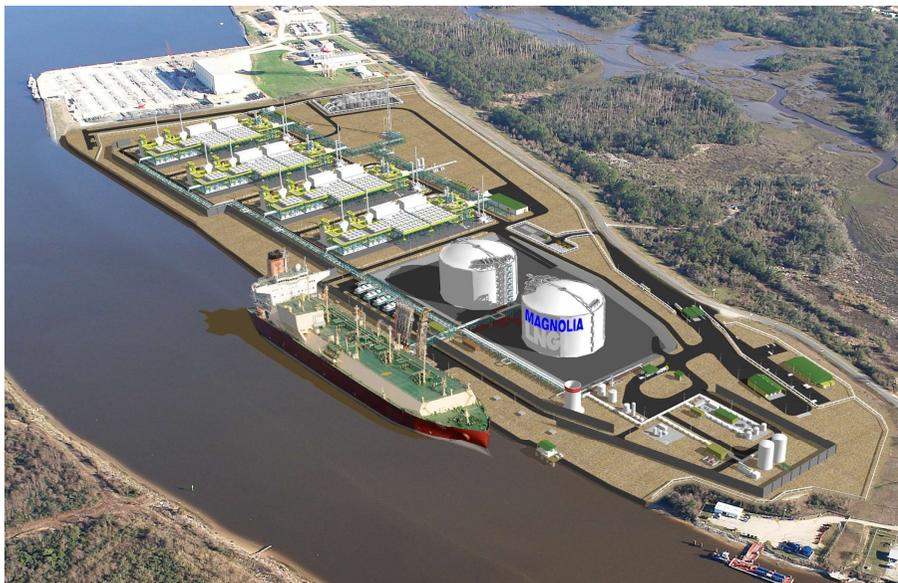


# Liquefied Natural Gas Limited



Greg Vesey – Managing Director and Chief Executive Officer

**Who's Going To Jump In First?**



North American Gas Forum – October 2, 2017

ASX: LNG and OTC ADR: LNGLY



# Forward looking statement / all jurisdictions

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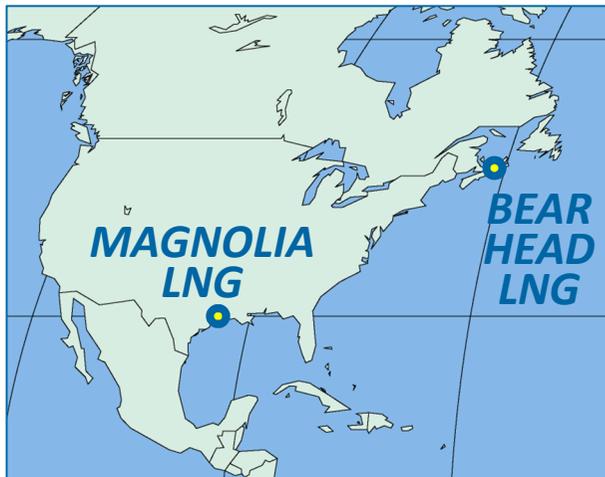
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## Overview

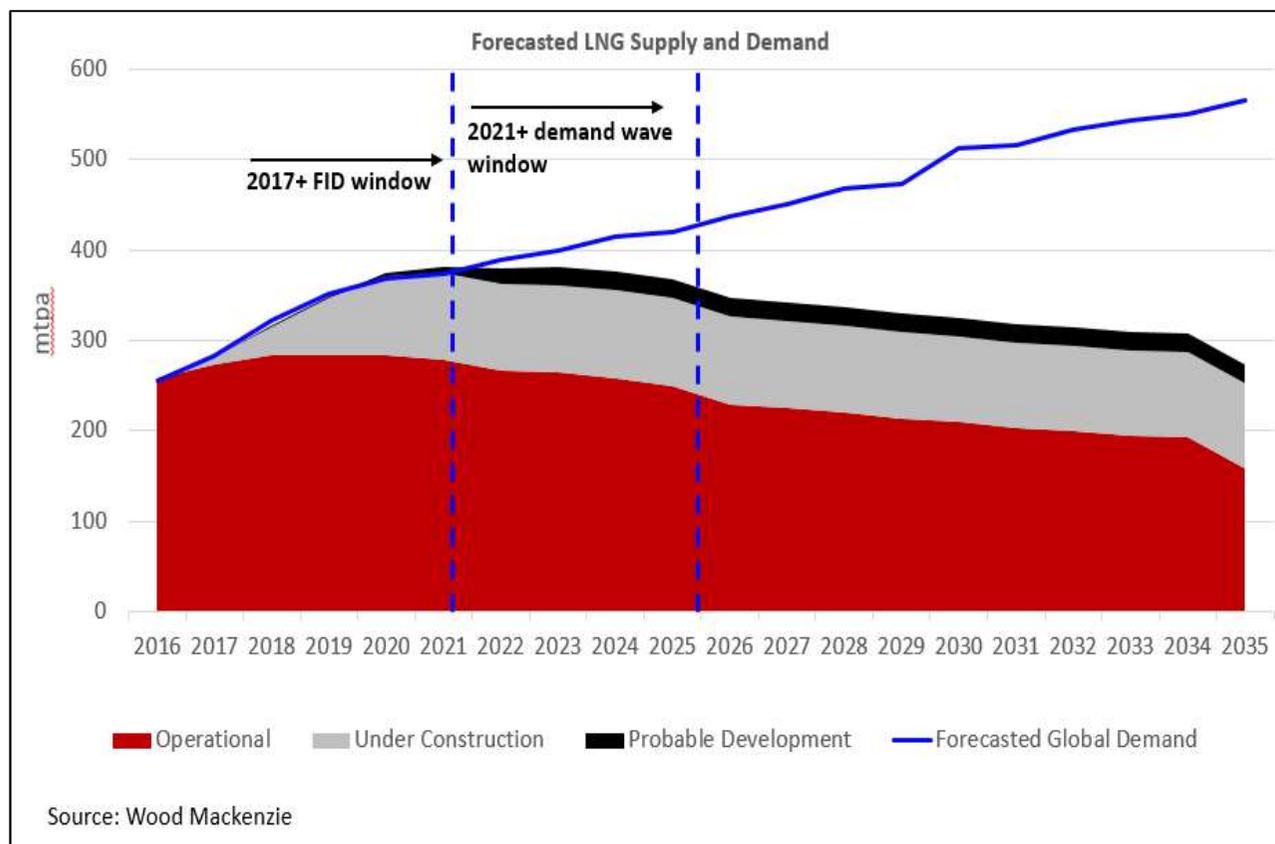


LNGL is an Australian public company (ASX: LNG)

- Developer of LNG export terminals
- North America focused
- Experienced leadership
- 16 – 20 mtpa of capacity under development
- Patented OSMR<sup>®</sup> liquefaction process technology
- Low cost, mid-scale strategy
- High efficiency and reliability

# Market Fundamentals

## LNG supply and demand fundamentals balance in 2022



**Most pundits agree with this range**

## A Strong Outlook for Growth

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- Replacement for coal
- Replacement for expiring long term contracts
- New buyers and new markets
  - China – Largest growth market
  - Korea – Stated intention to expand LNG imports
  - India, Eastern Europe, Jordan, Morocco



**According to BP, approximately 50 Bcf/d of additional LNG supply needed to meet global LNG needs by 2035**

## A LNG Buyer's Future LNG Portfolio

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- **40% – 20 year contract**
  - There is continued demand for long term contracts with LNG spot prices expected to increase
  - LNG demand may continue to increase as additional uses are found for the fuel such as LNG bunkering
- **40% – three to five year contracts**
- **20% – spot pricing**
  - Offtakers without long-term agreements leave themselves open to price volatility and unknown market dynamics

**Future LNG project portfolios leave room for a buyer's distinct and diverse needs**

## U.S. LNG Projects Can Win

Top 10 Second Wave U.S. LNG Projects According to Energy Intelligence

Ranking	Project	Expected FID
1	Corpus Christi Train 3	Unknown
2	Magnolia LNG	Unknown
3	Sabine Pass Train 6	Unknown
4	Golden Pass	2018
5	Rio Grande	2018
6	Driftwood	2018
7	Cameron Train 4-5	Unknown
8	Jordan Cove	Unknown
9	Delfin FLNG	2018
10	Lake Charles	Unknown

Source: World Gas Intelligence

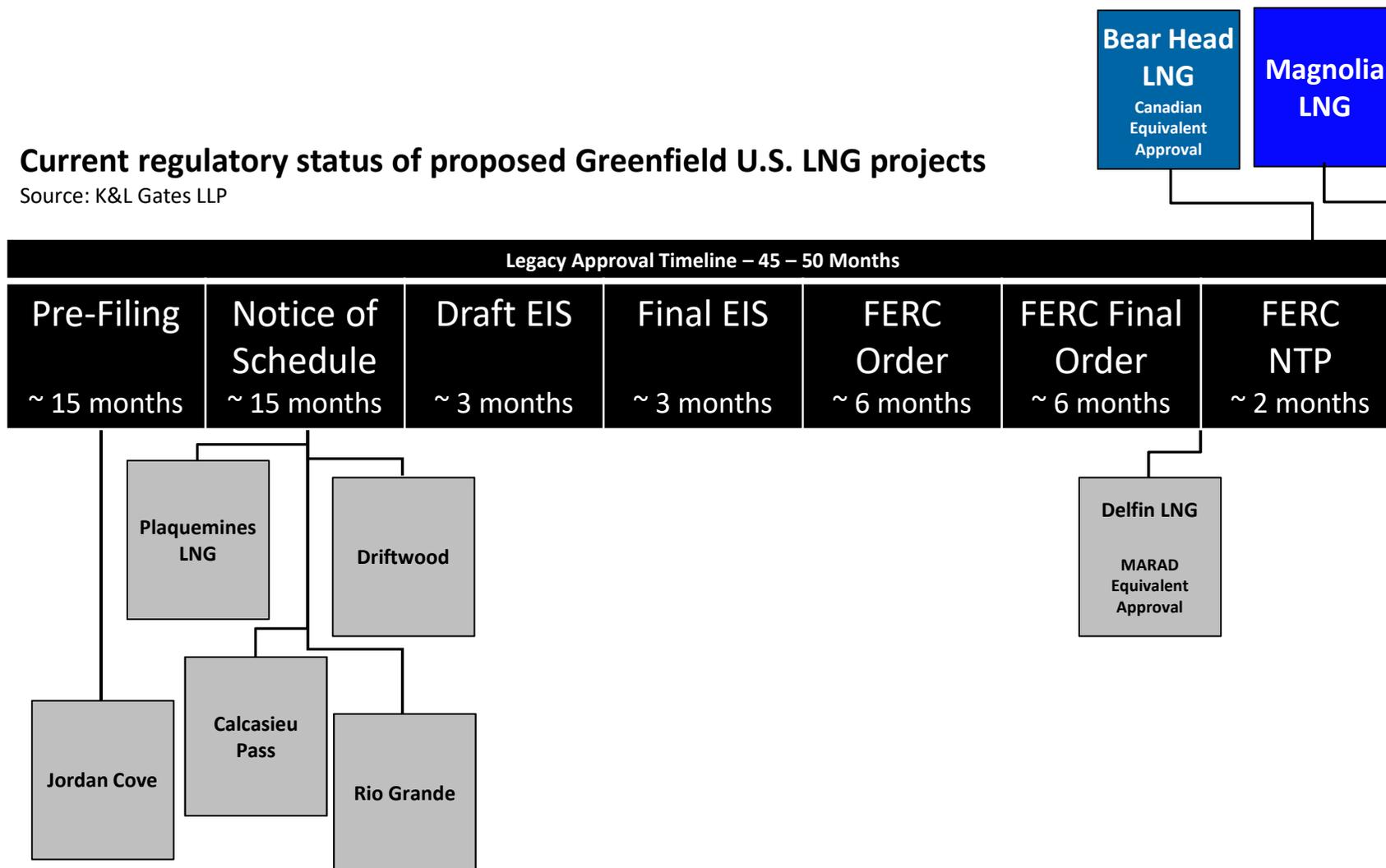
**Is the U.S. expecting too big of a market share?**



# FERC Approval – A Well Established Process

## Current regulatory status of proposed Greenfield U.S. LNG projects

Source: K&L Gates LLP



**FERC process will ensure safe and reliable facilities**

## Don't Forget About Eastern Canada



Source: PennWell, WoodMackenzie

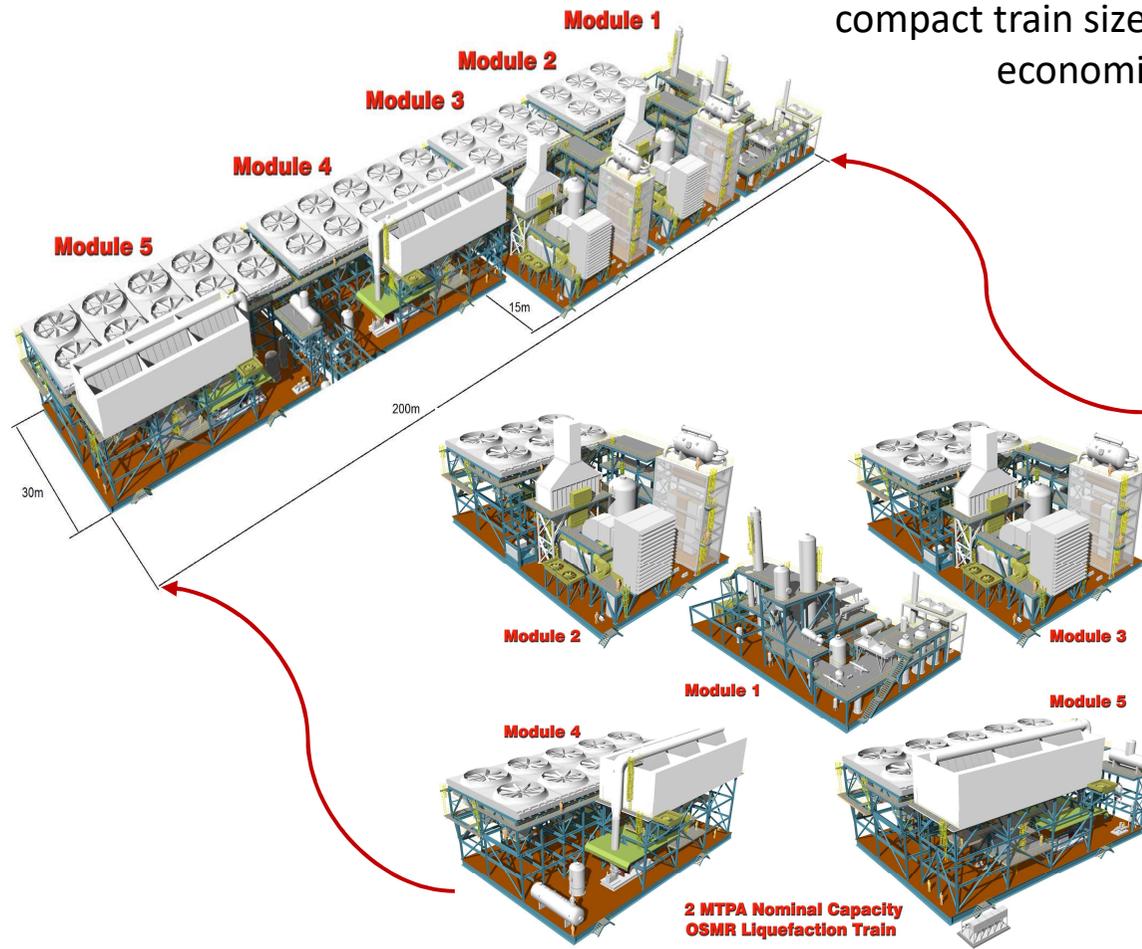
BC LNG Project	Cost Stack	Bear Head LNG
\$1.50 - \$2.50	Montney Production Costs <sup>1</sup>	\$1.50 - \$2.50
\$1.86 - \$2.67	Pipeline Transportation Costs <sup>2, 3</sup>	\$2.25 - \$2.85
\$4.63 - \$5.67	Liquefaction Costs <sup>4, 5</sup>	\$2.50 - \$2.75
<b>\$7.99 - \$10.84</b>	<b>Equivalent FOB</b>	<b>\$6.25 - \$8.10</b>

Sources: 1) Montney Costs: RBC Capital Markets Research, Credit Suisse Equity Research  
 2) BC Pipe: Wood Mackenzie, BHLNG analysis; 3) BHLNG Pipe: TransCanada  
 4) BC Liquefaction: Wood Mackenzie; 5) BHLNG Liquefaction: BHLNG analysis, KBR

**LNG's Bear Head LNG Project is cost competitive**

# OSMR Technology

OSMR<sup>®</sup> LNG liquefaction process technology and compact train size allows easy modularization and economic project development



**The core elements of LNG’s OSMR<sup>®</sup> proprietary technology are successfully proven in a LNG plant in Karratha, Western Australia**

## LNG Market – Buyer Market But Opportunities Abound



**Who's going to jump in first and will the rest follow?**