



ACN 101 676 779

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
InterContinental Melbourne - The Rialto
495 Collins Street, Melbourne, VIC 3000, Australia
on Thursday 16 November 2017 at 2:30pm (AEDT)**

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 +61 8 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 InterContinental Melbourne - The Rialto, 495 Collins Street, Melbourne, VIC 3000, Australia on Thursday 16 November 2017 at 2:30pm (AEDT) (**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 Tuesday 14 November 2017 at 7:00pm (AEDT).

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 2017, 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 2017 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 Leanne Kay Bond as a Director

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

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

4. Resolution 3 – Issue of Incentive Rights to Gregory Matthew Vesey 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 1,600,000 Incentive Rights consisting of up to 960,000 Performance Rights and up to 640,000 Retention Rights to Gregory Matthew Vesey 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 3 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.

5. Resolution 4 – 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 223,100 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 4 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.

6. Resolution 5 – 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 138,240 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 5 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.

7. Resolution 6 – Issue of NED Rights to Leanne 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 138,240 NED Rights to Leanne 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 6 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.

8. Resolution 7 – Issue of NED Rights to Douglas Michael Steuert 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 138,240 NED Rights to Douglas Michael Steuert 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 Philip D. Moeller 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 138,240 NED Rights to Philip D. Moeller 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 – Approval to provide termination benefits under Change of Control Guidelines

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 employees of the Company or a Related Body Corporate (or their respective associates) under the Change of Control Guidelines in connection with that person’s retirement from an office or position of employment with the Company or a Related Body Corporate, as further described in the Explanatory Memorandum.”

Voting Exclusion

A vote on this Resolution 9 must not be cast (in any capacity) by or on behalf of a beneficiary or proposed beneficiary under the Change of Control Guidelines (or an associate of such a beneficiary or proposed beneficiary). 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 9, and the vote is not cast on behalf of such a person.

BY ORDER OF THE BOARD

A handwritten signature in cursive script that reads "Kinga Doris".

Kinga Doris
General Counsel and Joint Company Secretary
Dated: 4 October 2017

LIQUEFIED NATURAL GAS LIMITED

ACN 101 676 779

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 InterContinental Melbourne - The Rialto, 495 Collins Street, Melbourne, VIC 3000, Australia on Thursday 16 November 2017 at 2:30pm (AEDT) (**Meeting**).

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 a Director
Section 4:	Resolutions 3 to 8 – Issues of Rights under the Plans
Section 5:	Resolution 3 – Issue of Incentive Rights to Gregory Matthew Vesey under Incentive Rights Plan
Section 6:	Resolution 4 – Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan
Section 7:	Resolution 5 – Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan
Section 8:	Resolution 6 – Issue of NED Rights to Leeanne Kay Bond under NED Rights Plan
Section 9:	Resolution 7 – Issue of NED Rights to Douglas Michael Steuert under NED Rights Plan
Section 10:	Resolution 8 – Issue of NED Rights to Philip D. Moeller under NED Rights Plan
Section 11:	Resolution 9 – Approval to provide termination benefits under Change of Control Guidelines

Schedule 1:	Definitions
Schedule 2:	Summary of Incentive Rights Plan
Schedule 3:	Summary of NED Rights Plan

Proxies

A Proxy Form is attached to (and forms part of) 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 2:30pm (AEDT) on Tuesday 14 November 2017, 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 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 Resolutions 1 to 9.

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 3 to 9 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 3 to 9, 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 2017.

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/PDF/5172_0/2017AnnualReport;
- (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 2018, 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 (the **Spill Meeting**). If more than 50% of the Shareholders vote in favour of this resolution, then at the Spill Meeting all Directors (other than the 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 – Election of Leanne Kay Bond as a Director

In accordance with Listing Rule 14.4, a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or 3 years, whichever is longer.

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 Ms Bond retires by rotation and seeks re-election.

Ms Bond was appointed to the Board effective October 2009. She was most recently re-elected to the Board in 2014. She is a member of the Compensation Committee, Audit Committee, and is Chair of the Safety, Sustainability, People and Culture Committee.

The Board considers that Ms Bond qualifies as an independent Director.

Ms Bond is a professional company director with various board roles in the energy, minerals, and engineering services sectors. She has qualifications in engineering and management, and 30 years' experience across a broad range of industrial sectors including energy, minerals, infrastructure, and water resources.

From 1996 to 2006, Ms Bond held a number of management roles with Worley Parsons in Queensland, Australia, including General Manager Hydrocarbons and Development Manager.

Ms Bond has been a non-executive director of the Synertec Corporation Limited and the Clean Energy Finance Corporation since 2017, the Queensland Building and Construction Commission and Engineers Australia since 2016, Snowy Hydro Limited since 2015, Territory Generation since 2014, JKTech Pty Ltd since 2013, and Breakthrough Energy Pty Ltd since 2006.

Skills contributed to the LNGL Board include:

Technology and innovation	Risk management	International experience
Auditing and accounting	Business strategy	Contracts negotiation
Project management	Health and safety	Finance
Government/Community Relations	Environmental and sustainability matters	Marketing and business development
Corporate governance	Project engineering, construction, execution	

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

4. Resolutions 3 to 8 – Issues of Rights under the Plans

4.1 Remuneration structure and policies

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 NEDs.

The remuneration structure for executives and staff consists of a base salary, a short-term incentive (**STI**) based on corporate and individual performance that is paid annually (subject to performance and Board discretion), and an annual grant of long-term incentive(s) (**LTI**) primarily based on the performance of the Company over multiple years.

The remuneration structure for NEDs consists of a base fee, certain committee fees, and grants of options or NED Rights structured so as not to compromise the independence of the NEDs.

The Board recognises a need for the Company to manage its existing liquidity in line with its cash management plan. In addition, the composition of the Board of Directors has changed in recent years to comprise a majority of US-based NEDs. To conserve cash, in addition to a 20% reduction in the cash component of the relevant Board fees in 2016, the Board resolved to further reduce the cash component by 10% as provided in the following chart.

Director Pay Cash Elements	FY2015	FY2016	FY2017
Chairman of the Board Base Fee	\$270,000	\$216,000	\$194,000
NED Base Fee	\$120,000	\$96,000	\$86,400
Committee Chair Fee	\$25,000	\$20,000	\$18,000
Committee Member Fee	\$12,500	\$10,000	\$9,000

***IMPORTANT NOTE:** The amounts indicated above are denominated in Australian dollars for Australian-based NEDs and US dollars for US-based NEDs. No Australian dollar equivalent is provided as these amounts are subject to currency fluctuations. However, the Australian dollar equivalent can be ascertained by multiplying the USD:AUD exchange rate by the US dollar amount. Assuming, the USD:AUD exchange rate was 1.25, a NED Base Fee of US\$86,400 would have converted to A\$108,000). The FY2017 changes were implemented with effect from 1 September 2016.

The reduction in the cash component of Board fees described above also has the effect of reducing the target value of the equity retainers by 10%. The following

table reflects the target values for the NED Rights in FY2016 and FY2017, respectively.

NED Rights	FY2016	FY2017
Chairman of the Board Rights Target Value	\$124,000	\$111,550
NED Rights Target Value	\$76,800	\$69,120

***IMPORTANT NOTE:** For the purpose of NED Rights calculations only, equity awards are calculated as if all NED fees were paid in Australian dollars, notwithstanding that US NEDs are paid the same dollar figure but in US dollars.

Upon vesting of a Right, the Shares issued to Directors and Key Management Personnel shall remain subject to the Company's Stock Ownership Guidelines as further provided below. Shares issued to a member of Key Management Personnel shall initially be held in trust for the participant for a period of two years. All Shares issued under the Plans shall always remain subject to restrictions on dealing relating to compliance with the Company's securities trading policy and with all relevant insider trading laws.

The Board has adopted formal Stock Ownership Guidelines for Key Management Personnel whereby each member of Key Management Personnel shall maintain the following equity stake in the Company:

Role	Minimum ownership	Holding requirement
CEO	5x base pay	
CFO, CTO, CDO, GC	2.5x base pay	
Other executive officers designated by the Compensation Committee from time to time	2.5x base pay	
NEDs	3x annual Board cash retainer	Each NED must retain 50 percent of all Shares that vest under the NED Rights Plan until the minimum Share ownership requirement is achieved. Guidelines are expected to be met by 30 June 2021.

In relation to the Incentive Rights Plan, the Compensation 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 executives and Key Management Personnel.

In addition to Incentive Rights which vest upon realization of certain targets against set indicators, the Compensation Committee continues the program of issuance of Retention Rights that vest over a specified timeframe, in keeping with North American remuneration practices and as an effort to increase shareholdings by Company staff that the Compensation Committee believes reduce the risk of loss of Key Management Personnel over time while aligning staff and shareholder goals.

The Compensation Committee seeks to ensure that grants of Rights 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 Compensation Committee and the Board regularly review market positioning and the elements and mix of remuneration for Key Management Personnel to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company and the relevant Key Management Personnel.

In relation to the NED Rights Plan, the Board recognises that some stakeholders see the participation of NEDs in securities based incentive plans designed for executives as compromising the independence of NEDs in overseeing the operation of the Incentive Rights Plan. Therefore, the Company designed a separate plan to provide securities to NEDs through grants of NED Rights made under the NED Rights Plan that do not have performance based vesting conditions and are not linked with the vesting of executive incentives.

4.2 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 Incentive Rights to Gregory Matthew Vesey under the Incentive Rights Plan, and before issuing NED Rights to the NEDs under the terms of the NED Rights Plan. Resolutions 3 to 8 seek Shareholder approval for this purpose.

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 3 to 8 is set out in Sections 5 to 10 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 Incentive Rights and NED Rights under Resolutions 3 to 8 (and shares issued on vesting of such Rights) will not count towards the Company's Listing Rule 7.1 placement capacity).

The Compensation 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.

5. Resolution 3 – Issue of Incentive Rights to Gregory Matthew Vesey under the Incentive Rights Plan

Resolution 3 seeks Shareholder approval for the offer and issue of up to 1,600,000 Incentive Rights, consisting of up to 640,000 Retention Rights and up to 960,000 Performance Rights, to Mr Vesey 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 1,600,000 Incentive Rights will be issued to Mr Vesey or an associated person or entity. These Incentive Rights could potentially vest and be exercised into no more than 1,600,000 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 Incentive Rights to Mr Vesey or an associated person or entity at no cost and no exercise price will be payable upon vesting of the Incentive Rights. In accordance with the terms of the Incentive Rights Plan, the Incentive Rights will vest and convert to Shares in the Company if the following conditions are met:

(i) Vesting of Retention Rights

The Retention Rights will vest in full if Mr Vesey remains actively employed on the last date of the Measurement Period. The Measurement Period commenced on 1 July 2017 and ends on 30 June 2020.

(ii) Vesting of Performance Rights

The Performance Rights will partially or fully vest if the Company's Total Shareholder Return (**TSR**, as defined below) is equal to or greater than 100% of the Market Adjusted Total Shareholder Return (**MATSR**) of the ASX All Ordinaries Accumulation Index (**XAOAI**), with 25% vesting achieved if the Company's TSR is 100% of the XAOAI TSR (i.e. return performance percentages are equal) at the end of the Measurement Period and 100% vesting achieved if the Company's TSR is 200% of the XAOAI TSR or greater (i.e., Company's percentage return performance is at least double XAOAI's percentage return performance) at the end of the Measurement Period.

Vesting percentages for relative TSR performance between 100% and 200% of the XAOAI TSR will be calculated using linear interpolation, rounded down to the nearest whole Share, provided that, if the Company's TSR during the Measurement Period is negative (i.e. below 0%), the Performance Right payouts will be the lower of the linear interpolation calculation amount or 50% of the maximum award amount. The following table sets forth the vesting schedule for the Performance Rights.

LNG TSR Relative to XAOAI TSR	Vesting % (of maximum grant)	Performance Level
Less than 100%	0%	
100%	25%	Threshold
>100% < 200%	Linear Interpolation between 25% and 100%	
200% or Greater	100%	Target
TSR < 0%	Lower of linear interpolation calculation amount or 50% of Maximum Award	Award is Capped

The Measurement Period commenced on 1 July 2017 and ends on 30 June 2020.

For Mr Vesey, an additional 2-year retention period has been imposed during which any Shares issued on vesting of Incentive Rights may only be sold to cover tax liabilities resulting from the vesting.

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

The Board applied a VWAP of A\$0.59 for Shares and 54,897 for the XAOAI (the volume weighted average prices for a 30-day period ending on the first day of the Measurement Period).

- (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**

Since the approval obtained at the 2016 annual general meeting, the following persons referred to in Listing Rule 10.14 have received Incentive Rights under the Incentive Rights Plan:

Name	Date of issue	Number received	Acquisition Price
Gregory M Vesey	December 2016	1,600,000	Nil

Certain Incentive Rights were also issued under the Incentive Rights Plan to staff during the 2017 financial year.

(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 Vesey, as the Managing Director and Chief Executive Officer of the Company, 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 3 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 Incentive Rights by Mr Vesey or on vesting of the Incentive 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 Incentive Rights will be issued to Mr Vesey on a date not later than 12 months after the date of the Meeting.

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

- (i) Mr Vesey currently receives a base salary of US\$635,000 per annum, equivalent to A\$846,667 based on the exchange rate of 0.75.
- (ii) Mr Vesey currently holds 700,000 Shares and 1,600,000 Incentive Rights.
- (iii) Should the Incentive Rights to be granted to Mr Vesey in accordance with Resolution 3 vest at the maximum level, his interest in the Company's issued capital will increase by approximately 0.31% (assuming no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 1,600,000 Shares that will issue on vesting of these Incentive Rights.
- (iv) There will be no amount raised due to the vesting of Mr Vesey's Incentive Rights.
- (v) A valuation of the Incentive Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each Performance Right being valued at A\$0.4257 and each Retention Right being valued at A\$0.5789, giving the Incentive Rights a maximum total value of A\$779,168 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:

- (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price on the grant date was assumed to be A\$0.5789 (being a 30 day VWAP as at 22 August 2017) for the Performance Rights and the Retention Rights;
 - (C) Risk-free rate of 1.89%;
 - (D) Volatility of the underlying Share of 85.6% (the volatility of the XAOAI assumed to be 14.3% for the equivalent period);
 - (E) There being a three-year vesting period and two-year retention period; and
 - (F) The valuation of the Performance Rights was conducted using Monte Carlo and Trinomial Tree Methods and the valuation of the Retention Rights was conducted using a Trinomial Tree Method.
- (vi) Note: The valuation noted above is not necessarily the market price that the Incentive Rights could be traded at and is not automatically the market price for taxation purposes.
 - (vii) All of the Directors, other than Mr Vesey, agree that the number of Incentive Rights to be issued to Mr Vesey is appropriate given the benefit to the Company of retaining his services.
 - (viii) Details of any Incentive Rights issued under the Incentive Rights Plan will be published in each annual report of the Company relating to a period in which Incentive Rights have been issued, and noting that approval for the issue of Incentive Rights was obtained under Listing Rule 10.14.

(i) Non-Executive Directors' recommendation

The Non-Executive Directors consider that the issue of Incentive Rights to Mr Vesey under the Incentive Rights Plan is in the Company's interests as it further aligns the interests of Mr Vesey as an Executive Director with the interests of the Company's Shareholders to maximise Shareholder value. Further, the issue of the Incentive Rights provides cost effective consideration to Mr Vesey 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 3.

6. Resolution 4 – Issue of NED Rights to Paul Joseph Cavicchi under the NED Rights Plan

Resolution 4 seeks Shareholder approval for the offer and issue of up to 223,100 NED Rights to Paul Joseph Cavicchi, or an entity or person associated with him. The NED Rights represent a target value of A\$111,550, which amount represents 57.5% of the base Chairman fee of A\$194,000 for the current financial year (although note that Mr Cavicchi, a US-based Director, will be paid his base fee as Chairman of the Board in US dollars (i.e., US\$194,000) and not in Australian dollars – see Important Notes in Section 4.1 for further details).

The actual number of NED Rights to be issued to Mr Cavicchi will be determined by dividing A\$111,550 by the relevant closing price of Shares on ASX as at the date of issue of the NED Rights. The maximum number of NED Rights that may be issued under Resolution 4 is capped at 223,100 (which was calculated by dividing A\$111,550 by an assumed "floor" Share price of A\$0.50 for the purposes of calculating the maximum number of NED Rights).

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 223,100 NED Rights will be issued to Mr Cavicchi or an associated person or entity. These could potentially vest and be exercised into no more than 223,100 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 an 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

Since the approval obtained at the annual general meeting held on 16 November 2016, the following persons referred to in Listing Rule 10.14 have received NED Rights under the NED Rights Plan:

Name	Date of issue	Number received	Acquisition Price
Paul Joseph Cavicchi	December 2016	216,000	Nil
Leeanne Kay Bond	December 2016	129,076	Nil
Richard Jonathan Beresford	December 2016	129,076	Nil

Name	Date of issue	Number received	Acquisition Price
Douglas Michael Steuert	December 2016	129,076	Nil
Philip D. Moeller	December 2016	129,076	Nil

(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, Mr Paul Joseph Cavicchi, Mr Douglas Michael Steuert and Mr Philip D. Moeller) 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 4 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 the 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 is currently Chairman of the Board and will receive director's fees of US\$194,000 per annum (exclusive of GST).
- (ii) Mr Cavicchi received director's fees of US\$190,089 in the 2017 financial year (exclusive of GST), equivalent to A\$253,452 based on exchange rate of 0.75 over the financial year.
- (iii) Mr Cavicchi currently holds 320,592 Shares and 216,000 NED Rights.
- (iv) Should the maximum number of NED Rights to be granted to Mr Cavicchi in accordance with Resolution 4 vest, his interest in the Company's issued capital will increase by approximately 0.04% (assuming no prior exercise of the NED Rights currently held by Mr Cavicchi and no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 223,100 Shares that will issue on vesting of these NED Rights.
- (v) There will be no amount raised due to the vesting of Mr Cavicchi's NED Rights.

- (vi) A valuation of the NED Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each NED Right being valued at A\$0.5789, giving these NED Rights a total value of A\$129,152.59 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price at grant was A\$0.5789;
 - (C) Risk-free rate of 1.65%
 - (D) Volatility of the underlying Share of 58.0%;
 - (E) Vesting occurs following a period of 12-months continuous service; and
 - (F) The valuation was conducted using the Trinomial Tree Method.
- (vii) Note: The valuation above is not necessarily the market price that the NED Rights could be traded at and is not automatically the market price for taxation purposes.
- (viii) 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.
- (ix) 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 Vesey, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 4.

7. Resolution 5 – Issue of NED Rights to Richard Jonathan Beresford under the NED Rights Plan

Resolution 5 seeks Shareholder approval for the offer and issue of up to 138,240 NED Rights to Richard Jonathan Beresford, or an entity or person associated with him. The NED Rights represent a target value of A\$69,120, which amount represents 80% of the base NED fee of A\$86,400 for the current financial year.

The actual number of NED Rights to be issued to Mr Beresford will be determined by dividing A\$69,120 by the relevant closing price of Shares on ASX as at the date of issue of the NED Rights. The maximum number of NED Rights that may be issued under Resolution 5 is capped at 138,240 (which was calculated by dividing A\$69,120 by an assumed "floor" Share price of A\$0.50 for the purposes of calculating the maximum number of NED Rights).

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 138,240 NED Rights will be issued to Mr Beresford or an associated person or entity. These could potentially vest and be exercised into no more than 138,240 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 an 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

See table in Section 6(c) above for a list of persons referred to in Listing Rule 10.14 who have received NED Rights under the NED Rights Plan since the approval obtained at the 2016 annual general meeting.

(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, Mr Paul Joseph Cavicchi, Mr Douglas Michael Steuert and Mr Philip D. Moeller) 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 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 NED Rights by Mr Beresford or on vesting of the 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 base NED fees of A\$86,400 (exclusive of GST) and his aggregate director's fees (base fees and committee fees) will total A\$104,400 per annum (exclusive of GST).

- (ii) Mr Beresford received director's fees of A\$161,256 in financial year 2017 (exclusive of GST).
- (iii) Mr Beresford currently holds 472,225 Shares and 129,076 NED Rights.
- (iv) Should the maximum number of NED Rights to be granted to Mr Beresford in accordance with Resolution 5 vest, his interest in the Company's issued capital will increase by approximately 0.03% (assuming no prior exercise of the NED Rights currently held by Mr Beresford and no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 138,240 Shares that will issue on vesting of these NED Rights.
- (v) There will be no amount raised due to the vesting of Mr Beresford's NED Rights.
- (vi) A valuation of the NED Rights has been undertaken by an independent account accounting firm, HLB Mann Judd, with each NED Right being valued at A\$0.5789, giving these NED Rights a total value of A\$80,027 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price at grant was A\$0.5789;
 - (C) Risk-free rate of 1.65%;
 - (D) Volatility of the underlying Share of 58.0%;
 - (E) Vesting occurs following a period of 12-months continuous service; and
 - (F) The valuation was conducted using a Trinomial Tree Method.
- (vii) Note: The valuation above is not necessarily the market price that the NED Rights could be traded at and is not automatically the market price for taxation purposes.
- (viii) 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.
- (ix) 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 Vesey, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 5.

8. **Resolution 6 – Issue of NED Rights to Leanne Kay Bond under the NED Rights Plan**

Resolution 6 seeks Shareholder approval for the offer and issue of up to 138,240 NED Rights to Leanne Kay Bond, or an entity or person associated with her. The NED Rights represent a target value of A\$69,120, which amount represents 80% of the base NED fee of A\$86,400 for the current financial year.

The actual number of NED Rights to be issued to Ms Bond will be determined by dividing A\$69,120 by the relevant closing price of Shares on ASX as at the date of issue of the NED Rights. The maximum number of NED Rights that may be issued under Resolution 6 is capped at 138,240 (which was calculated by dividing A\$69,120 by an assumed "floor" Share price of A\$0.50 for the purposes of calculating the maximum number of NED Rights).

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 138,240 NED Rights will be issued to Ms Bond or an associated person or entity. These could potentially vest and be exercised into no more than 138,240 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 an 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

See table in Section 6(c) above for a list of persons referred to in Listing Rule 10.14 who have received NED Rights under the NED Rights Plan since the approval obtained at the 2016 annual general meeting.

(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 Leanne Kay Bond, Mr Paul Joseph Cavicchi, Mr Douglas Michael Steuert and Mr Philip D. Moeller) 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 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 NED Rights by Ms Bond or on vesting of the 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 base NED fees of A\$86,400 (exclusive of GST) and her aggregate director's fees (base fees and committee fees) will total A\$122,400 per annum (exclusive of GST).
- (ii) Ms Bond received director's fees of A\$136,000 in the 2017 financial year (exclusive of GST).
- (iii) Ms Bond currently holds 43,549 Shares and 129,076 NED Rights.
- (iv) Should the maximum number of NED Rights to be granted to Ms Bond in accordance with Resolution 6 vest, her interest in the Company's issued capital will increase by approximately 0.03% (assuming no prior exercise of the NED Rights currently held by Ms Bond and no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 138,240 Shares that will issue on vesting of these NED Rights.
- (v) There will be no amount raised due to the vesting of Ms Bond's NED Rights.
- (vi) A valuation of the NED Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each NED Right being valued at A\$0.5789, giving these NED Rights a total value of A\$80,027 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price at grant was A\$0.5789;
 - (C) Risk-free rate of 1.65%;
 - (D) Volatility of the underlying Share of 58.0%;
 - (E) Vesting occurs following a period of 12-months continuous service; and
 - (F) The valuation was conducted using a Trinomial Tree Method.
- (vii) Note: The valuation above is not necessarily the market price that the NED Rights could be traded at and is not automatically the market price for taxation purposes.

- (viii) 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.
- (ix) 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 Vesey, being the only Director not eligible to participate in the NED Rights Plan, recommends that Shareholders vote in favour of this Resolution 6.

9. Resolution 7 – Issue of NED Rights to Douglas Michael Steuert under the NED Rights Plan

Resolution 7 seeks Shareholder approval for the offer and issue of up to 138,240 NED Rights to Mr Douglas Michael Steuert, or an entity or person associated with him. The NED Rights represent a value of up to A\$69,120, which amount represents 80% of the base NED fee of A\$86,400 for the current financial year. (note that Mr Steuert, a US-based Director, will be paid his base fee in US dollars (i.e., US\$86,400) and not in Australian dollars – see Important Notes in Section 4.1 for further details).

The actual number of NED Rights to be issued to Mr Steuert will be determined by dividing A\$69,120 by the relevant closing price of Shares on ASX as at the date of issue of the NED Rights. The maximum number of NED Rights that may be issued under Resolution 7 is capped at 138,240 (which was calculated by dividing A\$69,120 by an assumed "floor" Share price of A\$0.50 for the purposes of calculating the maximum number of NED Rights).

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 138,240 NED Rights will be issued to Mr Steuert or an associated person or entity. These could potentially vest and be exercised into no more than 138,240 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 Steuert or an 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

See table in Section 6(c) above for a list of persons referred to in Listing Rule 10.14 who have received NED Rights under the NED Rights Plan since the approval obtained at the 2016 annual general meeting.

(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, Mr Paul Joseph Cavicchi, Mr Douglas Michael Steuert and Mr Philip D. Moeller) 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 Steuert or on vesting of the 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 Steuert 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 Steuert currently receives base NED fees of US\$86,400 (exclusive of GST) and his aggregate director's fees (base fees and committee fees) total US\$113,400 per annum (exclusive of GST).
- (ii) Mr Steuert received director's fees of US\$126,000 in the 2017 financial year (exclusive of GST), equivalent to approximately A\$168,000 based on exchange rate of 0.75 over the financial year.
- (ii) Mr Steuert currently holds 139,575 Shares and 129,076 NED Rights.
- (iii) Should the maximum number of NED Rights to be granted to Mr Steuert in accordance with Resolution 7 vest, his interest in the Company's issued capital will increase by approximately 0.03% (assuming no prior exercise of the NED Rights currently held by Mr Steuert and no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 138,240 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Mr Steuert's NED Rights.

- (v) A valuation of the NED Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each NED Right being valued at A\$0.5789, giving these NED Rights a total value of A\$80,027 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price at grant was A\$0.5789;
 - (C) Risk-free rate of 1.65%;
 - (D) Volatility of the underlying Share of 58.0%;
 - (E) Vesting occurs following a period of 12-months continuous service; and
 - (F) The valuation was conducted using a Trinomial Tree Method.
- (vi) Note: The valuation above is not necessarily the market price that the NED Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Mr Steuert agree that the number of NED Rights to be issued to Mr Steuert 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 Vesey, 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 Philip D. Moeller under the NED Rights Plan

Resolution 8 seeks Shareholder approval for the offer and issue of up to 138,240 NED Rights to Mr Philip D. Moeller, or an entity or person associated with him. The NED Rights represent a target value of A\$86,400 for the current financial year. (note that Mr Moeller, a US-based Director, will be paid his base fee in US dollars (i.e., US\$86,400) and not in Australian dollars – see Important Notes in Section 4.1 for further details).

The actual number of NED Rights to be issued to Mr Moeller will be determined by dividing A\$69,120 by the relevant closing price of Shares on ASX as at the date of issue of the NED Rights. The maximum number of NED Rights that may be issued under Resolution 8 is capped at 138,240 (which was calculated by dividing A\$69,120 by an assumed "floor" Share price of A\$0.50 for the purposes of calculating the maximum number of NED Rights).

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 138,240 NED Rights will be issued to Mr Moeller or an associated person or entity. These could potentially vest and be exercised into no more than 138,240 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 Moeller or an 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**

See table in Section 6(c) above for a list of persons referred to in Listing Rule 10.14 who have received NED Rights under the NED Rights Plan since the approval obtained at the 2016 annual general meeting.

(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, Mr Paul Joseph Cavicchi, Mr Douglas Michael Steuert and Mr Philip D. Moeller) 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 Mr Moeller or on vesting of the 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 Moeller 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 Moeller currently receives base NED fees of US\$86,400 and his aggregate director's fees (base fees and committee fees) total US\$122,400 per annum (exclusive of GST).

- (ii) Mr Moeller received director's fees of US\$126,000 in the 2017 financial year (exclusive of GST) equivalent to approximately A\$168,000 based on an exchange rate of 0.75.
- (ii) Mr Moeller currently holds 66,000 Shares via American Depository Receipts and 129,076 NED Rights.
- (iii) Should the maximum number of NED Rights to be granted to Mr Moeller in accordance with Resolution 8 vest, his interest in the Company's issued capital will increase by approximately 0.03% (assuming no prior exercise of Rights or Options by any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 138,240 Shares that will issue on vesting of these NED Rights.
- (iv) There will be no amount raised due to the vesting of Mr Moeller's NED Rights.
- (v) A valuation of the NED Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each NED Right being valued at A\$0.5789, giving these NED Rights a total value of A\$80,027 as at the date of the valuation (being 22 August 2017). The key assumptions underpinning the valuation were as follows:
 - (A) The measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 22 August 2017 has been used;
 - (B) The Share price at grant was A\$0.5789;
 - (C) Risk-free rate of 1.65%;
 - (D) Volatility of the underlying Share of 58.0%;
 - (E) Vesting occurs following a period of 12-months continuous service; and
 - (F) The valuation was conducted using a Trinomial Tree Method.
- (vi) Note: The valuation above is not necessarily the market price that the NED Rights could be traded at and is not automatically the market price for taxation purposes.
- (vii) All of the Directors other than Mr Moeller agree that the number of NED Rights to be issued to Mr Moeller 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 Vesey, 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 – Approval to provide termination benefits under Change of Control Guidelines

11.1 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 or a Related Body Corporate (each a “**Relevant Person**”) on retirement or where that Relevant Person ceases to hold an office with, or be employed by, the Company or a Related Body Corporate, unless a specific statutory exemption applies, or the payment of the benefit is approved by Shareholders.

Under the Corporations Act, 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.

11.2 Description of the termination benefits under Change of Control Guidelines

The Change of Control Guidelines provide that if an employee of the Company or a Related Body Corporate has a Change of Control Termination (as defined below):

- (a) the employee will be paid a designated number of months of their base monthly salary in effect on the date of the Change of Control (as defined below);
- (b) the employee will receive all or a proportion of their STI bonus payment for the year of termination;
- (c) all unvested Rights granted to the employee under the Incentive Rights Plan prior to the date of the Change of Control shall vest in full; and
- (d) in respect of US employees only, the Company will continue to maintain health insurance coverage in accordance with the US Consolidated Omnibus Budget Reconciliation Act of 1985 (“**COBRA**”) for the employee for the designated period, provided that these payments for continuation coverage under COBRA shall cease prior to the end of the designated period if the employee becomes eligible for other group health insurance coverage from a new employer, and provided further that any coverage provided by the Company during the designated period shall be included in (and not be in addition to) the continuation period under COBRA,

with the relevant designated periods set based on the role of the relevant employee, as described below.

Entitlements under Change of Control Guidelines				
Role	Base pay (months)	STI payment	Incentive Rights Plan	COBRA (US employees only)
CEO and Managing Director	24	target paid in full for the year of termination	Unvested Rights vest in full	12 months full Company/employee cost; or equivalent pay
Executive Team	12	target paid in full for the year of termination	Unvested Rights vest in full	12 months full Company/employee cost; or equivalent pay
Senior Management	6-12	target pro-rated based on the number of full months of employment completed in the year of termination	Unvested Rights vest in full	6 months full Company/employee cost; or equivalent pay
All other employees	3	target pro-rated based on the number of full months of employment completed in the year of termination	Unvested Rights vest in full	3 months full Company/employee cost; or equivalent pay

These entitlements may constitute termination ‘benefits’ for the purposes of the Corporations Act.

The Company’s obligation to make any payments under the Change of Control Guidelines shall be reduced by any amounts payable to an employee pursuant to any statutory or contractual obligations (excluding amounts on account of salary up until the date of termination and accrued vacation/annual leave as applicable).

Under the Change of Control Guidelines:

“Change of Control” of the Company means, and shall be deemed to have occurred on the date of the first to occur of any of the following:

- (a) a change of Control as “Control” is defined in section 50AA of the Corporations Act;
- (b) any person is or becomes a beneficial owner, directly or indirectly, of

securities of the Company representing thirty percent or more of the total voting power of the Company's then outstanding securities;

- (c) a court of competent jurisdiction approves a merger of the Company with another entity by way of scheme of arrangement under Part 5.1 of the Corporations Act;
- (d) individuals who, as of the date of the Change of Control Guidelines, constitute the members of the Board (the "**Incumbent Directors**") cease for any reason other than due to death or disability to constitute at least a majority of the members of the Board, provided that any Director who was nominated for election or was elected with the approval of at least a majority of the members of the Board who are at the time Incumbent Directors shall be considered an Incumbent Director, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;
- (e) the Company shall have merged into or consolidated with another corporation, or merged another corporation into the Company, on a basis whereby less than fifty percent of the total voting power of the surviving corporation is represented by shares held by former stockholders of the Company prior to such merger or consolidation; or
- (f) the Company shall have sold, transferred or exchanged all, or substantially all, of its assets to another corporation or other entity or person,

excluding, in each of the above cases, any change of control resulting from a transaction undertaken for the sole purpose of redomiciling the Company from Australia to the US or the listing of securities of the Company (or any holding company) on a US stock exchange; and

"Change of Control Termination" means:

- (a) termination without "cause" within two years following the date of a Change of Control; or
- (b) termination of employment by reason of an employee's resignation within two years following the date of a Change of Control due to:
 - (i) a significant and material diminution in the employee's authority, duties and responsibilities (provided that in the event of a Change of Control in which the Company becomes a direct or indirect subsidiary of the acquiring entity Employee shall not be deemed to have experienced a significant and material diminution in authority, duties or responsibilities solely by virtue of the fact that Employee no longer serves as an executive of a publicly-traded company or the fact that Employee reports to the Chief Executive Officer of the acquiring entity or an affiliate thereof);
 - (ii) any reduction in the employee's base salary from the level in effect immediately prior to such reduction; and/or
 - (iii) any requirement to relocate to offices more than 50 miles from the

employee's current work location.

Notwithstanding any provision to the contrary, in order for an employee's resignation to be deemed a Change of Control Termination, (i) the employee must provide written notice to the Company that they intend to terminate their employment with the Company within 90 days following the occurrence of the purported Change of Control Termination; (ii) such written notice must describe the event constituting the purported Change of Control Termination; and (iii) within 30 days after receiving such notice from the employee, the employee must not have been reinstated to their previous position by the Company, or the circumstances giving rise to the purported Change of Control Termination must not have otherwise been cured.

Based on the Company's remuneration policies applicable as at the date of this Notice (as described in the Annual Report), in the event of a Change of Control Termination, the estimated value of the termination benefits payable to the following Relevant Persons would be as follows (as at the date of this Notice and based on an exchange rate of 0.75):

Estimated entitlements under Change of Control Guidelines (as at the date of this Notice)				
Name	Base pay	STI payment	Outstanding Incentive Rights to vest	COBRA (US employees only)
Mr Gregory M Vesey, Chief Executive Officer	A\$1,693,333	A\$508,000	1,600,000 Rights	A\$41,296
Mr Michael Reed Mott, Chief Financial Officer	A\$548,920	A\$164,676	1,589,742 Rights	A\$46,160
Mr John Baguley, Chief Operating Officer	A\$548,920	A\$192,122	1,509,984 Rights	A\$61,216
Ms Kinga Doris, General Counsel and Joint Company Secretary	A\$466,682	A\$134,005	1,300,000 Rights	A\$24,976
Mr Andrew Gould, Group Development manager and Joint Company Secretary	A\$355,978	A\$71,196	402,026 Rights	N/A

Note: The above table sets out an estimate of the maximum termination benefit for each Relevant Person assuming a Change of Control Termination as at the date of this Notice. The table does not take into account any additional Rights to be granted if approval is given under Resolutions 3 to 8. If a Change of Control Termination were to occur, all outstanding Incentive Rights would immediately vest, giving rise to a benefit equivalent to the number of outstanding Incentive Rights held multiplied by the Share price on the date of the Change of Control Termination.

The value of the actual termination benefits which could ultimately be payable to current and future Company employees on occurrence of a Change of Control Termination 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 timing of termination;
- (b) the level of base pay and STI entitlement at the time of termination;
- (c) the Company's Share price at the time of vesting of the relevant Rights;
- (d) the number of unvested Rights that the Relevant Person holds at the time they cease employment with or engagement by the Company; and
- (e) the cost of providing COBRA insurance as at the time of termination.

Notwithstanding this, the Directors consider that the value of the termination benefits payable to current and future Company employees under the Change of Control Guidelines on occurrence of a Change of Control Termination could potentially exceed 12 months' average base salary of each Relevant Person and may therefore require approval for the purposes of the Corporations Act.

The method for calculating the value of termination benefits is described above.

The termination benefits received in connection with the Incentive Rights Plan will comprise of the benefits resulting from the vesting of Incentive Rights following termination of employment or office, irrespective of whether any performance condition or retention conditions have been satisfied. The method of calculating the value of this termination benefit is subject to the terms of each invitation issued to participants under the Incentive Rights Plan. 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 date of termination of their employment or office.

11.3 Previous termination benefit approval

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.

At its annual general meeting on 18 November 2014, the Company obtained Shareholder approval 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 approval obtained on 18 November 2014 remains in place and is not superseded by the approval being sought pursuant to Resolution 9.

11.4 ASX Waiver

ASX Listing Rule 10.18 provides that an entity must ensure that no officer of the entity or any of its child entities will be entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of the listed entity or child entity.

Accordingly, in order to implement the Change of Control Guidelines, the Company has sought an ASX Listing Rule waiver to allow it to provide termination benefits to existing and future office holders of the Company on a Change of Control. As at the date of this Notice, ASX has not yet confirmed whether the requested waiver has been granted. If the waiver is granted, the terms of the waiver will be released to ASX.

Subject to receipt of the waiver, the Change of Control Guidelines are consistent with the Listing Rules.

11.5 Shareholder approval sought

Shareholder approval of Resolution 9 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 Change of Control Guidelines, 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, amounts falling within the 12 months average base salary limit and amounts which have previously been approved by Shareholders.

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 Change of Control Guidelines.

If Shareholder approval of this Resolution 9 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 Compensation Committee and the Board have, together with their professional advisers, considered the termination benefits that may be provided to Relevant Persons under the Change of Control Guidelines and, taking into account the circumstances of the Company and its subsidiaries, the circumstances of the Relevant Persons, and the remuneration practices of other similar entities, consider that the financial benefits provided under the Change of Control Guidelines constitute reasonable remuneration.

11.6 Recommendation

The Non-Executive Directors consider that payment of termination benefits to employees under the Change of Control Guidelines is in the Company's interests as it:

- (a) will help to ensure that executives are focused on pursuing all corporate transaction activity that is in the best interest of shareholders, regardless of whether those transactions may result in the loss of their own jobs; and
- (b) reflects market practice in the US, where it is customary to provide termination benefits upon a change of control to officers as part of their remuneration packages, and it is often needed to attract and retain the best talent.

Accordingly, the Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

Schedule 1 – Definitions

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

A\$ or AUD means Australian dollars unless otherwise specified.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2017.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the securities exchange operated by ASX Limited.

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

AEDT means Australian Eastern Daylight Time, being the time in Melbourne, Victoria.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting.

Change of Control Guidelines means the Liquefied Natural Gas Limited Human Resources Change of Control Termination Severance Guidelines, as summarised in Section 11.

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

COBRA means the US *Consolidated Omnibus Budget Reconciliation Act of 1985*.

Company means Liquefied Natural Gas Limited ACN 101 676 779.

Company Secretary means the company secretary of the Company.

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.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Incentive Rights means Rights to be issued pursuant to the Incentive Rights Plan and includes both Performance Rights and Retention Rights.

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.

Managing Director means the managing Director of the Company.

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

NED or **Non-Executive Director** means a non-executive director of the Company.

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.

Options mean options granted by the Company to acquire Shares.

Performance Right means a performance based Incentive 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.

Related Body Corporate has the meaning given in the Corporations Act.

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

Resolution means a resolution referred to in the Notice.

Retention Right means a retention based Incentive Right issued or to be issued by the Company pursuant to the Incentive Rights Plan.

Right means an Incentive 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.

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.

US means the United States.

US\$, USD or US dollars means United States dollars.

VWAP means volume weighted average price.

Schedule 2 – Summary of Incentive Rights Plan

Aspect	Details
Instrument	The Incentive Rights Plan authorises the granting of Incentive 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 Incentive Rights Plan and the number of Incentive Rights offered to each individual participant (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	Within the bounds of the terms of the Incentive Rights Plan, the Board has the discretion to set the terms and conditions on which it will offer Incentive Rights under the Incentive Rights Plan, including the Vesting Conditions. All Incentive Rights offered will be subject to vesting conditions (for Performance Rights) and retention periods (for Retention Rights). Terms and conditions including vesting conditions will be set out in an Invitation. In the case of Performance Rights the conditions are intended to be challenging and linked to growth in shareholder value.
Number of Incentive Rights	The Board has the discretion to determine the number of Incentive Rights to be granted to each Participant. However, generally, it will be determined by multiplying the Participant's base package by the long term incentive percentage and dividing that dollar value by the value of the type of Incentive Right being offered (as valued for remuneration purposes). There are overall caps on the number of Shares that may be issued pursuant to the Incentive Rights Plan (restricting Shares issued under the Incentive Rights Plan to 5% of the Shares on issue)
Amount payable for Incentive Rights	No amount will be payable by Participants for the Incentive Rights as they are part of the annual remuneration package in each financial year.
Vesting of Incentive Rights	Upon the satisfaction of the Vesting Conditions or retention periods, the number of Incentive Rights granted under the Incentive Rights Plan will be multiplied by the vesting percentage (where applicable) to determine the number of Shares to be issued. No exercise price is required to convert Incentive Rights into Shares.

Aspect	Details
Measurement Period	The Measurement Period is generally three full financial years with no vesting prior to performance being tested at the end of the three years.
Vesting Conditions	In order for Incentive Rights to vest a Participant must remain employed by the Company during the measurement period (except in the case of death, permanent disability or retirement – see cessation of employment below) In addition, performance related conditions will be specified as part of the invitation for performance rights. These conditions may be related to both market and non-market measures of company performance. The Board has discretion to adjust vesting conditions in circumstances where it reasonably considers it is appropriate to do so. Retention rights will be subject to conditions relating to the period of continuous employment or engagement.
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 an Incentive Right that has vested.
Cessation of Employment	If a Participant ceases employment by reason of voluntary resignation or termination for cause, all unvested Incentive Rights shall lapse. Lapsing in other cases will depend on the circumstances in which the Participant ceases employment.
Change of Control of the Company	In the event of a change of control unvested Incentive Rights may vest in whole or in part at the Board's discretion. In relation to Shares that have resulted from the vesting of Incentive Rights, dealing restrictions specified in the Invitation may also be lifted. A restructure or capital raising for the purposes of a US listing would not constitute a change of control.
Voting and Dividend Rights	Incentive Rights do not carry voting or dividend rights. Shares issued when Incentive Rights vest carry the same rights and entitlements as other Shares, including voting and dividend rights.
Lapse and Forfeiture of Rights	Incentive Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed measurement period.
No Transfer of Rights	Without approval of the Board, Incentive Rights granted under the Incentive Rights Plan may not be transferred, mortgaged, charged or otherwise dealt with or encumbered.
Quotation	Incentive Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Incentive Rights Plan, in accordance with the Listing Rules.
Variation of Terms and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Incentive Rights Plan. This includes varying the number of Incentive Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.

Aspect	Details
Issue or Acquisition of Shares	Shares allocated to a Participant when Incentive Rights vest under the Incentive Rights Plan may be issued by the Company or acquired on market by the Company or its nominee. The nominee may be the trustee of a trust, the purpose of which trust is to facilitate the operation of the Incentive Rights Plan.
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the Incentive Rights Plan. However, it may require Participants to share the cost on such a basis as the Company considers fair.
Other Terms of the Incentive Rights Plan	The Incentive 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 Incentive Rights Plan, and terms to deal with Australian and US regulatory issues and legal requirements.
Hedging	Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the Incentive Rights Plan.

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 NED Rights 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 NED Rights 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 A\$1,000 cash payment with the remainder of the value to be converted into Shares based on the Vesting Share Price.

Aspect	Details
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 of 12 months between the date of grant and the date that is 12 months later. This period is designed to be sufficiently long to 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 Rights Plan may only be transferred in limited circumstances.

Aspect	Details
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the NED Rights Plan, in accordance with the Listing Rules.
Variation of Terms and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the NED Rights 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 NED Rights Plan may be issued by the Company or acquired on 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 NED Rights 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	Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the NED Rights Plan.

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Liquefied Natural Gas Limited
ACN 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 LINK MARKET SERVICES LIMITED**
Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:30pm (AEDT) on Tuesday, 14 November 2017**, 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 reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER 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 PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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.

**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.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
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 ADDRESS LINE 6



X99999999999

PROXY FORM

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

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 you are appointing as your proxy

or 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 act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm (AEDT) on Thursday, 16 November 2017 at InterContinental Melbourne - The Rialto, 495 Collins Street, Melbourne VIC 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 3 - 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 3 - 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to provide termination benefits under Change of Control Guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Leeanne Kay Bond as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Incentive Rights to Gregory Matthew Vesey under Incentive Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of NED Rights to Paul Joseph Cavicchi under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of NED Rights to Richard Jonathan Beresford under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of NED Rights to Leeanne Kay Bond under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of NED Rights to Douglas Michael Steuert under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of NED Rights to Philip D. Moeller under NED Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<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.

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 PRX1701D

