rights Plan or the NED Rights Plan, or their associates. However, a vote may be cast by such a person if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 11, and the vote is not cast on behalf of such a person.

13. Resolution 12 – Ratification of Share Placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 8,923,912 Shares under the Share Placement on the terms and conditions described in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 12 by a person who participated in the Share Placement and any associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D. Gardner', written in a cursive style.

David Gardner
Company Secretary

Dated: 15 October 2014

LIQUEFIED NATURAL GAS LIMITED

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EXPLANATORY MEMORANDUM

Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Fraser's Function Centre, Fraser Avenue, Kings Park, West Perth, Western Australia, 6005, on Tuesday 18 November 2014 at 3:00pm (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains information relevant to the approvals being sought at the Meeting.

To assist Shareholders in deciding how to vote on the Resolutions, the Explanatory Memorandum includes information under the following headings:

Section 1:	Annual Report
Section 2:	Resolution 1 – Remuneration Report
Section 3:	Resolution 2 – Re-Election of Leeanne Kay Bond as Director
Section 4	Resolution 3 – Election of Paul Joseph Cavicchi as Director
Section 5	Resolution 4 – Increase in Non-Executive Directors' Fee Pool
Section 6	Resolutions 5 to 10 – Issues of Rights under the Plans
Section 7	Resolution 5 – Issue of First Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan
Section 8	Resolution 6 – Issue of Second Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan
Section 9	Resolution 7 – Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan
Section 10	Resolution 8 – Issue of NED Rights to Leeanne Kay Bond under NED Rights Plan
Section 11	Resolution 9 – Issue of NED Rights to Madam Yao Guihua under NED Rights Plan

Section 12	Resolution 10 - Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan
Section 13	Resolution 11 – Approval to provide termination benefits under Incentive Rights Plan and NED Rights Plan
Section 14	Resolution 12 – Ratification of Share Placement
Schedule 1	Definitions
Schedule 2	Summary of Incentive Rights Plan
Schedule 3	Summary of NED Rights Plan

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy forms must be received by the Company by no later than 3pm (WST) on Sunday 16 November 2014, being at least 48 hours before the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Alternatively, Shareholders can vote online by visiting <http://www.linkmarketservices.com.au> Select "Investor & Employee Login" and enter Liquefied Natural Gas Limited or the ASX code (LNG) in the Issuer name field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the front of your proxy form, postcode and security code which is shown on the screen and click "Login". Select the "Voting" tab and then follow the prompts. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

If you appoint the Chairman as your proxy, or the Chairman is appointed as your proxy by default, please note that the Chairman intends to vote all undirected proxies held by him, and which are able to be voted, **in favour** of all Resolutions.

Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 or 4 to 11 if the person is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on the resolution. However, the proxy may vote if the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on any of Resolutions 1 or 4 to 11, by signing and returning the Proxy Form (including via the online voting facility described above), you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

1. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2014.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at:
<http://www.lnglimited.com.au/irm/content/annual-reports.aspx?RID=177>;
- (b) ask questions about, or comment on, the management of the Company;
and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chairman or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

However, under the “two strikes” rule, the Company will be required to put a resolution to Shareholders to hold new elections of Directors if, at two consecutive annual general meetings, more than 25% of the votes cast on a resolution to adopt the Remuneration Report (such as Resolution 1) are cast against that resolution. Accordingly, if 25% or more of the votes cast at the meeting on Resolution 1 are against that Resolution and if, at the next annual general meeting in 2015, 25% or more of the votes are again cast against the resolution to adopt the Remuneration Report, then the Company will be required to propose a resolution to hold another general meeting within the following 90 days (a **Spill Meeting**). If more than 50% of Shareholders vote in favour of this resolution, then at the Spill Meeting all Directors (other than a managing director) will cease to hold office immediately before the end of the Spill Meeting, but may, if eligible, stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved would (together with the managing director) be the Directors of the Company.

Key Management Personnel details of whose remuneration are included in the Remuneration Report, and their closely related parties, are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion set out in the Notice.

The Chairman will allow a reasonable opportunity for Shareholders at the Meeting to ask about, or make comments on the Remuneration Report.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

3. Resolution 2 – Re-Election of Leeanne Kay Bond as a Director

Rule 9.1(e)(2) of the Constitution requires that one third of the directors (excluding the managing director or any director appointed since the last annual general meeting), rounded down if necessary to the nearest whole number, must retire from office at an annual general meeting.

Rule 9.1(h) of the Constitution provides that a Director who retires under Rule 9.1(e) of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Leeanne Kay Bond retires by rotation and seeks re-election.

Leeanne is a professional company director with board roles in the energy, water and engineering services sectors. She has qualifications in engineering and management, and over 27 years' experience across a broad range of industrial sectors including energy, minerals, infrastructure and water resources.

From 1996 to 2006 Leeanne held a number of management roles with WorleyParsons in Queensland, including General Manager Qld, NT & PNG, General Manager Hydrocarbons and Development Manager (Qld), where Leeanne negotiated project alliances and supervised contracts and projects with many Australian and international companies.

Leeanne was a non-executive director of Tarong Energy Corporation for seven years until retiring on 30 June 2011 as part of the Queensland energy generator's restructure. Leeanne has been a board member of the Queensland Bulk Water Supply Authority (Seqwater) since February 2008 and the Australian Water Recycling Centre of Excellence since July 2011 until her retirement on 31 December 2012 as part of the water industry restructure. Leeanne is the sole director and owner of Breakthrough Energy Pty Ltd, a project and business development consulting firm.

Leeanne has been a non-executive director of ASX listed Coffey International Limited since February 2012.

The Board (excluding Leeanne Kay Bond) recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 - Election of Paul Joseph Cavicchi as a Director

Rule 9.1(d) of the Constitution states that directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. Mr Paul Joseph Cavicchi has been appointed to be a director as an addition to the existing directors.

Rule 9.1(e)(1) of the Constitution requires that each person appointed under Rule 9.1(d) since the last annual general meeting must retire from office at an annual general meeting.

Rule 9.1(h) of the Constitution provides that a Director who retires under Rule 9.1(e) of the Constitution is eligible for re-election.

Resolution 3 therefore provides that Paul Joseph Cavicchi seeks election as a Director.

Paul brings over 25 years leadership experience in the international energy industry across a range of gas and power projects which includes development and construction of LNG infrastructure.

Paul's most recent executive position was as Executive Vice President of GDF SUEZ Energy North America, Inc. (**GSENA**) a subsidiary of GDF SUEZ Energy International where he supervised and directed all business development efforts for GSENA in the United States, Canada and Mexico. His responsibilities included corporate and project acquisitions, greenfield development in the areas of merchant power generation, renewable power generation, industrial cogeneration, gas

infrastructure (including LNG) and retail energy services. His responsibilities also included the commercial partnering and financing of investment assets. He was responsible for a development budget of \$20 million annually, and a construction budget that often exceeded \$2 billion in annual value.

Previously Paul had been President & CEO of SUEZ Renewable Energy NA, LLC and before that President and CEO of SUEZ Energy Generation North America, Inc., all based in Houston.

The Board (excluding Paul Joseph Cavicchi) recommends that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Increase in Non-Executive Directors’ Fee Pool

Rule 9.3(a) of the Constitution of the Company provides that “each director is entitled to such remuneration out of the funds of the company as the directors determine, but the remuneration of non-executive directors may not exceed in aggregate in any financial year the amount fixed by the company in general meeting for that purpose”.

In accordance with Rule 9.3(a) of the Constitution and Listing Rule 10.17, Shareholder approval is being sought to increase the maximum aggregate amount of directors’ fees per annum that may be paid by the Company to its Non-Executive Directors (**Fee Pool**) to \$1,200,000 per annum from \$300,000 per annum (an increase of \$900,000). The Directors are seeking Shareholder approval to increase the Fee Pool for financial years commencing 1 July 2014.

Under the Listing Rules, the term “directors’ fees” includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine “special exertion” fees or securities issued to non-executive directors with approval of Shareholders in accordance with the Listing Rules. No securities have been issued to a Non-Executive Director under Listing Rule 10.11 or 10.14 with the approval of Shareholders at any time within the preceding three years.

The Directors do not intend utilising the entire maximum limit of \$1,200,000 immediately. However, the Directors consider that the increase in the Fee Pool to \$1,200,000 is appropriate for the following reasons:

- (a) The current Fee Pool of \$300,000 was approved by Shareholders at the 2009 annual general meeting. As a result of the growth of the Company since 2009, the Directors continue to review the size and composition of the Board. The increase in the Fee Pool will give the Board the flexibility to appoint additional Directors if appropriate. This may include Directors having additional skills and expertise in matters relevant to the Company’s future development, and also Directors with relevant geographical experience. For example, the Board will consider appointing additional North American based Non-Executive Directors in view of the Company’s plans to undertake major investments in North America.
- (b) The increase will ensure that the Company maintains the ability to pay existing and future Non-Executive Directors remuneration at levels commensurate with market rates and as necessary to attract and retain

Non-Executive Directors of the highest calibre. In view of advice received by the Company's Remuneration Committee, the immediate proposal is to increase directors' fees for the Chairman, effective 1 January 2015 and subject to a Board review of the Company's circumstances at that time, to \$200,000 per annum and for other Non-Executive Directors to \$100,000 per annum plus committee fees of \$15,000 per annum for the chair of a Board committee and \$7,500 per annum for a member of a Board committee.

The level of Non-Executive Directors' remuneration is and will continue to be reviewed annually for alignment with market practice. The Directors are satisfied that the proposed Fee Pool is appropriate in light of the circumstances of the Company.

Additional information regarding the Company's existing approach to remuneration of Non-Executive Directors is set out in the Remuneration Report.

6. Resolutions 5 to 10 – Issues of Rights under the Plans

6.1 Background

The Remuneration Report which is the subject of Resolution 1 sets out the remuneration policies of the Company and the remuneration structures for executives and staff and for Non-Executive Directors.

The remuneration structure for executives and staff consists of a base salary, a short-term incentive (STI) based on corporate and individual performance and paid annually (subject to performance) and annual granting of a long-term incentive (LTI) based on the performance of the Company over multiple years.

The remuneration structure for Non-Executive Directors consists of a base fee, certain committee fees and grants of options or rights structured so as not to compromise the independence of non-executive directors.

Accordingly, the Company has in place the following Rights plans:

- (a) the Liquefied Natural Gas Limited Incentive Rights Plan (applicable to eligible employees of the Company and forming the LTI component of the executives' and staff remuneration structure); and
- (b) the Liquefied Natural Gas Limited Non-Executive Director (**NED**) Rights Plan (applicable to Non-Executive Directors).

These Plans provide for the issuance of Rights which vest subject to the satisfaction of conditions. The conditions under the Incentive Rights Plan relate to performance while the conditions under the NED Rights Plan relate to the passing of time. Upon vesting of a Right, a cash amount of \$1,000 is payable to the participant, with the balance of the value of the vested Rights payable by way of an issue or transfer of Shares. The Shares will initially be held on trust for the participant and are subject to restrictions on dealing (relating to compliance with the Company's securities trading policy and with "insider" trading laws).

The Plans were approved by Shareholders (for the purposes of ASX Listing Rule 7.1) at the annual general meeting held on 25 November 2013. Schedule 2 contains a summary of the Incentive Rights Plan and Schedule 3 contains a summary of the NED Rights Plan. Further details in relation to the Plans are set out in the 2013 notice of annual general meeting which was released to ASX on 25 October 2013.

The Plans were put in place (or, in the case of the Incentive Rights Plan, amended) following a review of the Company's incentive arrangements by the Remuneration Committee of the Board together with its retained external professional advisers.

In relation to the Incentive Rights Plan, the Remuneration Committee considers that it is in the interests of Shareholders for selected executives to receive part of their total remuneration package in the form of at-risk securities that will vest based on performance against indicators that are linked to Shareholder benefit during a defined measurement period. The Incentive Rights Plan is therefore designed to accommodate a significant component of at-risk remuneration and to create alignment between Shareholder benefit and the remuneration of selected executive Key Management Personnel. The Remuneration Committee seeks to ensure that grants to executives are made at a level that will appropriately position their total remuneration package in the market, in accordance with the Company's remuneration policies. The Remuneration Committee and the Board regularly review market positioning and the elements and mix of remuneration for executive Key Management Personnel to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company.

In relation to the NED Rights Plan, the Board understands that some stakeholders see the participation of Non-Executive Directors in securities based incentive plans designed for executives as compromising the independence of Directors in overseeing the operation of the plan. Therefore the Company has designed a separate plan in order to provide securities to Non-Executive Directors and grants made under the NED Rights Plan will not have any performance based vesting conditions and will not be linked with the vesting of executive incentives.

6.2 Overview of approvals sought

Listing Rule 10.11 requires a listed entity to obtain shareholder approval for the issue of securities to related parties, which include directors of a company.

Listing Rule 10.12, exception 4 provides that approval under Listing Rule 10.11 is not required where securities are to be issued to a person under an employee incentive scheme that has been approved under Listing Rule 10.14.

Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the issue of securities under an 'employee incentive scheme' to certain parties, including a director, or an associate of a director, of the company.

Accordingly, the Company is seeking Shareholder approval under Listing Rule 10.14 before issuing Performance Rights to Mr Fletcher Maurice Brand under the Incentive Rights Plan, and before issuing any NED Rights to any of the Non-Executive Directors under the terms of the NED Rights Plan. Resolutions 5 to 10 seek Shareholder approval for this purpose. These approvals are being sought notwithstanding the approvals of the Plans received at the Company's 2013 annual general meeting.

All of the information that is required to be provided to Shareholders under Listing Rule 10.15 in order to obtain Shareholder approval under Listing Rule 10.14 for Resolutions 5 to 10 is set in Sections 7 to 12 below.

If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1 (and, if approved, the issues of Performance Rights and NED Rights under Resolutions 5 to 10 will not count towards the Company's Listing Rule 7.1 placement capacity).

The Remuneration Committee and the Board have, together with their professional advisers, considered the proposed issues of Rights to Directors and, taking into account the circumstances of the Company and its subsidiaries, the circumstances of the Directors and the remuneration practices of other similar entities, consider that the financial benefits provided to the Directors by way of the Rights (together with the other elements of their remuneration packages) constitute reasonable remuneration.

7. Resolution 5 – Issue of First Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan

As noted in Section 6.1 above, the remuneration structure for executives and staff includes the annual granting of a long-term incentive (**LTI**) to be based on the performance of the Company over multiple years. In light of the fact that the Company has not made LTI awards since 10 January 2011, the Remuneration Committee and Board considered that, as a transition to annual granting, there should be two separate tranches of LTI awards in the 2013/14 financial year. Accordingly, it is proposed that Fletcher Maurice Brand, the Managing Director and Chief Executive Officer of the Company, be granted two separate tranches of Performance Rights this year, as follows:

- (a) The first tranche of 1,429,488 Performance Rights with a measurement period commencing on 1 January 2014 and ending on 30 June 2016; and
- (b) The second tranche of 410,445 Rights with a measurement period commencing on 1 July 2014 and ending on 30 June 2017.

Resolution 5 seeks Shareholder approval for the offer and issue of the first tranche of 1,429,488 Performance Rights to Mr Brand or an entity or person associated with him, in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 1,429,488 Performance Rights will be issued to Mr Brand or associated person or entity. These could potentially vest and be exercised into no more than 1,429,488 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the Performance Rights to Mr Brand or associated person or entity at no cost. No exercise price will be payable upon vesting. The Performance Rights will vest and convert to shares in the Company when the following performance hurdles are met:

- (i) Tranche A: A maximum of 952,992 Performance Rights (the subject of Resolution 5) will vest proportionately if:
- i. The Company's Total Shareholder Return is greater than 150% of the Total Shareholder Return of the All Ordinaries Accumulation Index (with full vesting achieved at 300%) during the measurement period, as illustrated in the below table.

LNG TSR Relative to XAOAI TSR	Shares Vesting Per Right
<150%	0
160%	0.53
200%	0.67
260%	0.87
300%	1.00
310%	1.00

Total shareholder return (**TSR**) is a measure which combines share price appreciation over a period and dividends paid during that period (assuming that they are reinvested into Shares) to show the total return to Shareholders over that period. When calculating the Company's TSR, its Share price at the beginning and end of the measurement period will be calculated as the volume weighted average price of Shares on ASX over the 30 days immediately preceding the relevant dates.

- (ii) Tranche B: 476,496 Performance Rights (the subject of Resolution 5) will vest if:
- i. 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.

The measurement period for both tranches A and B commenced on 1 January 2014 and ends on 30 June 2016. Both tranches A and B are subject to a further condition that the Company's TSR over the measurement period must be greater than nil.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No Performance Rights have previously been issued under the Incentive Rights Plan, and no previous Shareholder approval has been sought for the issue of Performance Rights under the Incentive Rights Plan. Certain rights were issued to certain staff members under a previous iteration of the

Incentive Rights Plan, but all such rights have since lapsed or were exercised.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The Incentive Rights Plan is open to employees and executive directors of the Company and its subsidiaries, at the discretion of the Board. Mr Brand is the only Director eligible to participate (directly or through his associated persons or entities) in the Incentive Rights Plan.

Any further persons referred to in Listing Rule 10.14 (for whom Shareholder approval is required) will not participate in the Incentive Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 5 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of Performance Rights by Mr Brand or on vesting of Performance Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the Performance Rights will be issued to Mr Brand on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Mr Brand currently receives a base salary of A\$573,901 per annum (inclusive of superannuation).
- (ii) Mr Brand currently holds 4,500,000 Shares and no Options.
- (iii) Should Mr Brand's Performance Rights vest at the maximum level in accordance with Resolution 5, his interest in the Company's issued capital will increase by 0.309% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 1,429,488 Shares that will issue on vesting of these Performance Rights.
- (iv) Should Mr Brand's Performance Rights vest at the maximum level in accordance with both Resolution 5 and Resolution 6, his interest in the Company's issued capital will cumulatively increase by 0.398% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 1,839,943 Shares (being the sum of 1,429,488 Performance Rights and 410,455 Performance Rights granted under Resolution 5 and Resolution 6 respectively) that will issue on vesting of these Performance Rights.
- (v) There will be no amount raised due to the vesting of Mr Brand's Performance Rights.
- (vi) A valuation of the Performance Rights has been undertaken by HLB Mann Judd, with each Performance Right being valued at \$1.496 per Performance Right, giving this tranche of Performance Rights a maximum total value of \$2,138,514.05 as at the date of the valuation

(2 October 2014). The key assumptions underpinning the valuation were as follows:

- (A) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used;
 - (B) The share price at grant was assumed to be \$3.74;
 - (C) Risk-free rate of 2.667%;
 - (D) Volatility of the underlying share of 80% (the volatility of the XAOAI.ASX assumed to be 12% for the equivalent period);
 - (E) There being a three year vesting period; and
 - (F) The valuation of Tranche A was conducted using Monte Carlo and Geometric Brownian Motion Stock Price Simulations and Tranche B was conducted using a Binomial Tree simulation.
- (vii) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (viii) All of the Directors other than Mr Brand agree that the number of Performance Rights to be issued to Mr Brand is appropriate given his service to the Company and the benefit to the Company of retaining his services.
- (ix) Details of any Performance Rights issued under the Incentive Rights Plan will be published in each annual report of the Company relating to a period in which Performance Rights have been issued, and noting that approval for the issue of Performance Rights was obtained under Listing Rule 10.14.

(i) Non-Executive Directors' recommendation

The Non-Executive Directors consider that the issue of Performance Rights to Mr Brand under the Incentive Rights Plan is in the Company's interests as it further aligns the interests of Mr Brand as an Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Brand in his role as Managing Director and Chief Executive Officer of the Company.

Accordingly, the Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

8. Resolution 6 – Issue of Second Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan

Resolution 6 seeks Shareholder approval for the offer and issue of the second tranche of Performance Rights (of a total of 410,445 Performance Rights) to Mr Brand or an entity or person associated with him in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 410,445 Performance Rights will be issued to Mr Brand or associated person or entity. These could potentially vest and be exercised into no more than 410,445 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the Performance Rights to Mr Brand or associated person or entity at no cost No exercise price will be payable upon vesting. The Performance Rights will vest and convert to shares in the Company when the following performance hurdles are met:

- (i) Tranche A: A maximum of 273,630 Performance Rights (the subject of Resolution 6) will vest proportionately if:
- i. The Company's Total Shareholder Return is greater than 100% of Total Shareholder Return of the All Ordinaries Accumulation Index (with full vesting achieved at 200%) during the measurement period, as illustrated in the below table.

LNG TSR Relative to XAOAI TSR	Shares Vesting Per Right
<100%	0
110%	0.55
140%	0.70
150%	0.75
180%	0.90
200%	1.00
210%	1.00

- (ii) Tranche B: 136,815 Performance Rights (the subject of Resolution 6) will vest if:

- ii. 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.

The measurement period for both tranches A and B commenced on 1 July 2014 and ends on 30 June 2017. Both tranches A and B are subject to a further condition that the Company's TSR over the measurement period must be greater than nil.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No Performance Rights have previously been issued under the Incentive Rights Plan, and no previous Shareholder approval has been sought for the

issue of Performance Rights under the Incentive Rights Plan. Certain rights were issued under a previous iteration of the Incentive Rights Plan to staff, but all such rights have since lapsed or were exercised.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The Incentive Rights Plan is open to employees and executive directors of the Company and its subsidiaries, at the discretion of the Board. Mr Brand is the only Director eligible to participate (directly or through his associated persons or entities) in the Incentive Rights Plan.

Any further persons referred to in Listing Rule 10.14 (for whom Shareholder approval is required) will not participate in the Incentive Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 6 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of Performance Rights by Mr Brand or on vesting of Performance Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the Performance Rights will be issued to Mr Brand on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Mr Brand currently receives a base salary of A\$573,901 per annum (inclusive of superannuation).
- (ii) Mr Brand currently holds 4,500,000 Shares and no Options.
- (iii) Should Mr Brand's Performance Rights vest at the maximum level in accordance with Resolution 6, his interest in the Company's issued capital will increase by 0.089% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 410,455 Shares that will issue on vesting of these Performance Rights.
- (iv) Should Mr Brand's Performance Rights vest at the maximum level in accordance with both Resolution 5 and Resolution 6, his interest in the Company's issued capital will cumulatively increase by 0.398% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 1,839,943 Shares (being the sum of 1,429,488 Performance Rights and 410,455 Performance Rights granted under Resolution 5 and Resolution 6 respectively) that will issue on vesting of these Performance Rights.

- (v) There will be no amount raised due to the vesting of Mr Brand's Performance Rights.
- (vi) A valuation of the Performance Rights has been undertaken by HLB Mann Judd, with each Performance Right being valued at \$3.74 per Performance Right, giving this tranche of Performance Rights a maximum total value of \$1,535,101.70 as at the date of the valuation (2 October 2014). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used;
 - (B) The share price at grant was assumed to be \$3.74;
 - (C) Risk-free rate of 2.667%;
 - (D) Volatility of the underlying share of 80% (the volatility of the XAOAI.ASX assumed to be 12% for the equivalent period);
 - (E) There being a three year vesting period; and
 - (F) The valuation of Tranche A was conducted using Monte Carlo and Geometric Brownian Motion Stock Price Simulations and Tranche B was conducted using a Binomial Tree simulation.
- (vii) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (viii) All of the Directors other than Mr Brand agree that the number of Performance Rights to be issued to Mr Brand is appropriate given his service to the Company and the benefit to the Company of retaining his services.
- (ix) Details of any Performance Rights issued under the Incentive Rights Plan will be published in each annual report of the Company relating to a period in which Performance Rights have been issued, and noting that approval for the issue of Performance Rights was obtained under Listing Rule 10.14.

(i) Non-Executive Directors' recommendation

The Non-Executive Directors consider that the issue of Performance Rights to Mr Brand under the Incentive Rights Plan is in the Company's interests as it further aligns the interests of Mr Brand as an Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Brand in his role as Managing Director and Chief Executive Officer of the Company.

Accordingly, the Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

9. Resolution 7 – Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan

Resolution 7 seeks Shareholder approval for the offer and issue of up to 32,819 NED Rights to Richard Jonathan Beresford, a Non-Executive Director of the Company, or an entity or person associated with him, in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 32,819 NED Rights will be issued to Mr Beresford or associated person or entity. These could potentially vest and be exercised into no more than 32,819 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the NED Rights to Mr Beresford or associated person or entity at no cost. The NED Rights will vest 12 months after Shareholder approval. No exercise price will be payable upon vesting.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No NED Rights have previously been issued under the NED Rights Plan, and no previous Shareholder approval has been sought for the issue of NED Rights under the NED Rights Plan.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The NED Rights Plan is open to Non-Executive Directors of the Company, at the discretion of the Board. Each of the Non-Executive Directors (Mr Richard Jonathan Beresford, Ms Leeanne Kay Bond, Madam Yao Guihua and Mr Paul Joseph Cavicchi) is eligible to participate (directly or through associated persons or entities) in the NED Rights Plan.

Any future Non-Executive Directors will not participate in the NED Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 7 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of NED Rights by Mr Beresford or on vesting of NED Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the NED Rights will be issued to Mr Beresford on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Mr Beresford currently receives director's fees of A\$174,837 per annum (inclusive of GST).
- (ii) Mr Beresford currently holds 414,692 Shares and no Options.
- (iii) Should Mr Beresford's NED Rights vest in accordance with Resolution 7, his interest in the Company's issued capital will increase by 0.097% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 32,819 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Mr Beresford's NED Rights.
- (v) A valuation of the NED Rights has been undertaken by HLB Mann Judd, with each NED Right being valued at \$3.74 per NED Right, giving these NED Rights a total value of \$122,743.06 as at the date of the valuation (2 October 2014). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used; and
 - (B) The share price at grant was assumed to be \$3.74;
 - (C) Risk-free rate of 2.565%;
 - (D) Volatility of the underlying share of 90%;
 - (E) Vesting occurs following a period of 12 months continuous service; and
 - (F) The valuation was conducted using a Binomial Tree simulation.
- (vi) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Mr Beresford agree that the number of NED Rights to be issued to Mr Beresford is appropriate given his service to the Company and the benefit to the Company of retaining his services.
- (viii) Details of any NED Rights issued under the NED Rights Plan will be published in each annual report of the Company relating to a period in which NED Rights have been issued, and noting that approval for the issue of NED Rights was obtained under Listing Rule 10.14.

(i) Directors' recommendation

Mr Brand, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 7.

10. Resolution 8 – Issue of NED Rights to Leanne Kay Bond under NED Rights Plan

Resolution 8 seeks Shareholder approval for the offer and issue of up to 20,102 NED Rights to Leeanne Kay Bond, a Non-Executive Director of the Company, or an entity or person associated with her, in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 20,102 NED Rights will be issued to Ms Bond or associated person or entity. These could potentially vest and be exercised into no more than 20,102 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the NED Rights to Ms Bond or associated person or entity at no cost. The NED Rights will vest 12 months after Shareholder approval. No exercise price will be payable upon vesting.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No NED Rights have previously been issued under the NED Rights Plan, and no previous Shareholder approval has been sought for the issue of NED Rights under the NED Rights Plan.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The NED Rights Plan is open to Non-Executive Directors of the Company, at the discretion of the Board. Each of the Non-Executive Directors (Mr Richard Jonathan Beresford, Ms Leeanne Kay Bond, Madam Yao Guihua and Mr Paul Joseph Cavicchi) is eligible to participate (directly or through associated persons or entities) in the NED Rights Plan.

Any future Non-Executive Directors will not participate in the NED Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 8 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of NED Rights by Ms Bond or on vesting of NED Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the NED Rights will be issued to Ms Bond on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Ms Bond currently receives director's fees of A\$93,782 per annum (inclusive of GST).
- (ii) Ms Bond currently holds no Shares and no Options.
- (iii) Should Ms Bond's NED Rights vest in accordance with Resolution 8, her interest in the Company's issued capital will increase by 0.004% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 20,102 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Ms Bond's NED Rights.
- (v) [A valuation of the NED Rights has been undertaken by HLB Mann Judd, with each NED Right being valued at \$3.74 per NED Right, giving these NED Rights a total value of \$75,181.48 as at the date of the valuation (2 October 2014). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used; and
 - (B) The share price at grant was \$3.74;
 - (C) Risk-free rate of 2.565%;
 - (D) Volatility of the underlying share of 90%;
 - (E) Vesting occurs following a period of 12 months continuous service; and
 - (F) The valuation was conducted using a Binomial Tree simulation.
- (vi) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Ms Bond agree that the number of NED Rights to be issued to Ms Bond is appropriate given her service to the Company and the benefit to the Company of retaining her services.
- (viii) Details of any NED Rights issued under the NED Rights Plan will be published in each annual report of the Company relating to a period in which NED Rights have been issued, and noting that approval for the issue of NED Rights was obtained under Listing Rule 10.14.

(i) Directors' recommendation

Mr Brand, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 8.

11. **Resolution 9 – Issue of NED Rights to Madam Yao Guihua under NED Rights Plan**

Resolution 9 seeks Shareholder approval for the offer and issue of up to 16,409 NED Rights to Madam Yao Guihua, a Non-Executive Director of the Company, or an entity or person associated with her, in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 16,409 NED Rights will be issued to Madam Yao or associated person or entity. These could potentially vest and be exercised into no more than 16,409 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the NED Rights to Madam Yao or associated person or entity at no cost. The NED Rights will vest 12 months after Shareholder approval. No exercise price will be payable upon vesting.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No NED Rights have previously been issued under the NED Rights Plan, and no previous Shareholder approval has been sought for the issue of NED Rights under the NED Rights Plan.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The NED Rights Plan is open to Non-Executive Directors of the Company, at the discretion of the Board. Each of the Non-Executive Directors (Mr Richard Jonathan Beresford, Ms Leeanne Kay Bond, Madam Yao Guihua and Mr Paul Joseph Cavicchi) is eligible to participate (directly or through associated persons or entities) in the NED Rights Plan.

Any future Non-Executive Directors will not participate in the NED Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 9 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of NED Rights by Madam Yao or on vesting of NED Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the NED Rights will be issued to Madam Yao on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Madam Yao currently receives director's fees of A\$85,257 per annum.
- (ii) Madam Yao currently holds no Shares and no Options.
- (iii) Should Madam Yao's NED Rights vest in accordance with Resolution 9, her interest in the Company's issued capital will increase by 0.004% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 16,409 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Madam Yao's NED Rights.
- (v) [A valuation of the NED Rights has been undertaken by HLB Mann Judd, with each NED Right being valued at \$3.74 per NED Right, giving these NED Rights a total value of \$61,369.66 as at the date of the valuation (2 October 2014). The key assumptions underpinning the valuation were as follows:
 - (G) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used; and
 - (H) The share price at grant was \$3.74;
 - (I) Risk-free rate of 2.565%;
 - (J) Volatility of the underlying share of 90%;
 - (K) Vesting occurs following a period of 12 months continuous service; and
 - (L) The valuation was conducted using a Binomial Tree simulation.
- (vi) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Madam Yao agree that the number of NED Rights to be issued to Madam Yao is appropriate given her service to the Company and the benefit to the Company of retaining her services.
- (viii) Details of any NED Rights issued under the NED Rights Plan will be published in each annual report of the Company relating to a period in which NED Rights have been issued, and noting that approval for the issue of NED Rights was obtained under Listing Rule 10.14.

(i) Directors' recommendation

Mr Brand, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 9.

12. **Resolution 10 – Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan**

Resolution 10 seeks Shareholder approval for the offer and issue of up to 7,771 NED Rights to Paul Joseph Cavicchi, a Non-Executive Director of the Company, or an entity or person associated with him, in accordance with Listing Rule 10.14.

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 7,771 NED Rights will be issued to Mr Cavicchi or associated person or entity. These could potentially vest and be exercised into no more than 7,771 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the NED Rights to Mr Cavicchi or associated person or entity at no cost. The NED Rights will vest 12 months after Shareholder approval. No exercise price will be payable upon vesting.

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

No NED Rights have previously been issued under the NED Rights Plan, and no previous Shareholder approval has been sought for the issue of NED Rights under the NED Rights Plan.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The NED Rights Plan is open to Non-Executive Directors of the Company, at the discretion of the Board. Each of the Non-Executive Directors (Mr Richard Jonathan Beresford, Ms Leeanne Kay Bond, Madam Yao Guihua and Mr Paul Joseph Cavicchi) is eligible to participate (directly or through associated persons or entities) in the NED Rights Plan.

Any future Non-Executive Directors will not participate in the NED Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 10 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of NED Rights by Mr Cavicchi or on vesting of NED Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the NED Rights will be issued to Mr Cavicchi on a date not later than 12 months after the Meeting.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Mr Cavicchi currently receives director's fees of A\$85,257 per annum.
- (ii) Mr Cavicchi currently holds no Shares and no Options.
- (iii) Should Mr Cavicchi's NED Rights vest in accordance with Resolution 10, his interest in the Company's issued capital will increase by 0.002% (assuming no prior exercise of conversion rights by any other holder of Rights or Options). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 7,771 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Mr Cavicchi's NED Rights.
- (v) A valuation of the NED Rights has been undertaken by HLB Mann Judd, with each NED Right being valued at \$3.74 per NED Right, giving these NED Rights a total value of \$29,063.54 as at the date of the valuation (2 October 2014). The key assumptions underpinning the valuation were as follows:
 - (M) The measurement date is the grant date, which normally is the date of shareholder approval. For the purposes of this valuation, a proxy grant date of 2 October 2014 has been used; and
 - (N) The share price at grant was \$3.74;
 - (O) Risk-free rate of 2.565%;
 - (P) Volatility of the underlying share of 90%;
 - (Q) Vesting occurs following a period of 12 months continuous service; and
 - (R) The valuation was conducted using a Binomial Tree simulation.
- (vi) Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Mr Cavicchi agree that the number of NED Rights to be issued to Mr Cavicchi is appropriate given his service to the Company and the benefit to the Company of retaining his services.
- (viii) Details of any NED Rights issued under the NED Rights Plan will be published in each annual report of the Company relating to a period in which NED Rights have been issued, and noting that approval for the issue of NED Rights was obtained under Listing Rule 10.14.

(i) Directors' recommendation

Mr Brand, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 10.

13. Resolution 11 – Approval to provide termination benefits under Incentive Rights Plan and NED Rights Plan

13.1 General

In general terms, Part 2D.2 of the Corporations Act prohibits payment by the Company of a benefit to a director or any employee holding a managerial or executive office in the Company (each a “**Relevant Person**”) on retirement or where that relevant person ceases to hold an office with, or be employed by, the Company, unless a specific statutory exemption applies, or the payment of the benefit is approved by Shareholders.

As a result to changes to the Corporations Act made in 2009, the payment of a benefit that would exceed 12 months’ average base salary of a Relevant Person is prohibited, unless prior shareholder approval is obtained.

The Incentive Rights Plan and NED Rights Plan provide that, in certain circumstances of termination of employment or office, unvested awards will continue to vest and be payable to the Relevant Person post-cessation of their employment or engagement. This entitlement may constitute a termination ‘benefit’ for the purposes of the Corporations Act.

13.2 Description of the termination benefits

The Company’s pay structure, set out in further detail in the Remuneration Report, comprises several components including base salary, short term performance incentives and long-term performance incentives (including through participation in the Incentive Rights Plan and the NED Rights Plan).

The Incentive Rights Plan and NED Rights Plan provide that, in certain circumstances of termination of employment or engagement, unvested awards will continue to vest and be payable to a Relevant Person after that person ceases employment with or engagement by the Company. These circumstances include where termination of the Relevant Person’s position or office occurs for any reason other than:

- (a) the Relevant Person breaching the terms of their employment contract or engagement terms; or
- (b) the Relevant Person resigning from their position or office other than due to retirement.

Generally speaking, the termination benefits will comprise of the benefits resulting from the vesting of Performance Rights or NED Rights following termination of the employment or engagement. Performance rights will vest subject to the satisfaction of certain conditions relating to a Relevant Person’s performance, whereas the NED Rights will vest subject to the passage of a period of time.

The method of calculating the value of the termination benefit is subject to the terms of each invitation issued to participants under the Incentive Rights Plan or NED Rights Plan (as applicable). In general terms, the maximum value will be calculated as follows:

$$A \times B = \text{Value}$$

Where:

A = The number of unvested Rights held by the Relevant Person as at the date of termination of their employment or office; and

B = The Share price as at the vesting date specified in the invitation in respect of that Right.

The value of the termination benefits cannot be determined with any certainty in advance. This is because various matters, events and circumstances will or are likely to affect the calculation of the value, including:

- (a) the Company's Share price at the time of vesting of the relevant Rights;
- (b) the status of any performance conditions in relation to Performance Rights; and
- (c) the number of unvested Rights that the Relevant Person holds at the time they cease employment with or engagement by the Company.

Notwithstanding this, the Directors consider that the value of the termination benefits under the Incentive Rights Plan and the NED Rights Plan could potentially exceed 12 months' average base salary of each Relevant Person and may therefore require approval for the purposes of the Corporations Act.

13.3 Shareholder approval sought

Shareholder approval of Resolution 11 is being sought for the purposes of sections 200B and 200E of the Corporations Act, for any 'termination benefit' that may be provided to a Relevant Person under the Incentive Rights Plan or the NED Rights Plan, in addition to any payments or amounts that may be provided to that person which are excluded from the operation of section 200B, such as statutory entitlements to accrued annual leave and long service leave, amounts required to be paid by law and amounts falling within the 12 months average base salary limit.

The amount and value of the termination benefit for which the Company is seeking approval is the maximum benefit that could be provided under the Incentive Rights Plan or NED Rights Plan (as applicable).

If Shareholder approval of this Resolution 11 is obtained, it is the Board's intention that no other termination benefits will be provided to a Relevant Person in connection with their ceasing to hold a managerial or executive office, other than those termination benefits which have been or are subsequently approved by Shareholders, or which are exempt from the operation of section 200B of the Corporations Act (including as a result of falling within the 12 months average base salary limit).

The Incentive Rights Plan and the NED Rights Plan comply with Listing Rules 10.18 and 10.19 and are otherwise consistent with the Listing Rules.

13.4 Recommendation

As the Directors may have a personal interest in this Resolution 11, the Directors make no recommendation in relation to this Resolution.

14. Resolution 12 – Ratification of Share Placement

On 06 August 2014, the Company issued 14,873,186 ordinary shares of the Company at an issue price of A\$2.60 per share to institutional and sophisticated investors (**Share Placement**), raising gross proceeds of A\$38,670,283. The Company issued 8,923,912 shares without shareholder approval under Listing Rule 7.1 and 5,949,274 with security holder approval under Listing Rule 7.1A.

As at the date of this Notice, the Company is ineligible to seek further shareholder approvals under Listing Rule 7.1A as it is now included in the S&P/ASX 300 Index and has a market capitalisation of greater than \$300 million.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The effect of passing Resolution 12 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

In accordance with Listing Rule 7.4, the following information is provided in relation to the Share Placement:

- (a) 8,923,912 Shares were issued to institutional and sophisticated investors on 6 August 2013 without shareholder approval under Listing Rule 7.1.
- (b) The Shares were issued at an issue price of \$2.60 each.
- (c) The Shares were fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares.
- (d) The proceeds from the issue have, and will continue, to be used to further the 100% owned Bear Head LNG Project located in Richmond County, Nova Scotia, Canada, and for general working capital requirements.
- (e) A voting exclusion statement is included in the Notice.

The Board recommends that Shareholders vote in favour of Resolution 12.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2014.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Liquefied Natural Gas Limited ACN 101 676 779.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Executive Director includes the Managing Director and any executive directors within the meaning given in Rule 10.3 of the Constitution.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Incentive Rights Plan means the Liquefied Natural Gas Limited Incentive Rights Plan for Employees and Executive Directors as summarised in Schedule 2.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

LTI means the Long Term Incentive component of the Company's remuneration structure for executives and staff, based on performance over multiple years

Meeting has the meaning given in the introductory paragraph of the Notice.

NED means a Non-Executive Director.

NED Right means a right issued or to be issued by the Company pursuant to the NED Rights Plan.

NED Rights Plan means the Liquefied Natural Gas Limited Non-Executive Directors Rights Plan as summarised in Schedule 3.

Notice means this notice of annual general meeting.

Non-Executive Directors means those Directors who are not Executive Directors.

Options mean options granted by the Company to acquire Shares.

Performance Right means a performance right issued or to be issued by the Company pursuant to the Incentive Rights Plan.

Plans means the Incentive Rights Plan and the NED Rights Plan.

Proxy Form means the proxy form attached to or accompanying the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Right means a Performance Right issued or to be issued by the Company pursuant to the Incentive Rights Plan, or a NED Right issued or to be issued by the Company pursuant to the NED Rights Plan (as applicable)

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Placement means the placement of Shares by the Company detailed in Section 13.

Shareholder means a shareholder of the Company.

STI means the Short Term Incentive component of the Company's remuneration structure for executives and staff, based on performance over one year

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 – Summary of Incentive Rights Plan

Aspect	Details
Instrument	The Incentive Rights Plan authorises the granting of Rights to executives and staff of the Company, which may be in the form of performance rights or retention rights.
Eligibility	Eligibility to participate in the Plan and the number of Rights offered to each individual participant will be determined by the Board. Non-Executive Directors (NEDs) are not eligible to participate, but are eligible to participate in the NED Rights Plan.
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Rights offered will be subject to Vesting Conditions and in the case of performance rights the conditions are intended to be challenging and linked to growth in shareholder value and achievement of major project milestones.
Number of Rights	The Board has discretion as to the number of Rights to be offered to a participant, however generally this will be determined by multiplying their base package by the long term incentive percentage, and dividing that dollar value by the value of the type of Right being offered (as valued for remuneration purposes).
Amount payable for Right	No amount will be payable by Participants for Rights as they are part of the intended total remuneration package in each financial year.
Vesting of Rights	Upon the satisfaction of the Vesting Conditions, the value of Rights that vest will be evaluated. If the value that vests from a tranche is greater than nil, vesting will give rise to a \$1,000 cash payment with the remainder of the value will be converted into fully paid ordinary shares in the issued capital of the Company based on the then Share price, referred to as the vesting share price (rounded to nearest whole share). No exercise price is required to convert the Rights into Shares.
Vesting Period	The vesting period is aligned with the measurement period and is generally intended to be three years under normal circumstances with no vesting prior to performance being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the financial year three years later. The vesting period and measurement period will only be shorter in

Aspect	Details
	the circumstances of a transition or a new appointment. In these circumstances it may be appropriate to provide for some vesting after a minimum of two years in order to recognise that under normal circumstances where grants are made annually and vesting periods overlap, some vesting may occur annually (subject to the satisfaction of Vesting Conditions).
Vesting Conditions	In order for Rights to vest, a Participant must remain employed by the Company during the measurement period (except in the case of death, disablement etc. - see Cessation of Employment below). In addition performance related conditions will be specified as part of the invitation. These conditions will be related to both market and non-market measures of Company performance. The Board has a discretion to adjust Vesting Conditions in circumstances where it reasonably considers it is appropriate to do so.
Exercise Price	This aspect is at the discretion of the Board. It is intended that no amount will be payable by a participant to exercise a Right that has vested.
Cessation of Employment	<p>Unless the Board determines otherwise, if a Plan Participant ceases employment by reason of resignation, termination for poor performance or termination for cause, all unvested Rights held by the Participant will lapse.</p> <p>Unless the Board determines otherwise, if a Participant ceases employment for any other reason, including by reason of death, disability, redundancy, retirement or by agreement, Rights that were granted to the Plan Participant during the financial year in which the termination occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining Rights for which Vesting Conditions have not been satisfied as at the date of cessation of employment will then remain “on foot”, subject to the original Vesting Conditions.</p>
Change of Control of the Company	In the event of a change of control unvested Rights would vest in the same proportion as the share price has increased since the beginning of the measurement period. Remaining Rights would either lapse or some or all may vest at the Board’s discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted.
Voting and Dividend Rights	Rights do not carry voting or dividend rights. Shares issued when Rights vest carry the rights and entitlements of Shares, including voting and dividend rights.

Aspect	Details
Lapse and Forfeiture of Rights	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed measurement period.
No Transfer of Rights	Without the approval of the Board, Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Variation of Term and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights vest under the Plan may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the Plan.
Other Terms of the Plan	The Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.
Hedging	The Company prohibits the hedging of Rights by Participants.

Schedule 3 – Summary of NED Rights Plan

Aspect	Details
Instrument	The NED Rights Plan authorises the granting of Rights to Non-Executive Directors (NEDs) of the Company.
Eligibility	Eligibility to participate in the Plan and the number of Rights offered to each individual participant (Participant) will be determined by the Board. Executive Directors and other employees of the Company are not eligible to participate. This is intended to ensure that NEDs do not participate in the same securities based remuneration programs as executives, which may be seen as compromising their independence by some stakeholder groups.
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Rights offered will be subject to vesting conditions. Terms and conditions including vesting conditions will be set out in an Invitation.
Number of Rights	The Board has the discretion to determine the number of Rights to be granted to each Participant, however generally it will be determined by multiplying their Board Fees by the securities percentage determined by the Board and then divided by the Share price.
Amount payable for Rights	No amount will be payable by Participants for the Rights as they are part of the annual remuneration package.
Vesting of Rights	Upon the satisfaction of the Vesting Conditions, the value of Rights granted under the plan and that vest from each tranche (if applicable) will be evaluated. If the value that vests from a tranche is greater than nil, vesting will give rise to a \$1,000 cash payment with the remainder of the value to be converted into fully paid ordinary shares in the issued capital of Liquefied Natural Gas Limited (Shares) based on the Vesting Share Price.
Measurement Period	The Measurement Period is connected with the vesting period and will be defined as part of the Invitation. While the Board has a discretion to set the Measurement Period, it is intended to be one year with no vesting prior to Vesting Conditions being tested at the end 12 months between the date of grant and the date that is 12 months later. This period is designed to be sufficiently long to

Aspect	Details
	ensure that a real risk of forfeiture exists, yet sufficiently short to ensure that there is no “golden handcuff” effect from the granting of Rights. It is understood that a number of stakeholder groups object to securities where it may motivate a NED to stay on as a Director of the Company when it is not in the best interests of the Company. This plan has been designed to address this concern. After Rights have vested and Shares have been issued, the Shares will be subject to dealing restrictions. The Board has discretion to modify the dealing restriction period.
Vesting Conditions	The Board has a discretion to attach Vesting Conditions to the Rights, which will be specified as part of the Invitation. It is intended that in order for Rights to vest a participant must remain in the position of Non-executive Director for the measurement period (12 months), except in the case of Retirement or Prescribed Events (being death, disablement, etc) as defined under the plan.
Exercise Price	This aspect is at the discretion of the Board. It is intended that no amount will be payable by a participant to exercise a Right that has vested.
Change of Control of the Company	In the event of a change of control unvested Rights may vest in the same proportion as the Share Price has increased since the beginning of the measurement period. Remaining Rights would either lapse or some or all may vest at the Board’s discretion. In relation to Shares that have resulted from the vesting of Rights, dealing restrictions specified in the Invitation may also be lifted.
Voting and Dividend Rights	Rights do not carry voting or dividend rights. Shares issued when Rights vest carry the same rights and entitlements as other Shares, including voting and dividend rights.
Lapse and Forfeiture of Rights	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed measurement period.
No Transfer of Rights	Rights granted under the NED Plan may only be transferred in limited circumstances.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.
Variation of Term and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. This

Aspect	Details
	includes varying the number of Rights to which a participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights vest under the Plan may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the Plan. However, it may require Participating Employers to share the cost on such a basis as the Committee considers fair.
Other Terms of the NED Rights Plan	The NED Rights Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the NED Rights Plan.
Hedging	The Company prohibits the hedging of Rights by Participants of the NED Rights Plan.



Liquefied Natural Gas Limited
ABN 19 101 676 779

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:
Liquefied Natural Gas Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



By hand:
Link Market Services Limited
1A Homebush Bay Drive,
Rhodes NSW 2138



All enquiries to: Telephone: +61 1300 554 474

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm on Sunday, 16 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE >

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**

LNG PRX401R



PROXY FORM

I/We being a member(s) of Liquefied Natural Gas Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **3:00pm on Tuesday, 18 November 2014 at the Fraser's Function Centre, Fraser Avenue, Kings Park, West Perth, Western Australia 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours before the Meeting**. Please read the voting instructions overleaf before marking any boxes with an .

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Leeanne Kay Bond as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Paul Joseph Cavicchi as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Non-Executive Directors' Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of First Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Second Tranche of Performance Rights to Fletcher Maurice Brand under Incentive Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Issue of NED Rights to Leeanne Kay Bond under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Issue of NED Rights to Madam Yao Guihua under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approval to provide termination benefits under Incentive Rights Plan and NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LNG PRX401R

