



LIQUEFIED NATURAL GAS LIMITED
Company Presentation
UBS AUSTRALIAN ENERGY CONFERENCE

19 June 2008

www.LNGlimited.com.au

LNG Overview



- Listed on ASX Sep 2004 (Code LNG)
- Market Cap of ~ A\$170 million
- Cash reserves ~ A\$14.5 million as at 31 May 2008 (no debt)
- LNG major projects:
 - Gladstone LNG Project - Base: 1.3Mtpa Potential: 2 x 1.3Mtpa
 - PNG LNG Project - Base: 1.3Mtpa Potential: 2 x 1.3Mtpa
 - Central Sulawesi LNG Project - Base: 2 x 1.1Mtpa
 - Qeshm Integrated LNG Project - Base: 3 x 1.15Mtpa
 - Gas Link Global Limited - 66.7% subsidiary of LNG
 - Other LNG Projects - ongoing project identification and development

Directors



- **Phil Harvey**: Chairman – Former CEO of ASX listed Alinta Ltd
- **Maurice Brand**: Managing Director & CEO – Former founder & CEO Energy World Corporation. Led development projects in Australia, Indonesia and India – project funding >US \$1.0 billion
- **Richard Beresford**: Director – Former Head of Gas Strategy & Development China Light & Power , GM Business Development Woodside Energy Ltd, Indonesia Country Manager with British Gas Plc
- **Nick Davies**: Director – Managing Director & CEO of Arrow Energy and former President for BP's Asia Pacific Gas and Power business, including LNG
- **Gary Smith**: Director – CEO Golar LNG & former GM Commercial Shipping for Shell (including LNG shipping/trading) and former President of SIGTTO

Directors (con't)



- **Bill Hornaday**: Director – COO of Niko Resources a Canadian listed oil and gas E&P company. Former senior positions in global E&P companies
- **Paul Bridgwood**: CTO & Director – Former Project Manager for Energy World Corporation (Alice Springs LNG to power project (Aust); Sengkang gas to power project (Indonesia); Barcaldine IPP (Aust); Basin Bridge IPP (India) & Karratha LNG plant design (Aust). Formerly Worley Eng (NWS LNG Project)
- **Norm Marshall**: CFO & Director – Former Commonwealth Bank Head of Investment Banking, WA; former CFO of ASX listed Portman Mining Ltd (iron ore project development) & corporate & project financing >US \$4.0 billion (Australia, Indonesia, India and Africa)

Major Shareholders / Capital Structure



	Shares Held	% of Shares on Issue
1. Golar LNG Limited	23,000,000	16.05%
2. Mr Paul Bridgwood	15,000,040	10.47%
3. Arrow Energy Ltd	14,000,000	9.77%
4. Sasigas Nominees Pty Ltd	<u>13,007,742</u>	<u>9.07%</u>
	65,007,782	45.36%
Top 50 Shareholders	114,190,093	80.00%
TOTAL ORDINARY SHARES ISSUED	143,330,556	100.00%
TOTAL UNLISTED OPTIONS ISSUED	15,030,000	
12 Preference Shares converted into Ordinary Shares conditional upon Financial Close by 14 September 2009	12,000,000	

LNG Business Model



Development of “mid-scale” LNG projects of ~ 1.5 million tonne per annum (Mtpa) production capacity per LNG train, based on:

- **Gas Access: targeting stranded gasfields (> 500 BCF) that are:**
 - difficult to monetise as insufficient local energy demand
 - too small & far from energy markets for pipeline delivery
 - reserves insufficient to support a traditional large-scale LNG plant (require multiple trillion cubic feet of gas)
- **LNG Markets (existing)**
 - targeting existing LNG markets with present global shortage of LNG (LNG supply/demand imbalance)
- **LNG Markets (new)**
 - targeting niche energy markets that would otherwise not have access to competitively priced and environmentally attractive natural gas, delivered as LNG

The Company offers a complete “LNG package/solution” structured for the benefit of all stakeholders

Advantages of Mid-Scale LNG Projects



- **Smaller land access requirement** - increases ability to strategically locate LNG plants closer to existing infrastructure and sheltered deepwater access for LNG ships (lower associated infrastructure costs)
- **Proven uncomplicated & highly efficient single mixed refrigerant process** - lower equipment count, easier installation, operation & maintenance (including faster shut down and start up) and faster construction
- **Membrane storage tanks delivering a lower construction cost and faster construction schedule**
- **Smaller project size and uncomplicated contracting (potential only 1 LNG buyer)** - reduces period to complete detailed (bankable) feasibility study and achieve financial close

All of the above leads to a faster project delivery schedule, thus delivering lower construction phase overheads and financing costs

Gladstone LNG Project



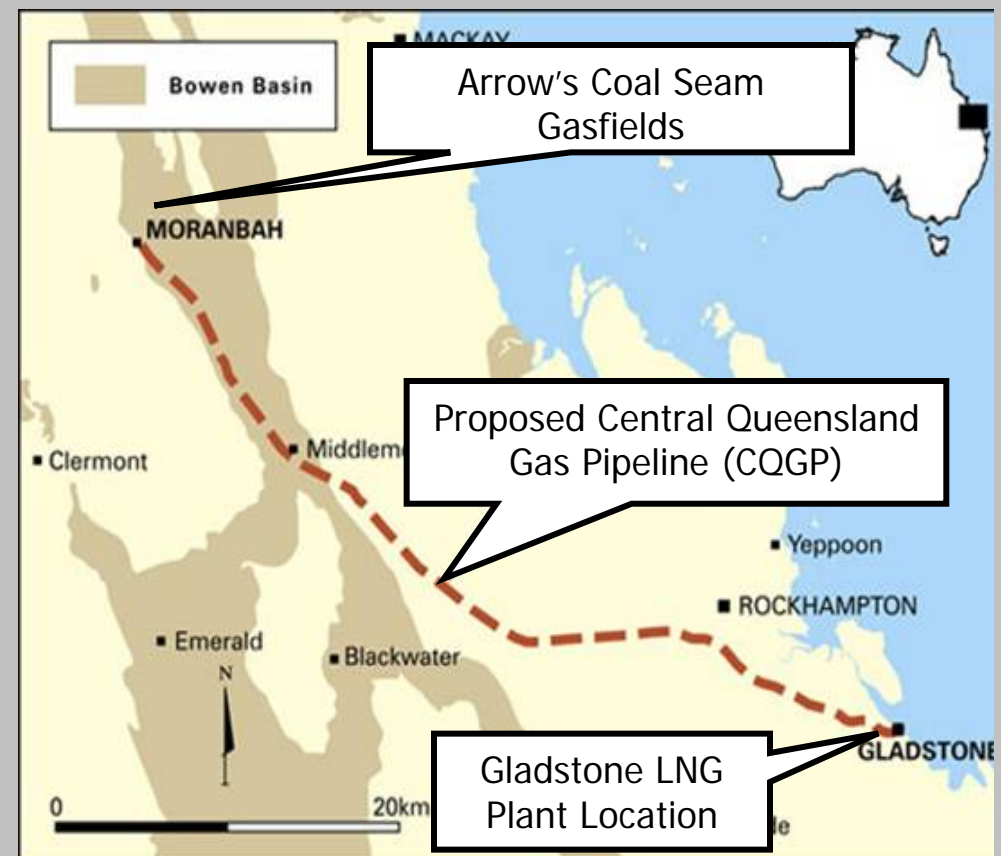
Status

- Key Gas Terms signed with Arrow
- Arrow/AGL awarded CQGP rights
- EPA process commenced
- Confirmation letter for LNG Site
- No Federal Govt. Involvement
- Selected preferred Contractor

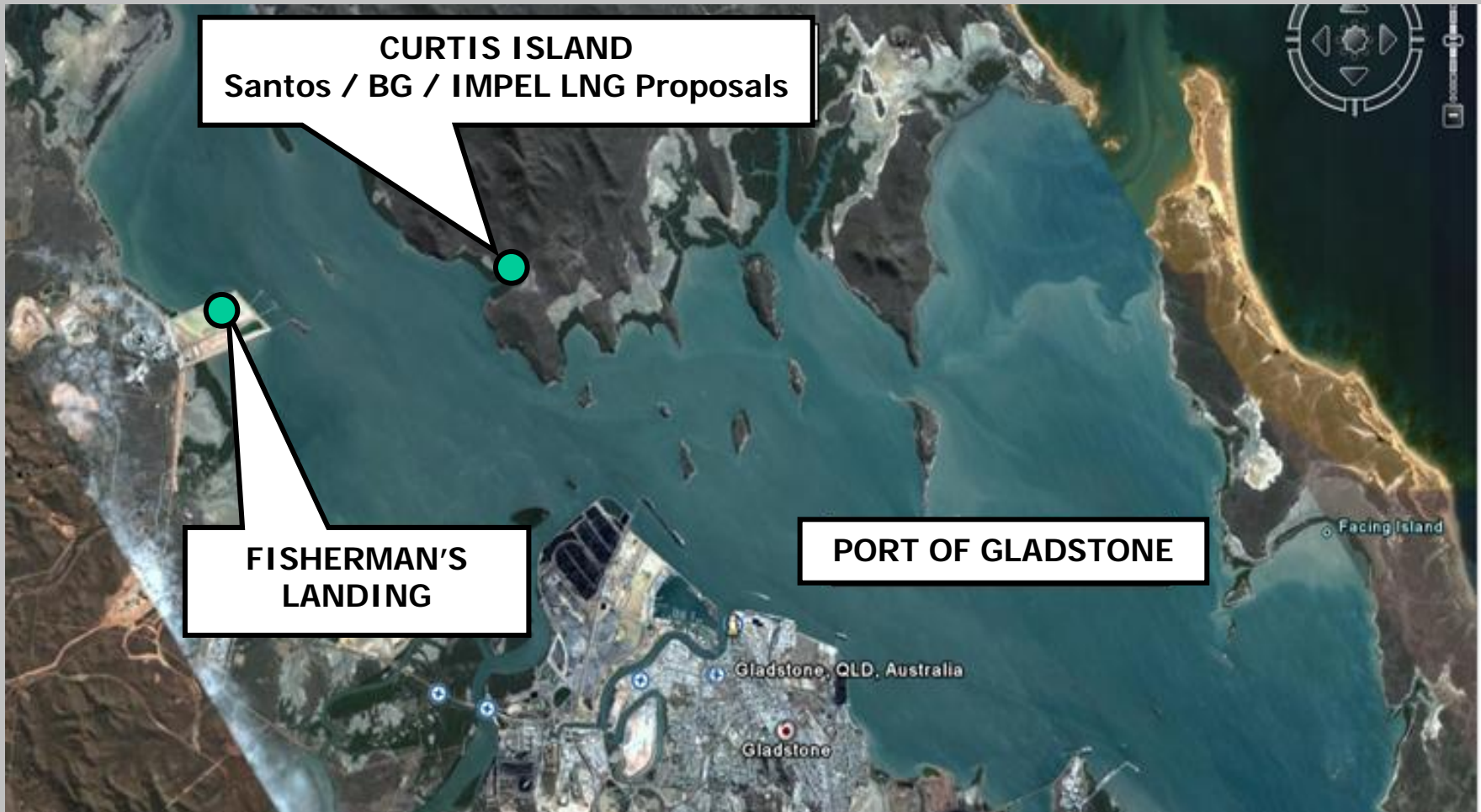
Next Steps

- LNG Site Agreement
- Select LNG Off-taker
- Sign Gas Sales Agreement - Arrow
- Sign LNG Off-take Agreement
- Financing structure/plan
- Arrow Gas Reserve Certification
- Start Soil / Site Improvement
- Complete EIS
- Financial Close

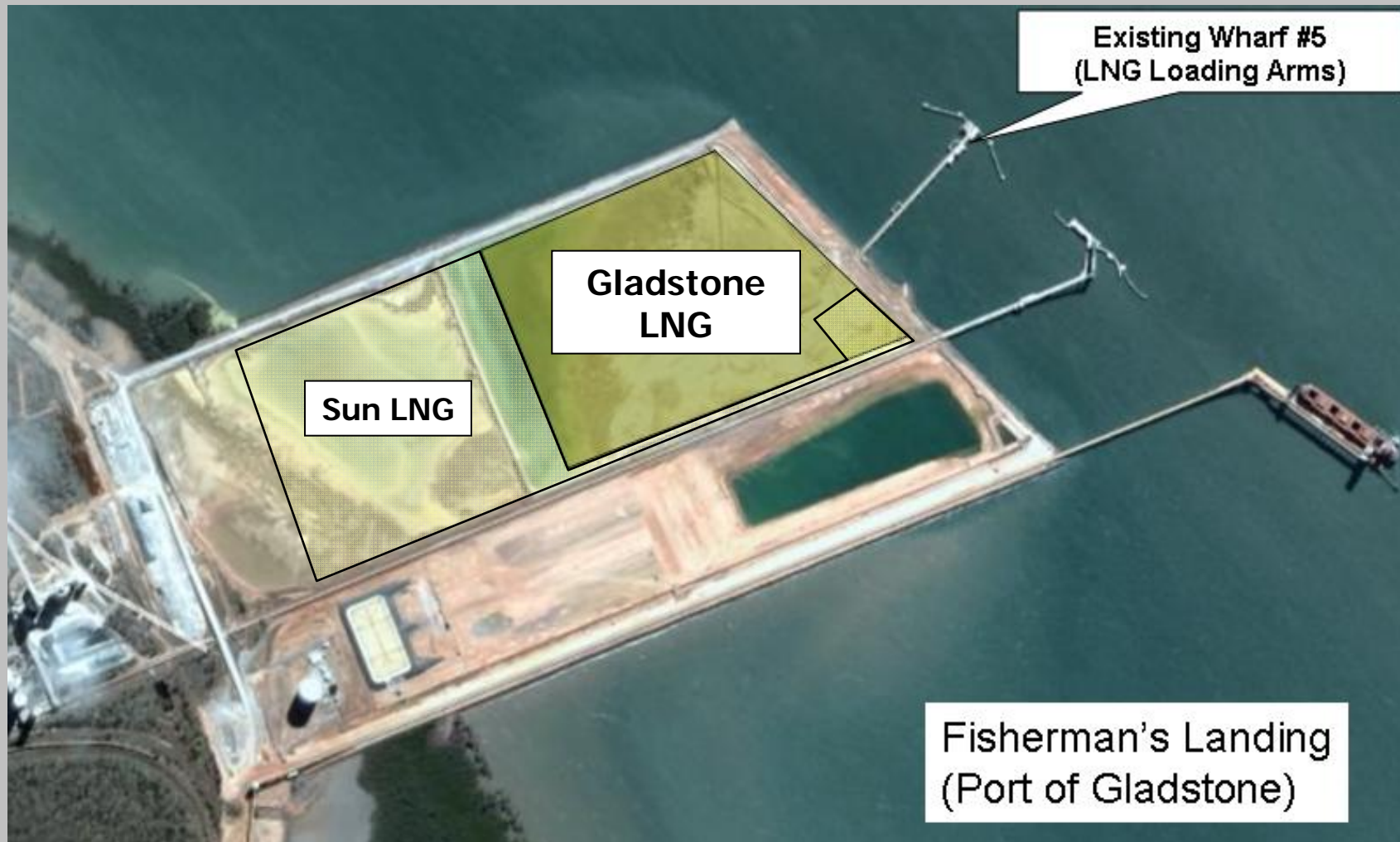
Base: 1 x 1.3 Mtpa
Potential: 2 x 1.3 Mtpa



Port of Gladstone



Gladstone LNG Site



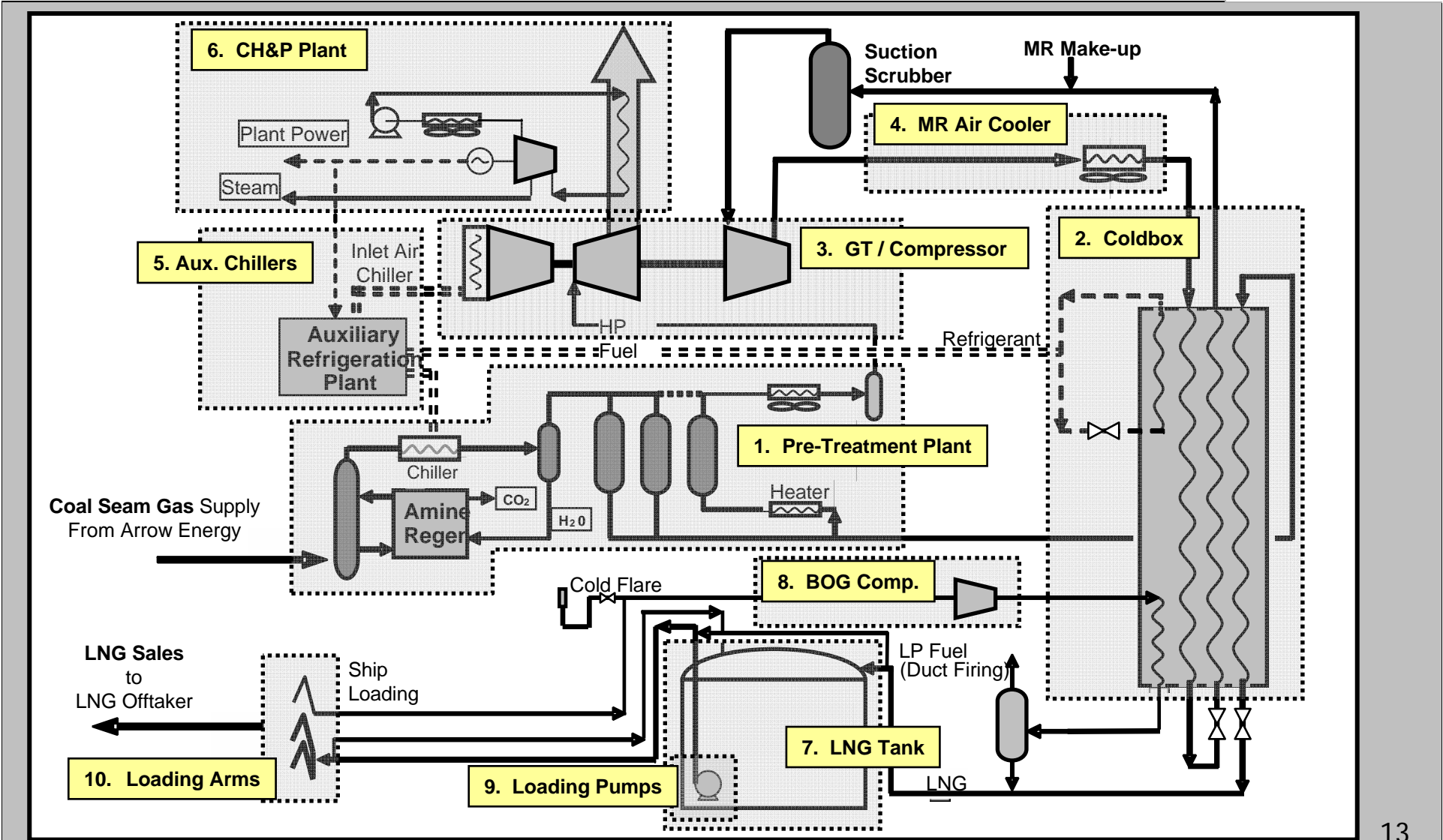
Fisherman's Wharf – Jetty No 5



Fisherman's Wharf – Jetty No 5



LNG Equipment Packages



Membrane LNG Tank



LNG regasification terminal
in Montoir-de-Bretagne
(2 x 120,000 m³)



LNG regasification terminal
in Pyeong Taek
(10 x 100,000 m³)



LNG regasification terminal
in Negishi
(1 x 95,000 m³, 2 x 200,000 m³)

Number of aboveground tanks :	12
Number of inground tanks :	17
Largest tanks (Negishi & Ohgishima) :	200 000 m ³
First membrane tank (Negishi, Japan) :	1981

Membrane LNG Tank – EN Standards

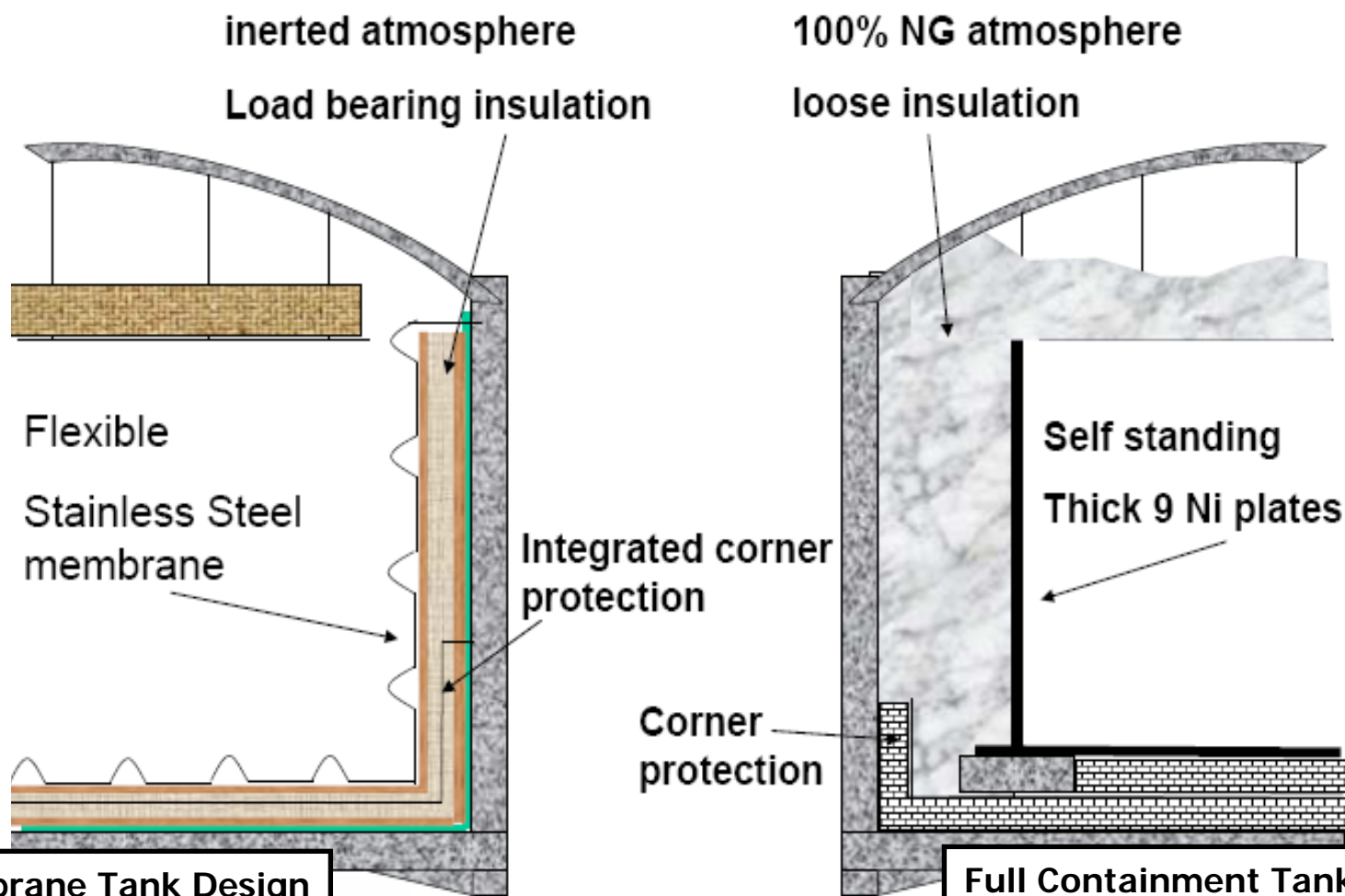


According to EN 14620 & EN 1473 :

- Membrane tanks are considered as equivalent to full containment in terms of safety



Membrane / Full Containment



LNG Project Schedule



Key Milestones	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	3rd Qtr 2011
Licence Agreement (site)	▲										
Finalisation of LNG Tank Design	▲										
Selection of Preferred LNG Offtaker		▲									
Gas Sale Agreement - Execution				▲							
Agreement to Lease (site)				▲							
LNG Sale Agreement (commercial) - Execution				▲							
FEED and Costing of LNG Plant / Tank						▲					
EIS Assessment Report							▲				
Detailed (Bankable) Feasibility Study								▲			
LNG Sale Agreement (final) - Execution								▲			
Project Approvals - EPA										▲	
Final Investment Decision										▲	
Plant Commissioning / Tank Cooldown											■
First LNG Shipment											▲

Gladstone Capital Cost 1.3Mtpa First Train



	US\$M
Equipment Supply	100
Construction / Project Management	220
Contingent	80
	<hr/>
	400

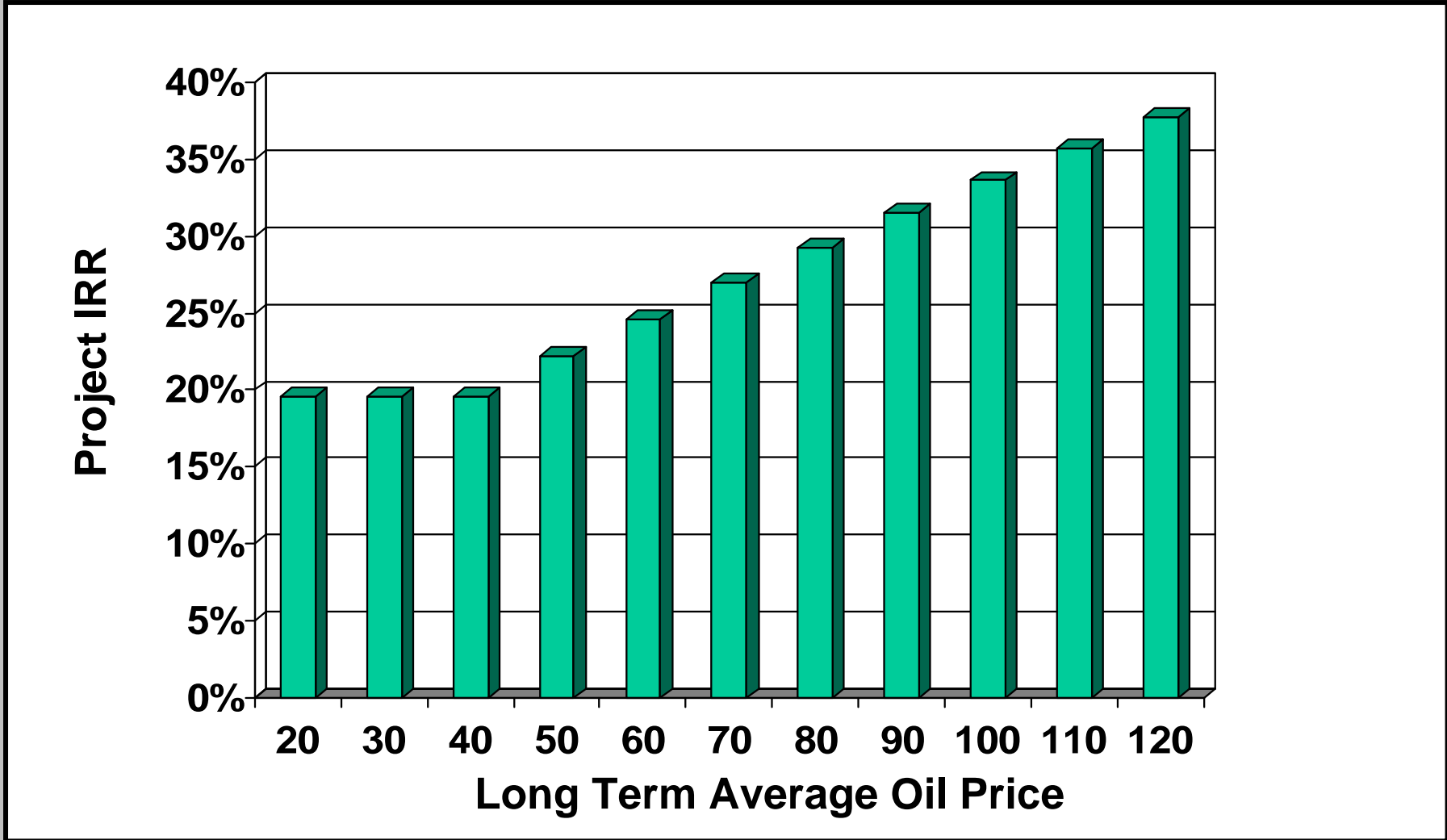
US\$307/per annual tonne production capacity

Confidence in the Gladstone LNG Project



- **Capital Cost** - over 75% of the Project's Capital Cost (excluding contingency) is supported by Vendor Quotes/Proposals; and Contractor's (LOR) cost estimations.
- **Gas Supply** – gas supply to LNG Plant gate covered under Arrow Energy / Shell scope of work
- **Port Infrastructure** – jetty strengthening / extension / dredging covered by Gladstone Port Corporation scope of work
- **Contracting Methodology** – with Laing O'Rourke and in discussions with major Contractor for overall Project guarantee (schedule/performance/costs)
- **LNG Offtake** – currently in discussions with a number of short-listed LNG Offtakers and selection of the preferred LNG Offtaker expected in July.

Expected Project Return



PNG LNG Project



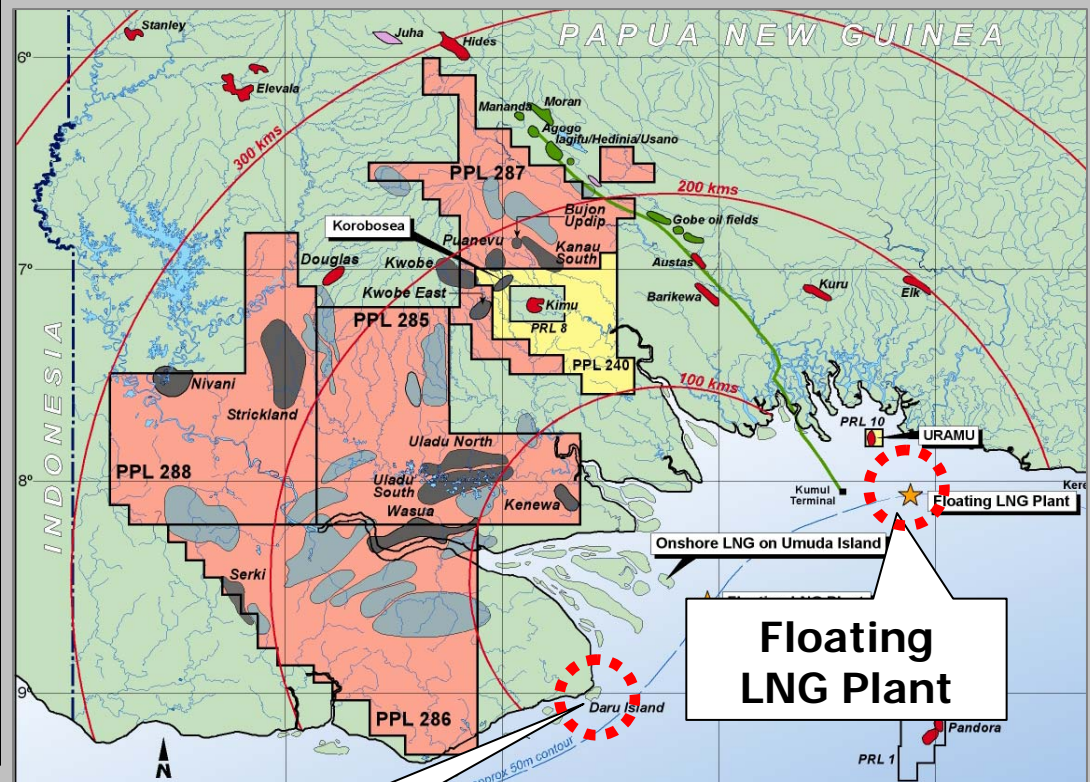
Status

- Daru on-shore site selected
- Six floating LNG options reviewed, three proposals selected for further evaluation

Next Steps for Daru

- Enter into Site Agreement
- Enter into pipeline access agreement
- Enter into conditional gas supply agreements
- Select partners
- Complete Feasibility Study

Base: 1 x 1.3 Mtpa
Potential: 2 x 1.3 Mtpa



Daru Island Site

CENTRAL SULAWESI LNG PROJECT



Base: 2 x 1.1 Mtpa

Status

- Mitsubishi (MC) selected Nov-06
- Still no definitive agreement between MC & Pertamina/Medco
- LNGI continuing to lobby GOI

Next Steps

- Agreement with Pertamina / Medco to develop LNG Plant
- Gas Sales Heads of Agreement with Pertamina and Medco
- BPMIGAS gas price approval



Qeshm Integrated LNG Project



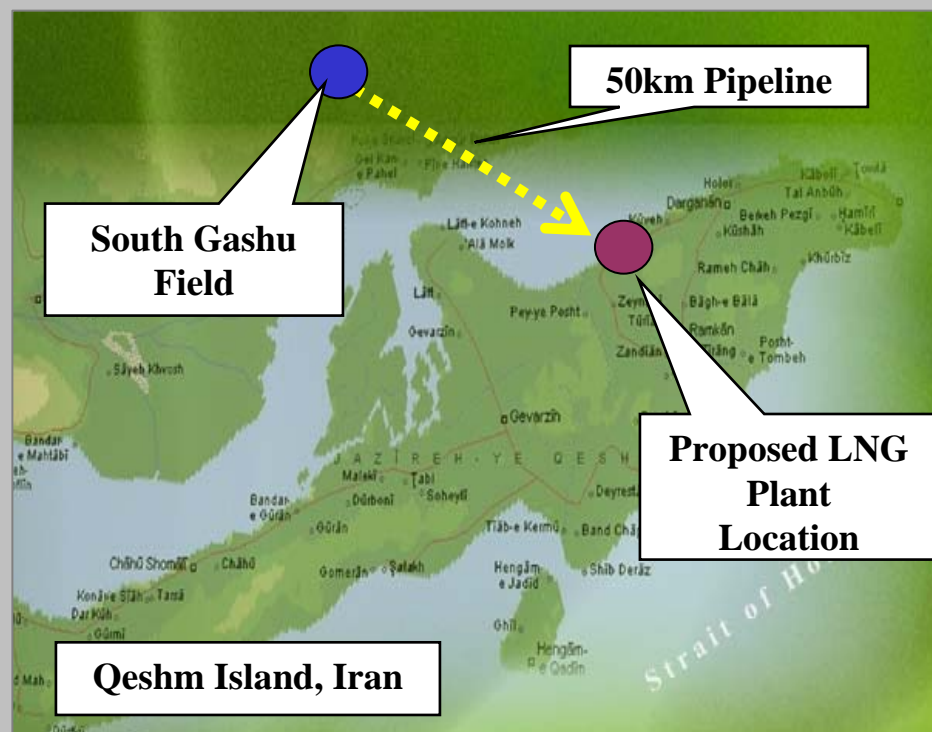
Status

- Integrated Project - 5 TCF South Gashu field, 50km pipeline & Qeshm LNG Plant
- Meetings with NIOC for South Gashu development and delivered gas price to LNG Plant on Qeshm
- Meetings with PetroIran Development Company to jointly develop project

Next Steps

- Gas Pricing HOA - NIOC
- Development Agreement - PEDCO
- South Gashu Development Agreement with NIOC
- Re-structuring and funding plan

3 x 1.15 Mtpa



Revenue Model



- **Business Objective:** Mid-scale LNG project development
- **Management Fees:** During development, construction and operation
- **Success Fees:** Payable at Financial close and at Commercial Operations Date
- **Technology Fees:** Based on actual production (US\$/MMBtu)
- **Project Dividends:** Retain equity share in each project
- **Leverage:** Gas Link Global Limited to list in 2008

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THANK YOU