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17 September 2019

Mr Ryan Gava
Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St George's Terrace
Perth, WA 6000

Via Email: TradingHaltsPerth@asx.com.au

Dear Mr Gava

LIQUEFIED NATURAL GAS LIMITED (ASX: LNG) (“LNG” or “Company”) – ASX Aware Query

We refer to your letter dated 16 September 2019.

We provide the following responses to your questions in relation to the Company’s announcement entitled “LNGL, Delta Offshore Energy Agree on Supply Deal to Vietnam” (the “**Announcement**”), disclosing information about the alliance between LNG and Delta Offshore Energy Pte Ltd (“**DeltaOE**”) in respect of an LNG-to-power project for the Bac Lieu Provincial Government in Vietnam (the “**Information**”). We note that further detail regarding the Information has been set out in an additional announcement dated 17 September 2019.

1. Does LNG consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No, LNG considered that the Information was unlikely to be information that a reasonable person would expect to have a material effect on the price or value of LNG’s securities.

2. If the answer to question 1 is “no”, please advise the basis for that view.

The Announcement referred to the fact that the supply and purchase agreement (“**SPA**”) with DeltaOE was only in term sheet form and was subject to conditions precedent. Also, the market is fully aware that LNG has not yet made a final investment decision in relation to the Magnolia liquefaction project and that any final investment decision and initiation of construction of the Magnolia liquefaction project remains subject to execution of sufficient offtake agreements to support financing (as mentioned on page 2 of the Announcement).

As the Information relates to a conditional term sheet to negotiate offtake for only the first 2 million tonnes per annum (“**mtpa**”) out of Magnolia’s proposed capacity of

8 mtpa (proposed to be increased to 8.8 mtpa subject to US Federal Energy Regulatory Commission (“FERC”) approval), it is clear that the potential offtake remains conditional and will only proceed if LNG’s Magnolia project reaches financial close, satisfying the condition precedent in the term sheet. The offtake will also only proceed if DeltaOE obtains the necessary government and regulatory approvals (both in the United States of America and Vietnam) for the integrated project. LNG therefore considered that the Information was unlikely to be information that a reasonable person would expect to have a material effect on the price or value of LNG’s securities.

3. When did LNG first become aware of the Information?

The term sheet between LNG and DeltaOE was executed on 21 April 2019. The parties agreed that the term sheet as well as any discussion between the parties would remain confidential subject to the terms and conditions of the Confidentiality and Non-Disclosure Agreement executed between the parties on 14 August 2018.

4. If LNG first became aware of the Information before the time of the Announcement, did LNG make any disclosure prior to the Announcement which disclosed the Information? If so, please provide details. If not, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe LNG was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps LNG took to ensure that the Information was released promptly and without delay.

LNG did not disclose the Information prior to the Announcement because:

- (a) LNG considered that the Information was unlikely to be information that a reasonable person would expect to have a material effect on the price or value of LNG’s securities; and
- (b) LNG considered that even if the Information were information that a reasonable person would expect to have a material effect on the price or value of LNG’s securities (which LNG considered unlikely), the Information was not required to be disclosed because the term sheet was conditional and subject to agreement of SPA terms and therefore concerned an incomplete proposal or negotiation. The term sheet was, in effect, an agreement entered into to facilitate negotiation rather than to implement or give effect to the transaction. The Information also remained confidential (including pursuant to the Confidentiality and Non-Disclosure Agreement with DeltaOE) and was not information that a reasonable person would expect to be disclosed at that time.

Late last week, LNG became aware that DeltaOE proposed to release the attached press release to the media noting that the U.S. Department of Commerce had accepted its LNG-to-power project in the Bac Lieu Province, Vietnam onto the U.S. Commercial Advocacy Program.

As part of this press release, DeltaOE proposed to name LNG and Magnolia as one of its “US strategic partners”. The Information would therefore no longer be confidential and LNG decided that from an investor relations viewpoint it was best to release the Announcement to ASX to ensure that all of the market had access to the

Information (even though LNG remained of the view that the term sheet did not constitute information that a reasonable person would expect to have a material effect on the price or value of LNG's securities).

The Company released the Announcement before market open on 16 September 2019 on the basis that the DeltaOE press release was to be released later that day. This was to ensure that the market was informed of the Information prior to any release of information by DeltaOE, given that the announcement listed LNG's Magnolia among "strategic partners". LNG's Announcement provided proper context for the upcoming DeltaOE release notwithstanding the fact that LNG continued to consider it unlikely that the Information was information that a reasonable person would expect to have a material effect on the price or value of LNG's securities.

5. Please confirm that LNG is complying with the Listing Rules and, in particular Listing Rule 3.1.

We confirm that the Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

6. Please confirm that LNG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LNG with delegated authority from the board to respond to ASX on disclosure matters.

We confirm that the above responses have been approved in accordance with the Company's published continuous disclosure policy.

Yours sincerely

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

Kinga Doris
General Counsel and Joint Company Secretary



PRESS RELEASE

16 SEPTEMBER 2019

BAC LIEU LNG TO POWER PROJECT UPDATE

Delta Offshore Energy Pte Ltd (“DOEPL”), a clean energy project developer, announced today (16th September 2019) that the US Department of Commerce has accepted its 3200MW LNG to power project in Bac Lieu Province, Vietnam onto the US Commercial Advocacy Program.

Together with its U.S. strategic partners, including LNG Limited’s Magnolia LNG project, Baker Concrete Construction, Inc. and McDermott, DOEPL has been progressing the project to a Final Investment Decision (“FID”). The next milestone is the official notification of the project into the national power development plan (Power Development Plan 7 revised) and will serve as an important step on the path to financial close for the project.

“Delta Offshore Energy is pleased to be able to assemble, for our Bac Lieu province project, a consortium of blue-chip companies that are leaders in the Power and LNG industry. This consortium, through their recent acceptance in the US Department of Commerce Advocacy Program, shows their commitment as a group to ensure the success of the project,” said Bobby Quintos, Engineering Managing Director.

The US is an emerging leader in LNG supply globally. Multiple liquefaction plants in the US Gulf Coast reaching FID combined with various gas pipelines to cheap shale basins such as the Permian coming online enable Made-in-USA LNG to offer cost competitive and stable energy security to Vietnam.

“We look forward to supplying LNG to Vietnam and the Delta Offshore Energy project and appreciate the support being provided by the U.S. Department of Commerce,” added Greg Vesey, Managing Director and CEO, LNG Limited.

This project will support improved US-Vietnam trade relations with up to USD 30 billion in US export content over the proposed project life of over 25 years. In particular, the LNG supply, equipment and various services from U.S. Strategic partners will help balance Vietnam’s trade surplus with the US.

Vietnam is the second largest power generation market in Southeast Asia and its energy demand will continue to grow underpinned by immense industrialization and urbanization. Vietnam can benefit from flexible power generation of Combined Cycle Gas Turbines and innovative offshore LNG Terminal Solutions from 7Seas LNG & Power AS to support its renewable energy ambitions. Vietnam



can also benefit from the success of US private sector investment model to attract global capital in energy infrastructure.

For further information, contact:

Delta Offshore Energy Pte Ltd

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505 Minh Khai, Hai Ba Trung District, Hanoi

DOE@deltaOE.com

ABOUT DELTA OFFSHORE ENERGY

Delta Offshore Energy PTE LTD is a Singapore registered company focused on project origination and development in clean energy.

Delta Offshore Energy PTE LTD has signed a Memorandum of Understanding in July 2018 with the Bac Lieu Province People's Committee for the development and operation of an integrated 3.2 GW onshore power plant and supporting facilities including a floating LNG receiving, storage, regasification terminal and pipeline.

ABOUT MAGNOLIA LNG PROJECT

Magnolia proposes to construct and operate up to four liquefaction production trains, each with a capacity of 2.2 mtpa or greater using the Company's patented OSMR® LNG process technology. Construction and operation includes two 160,000 m³ full containment storage tanks, ship, barge, and truck loading facilities, and supporting infrastructure. The LSTK EPC contract includes all elements of the project necessary to bring the facility into full guaranteed production operations. Magnolia LNG is fully permitted, having received its FERC Order and both FTA and non-FTA approval from the DOE. Final investment decision and initiation of construction is expected upon execution of sufficient offtake agreements to support financing.

ABOUT LIQUEFIED NATURAL GAS LIMITED

LNGL is an ASX listed company (Code: **LNG** and OTC ADR: **LNGLY**) whose portfolio consists of 100% ownership of the following companies:

- Magnolia LNG LLC (**Magnolia LNG**), a US-based subsidiary, which is developing an eight mtpa or greater LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation Inc. (**Bear Head LNG**), a Canadian-based subsidiary, which is developing an 8 – 12 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**), which is proposing to construct and operate a 62.5 km gas pipeline lateral to connect gas supply to Bear Head LNG; and
- LNG Technology Pty Ltd, a subsidiary which owns and develops the Company's **OSMR®** LNG liquefaction process, a midscale LNG business model that plans to



deliver lower capital and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

ABOUT BAKER CONCRETE CONSTRUCTION, INC

Baker Concrete Construction, Inc. is one of the nation's largest specialty contractors. Founded 1968 by three brothers in southwest Ohio, Baker Concrete has been engaged to build stadiums, high rises, steel plants, petro-chemical plants, nuclear facilities and Habitat for Humanity homes. Our greatest achievement is to be able to name numerous co-workers who have grown with Baker for 40+ years. Our dedication, loyalty and long-range focus on customer value have enabled us to succeed together.

Family-owned and family-oriented "small company" feel looking for professionals who want to make a difference. Please go to www.bakerconcrete.com for more company information.

ABOUT MCDERMOTT

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and globally-integrated resources include approximately 32,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit www.mcdermott.com.

ABOUT 7SEAS LNG & POWER AS

7 Seas is a fully family owned Technology Company located in Grimstad, Norway. The main focus of the company is to develop innovative game-changing technologies for the LNG sector with strong focus on reducing the overall cost and provide added flexibility for LNG import terminals.

7 Seas LNG & Power AS is the sole owner of the selected proprietary Jetty-Less technology. This includes two US Patent Applications covering a wide range of various Jetty-Less LNG Terminal configurations including the ATS, SRP and other related combinations.

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16 September 2019

Reference: 07160

Mr Andrew Gould
Company Secretary
Liquefied Natural Gas Limited

By email

Dear Mr Gould

Liquefied Natural Gas Limited ('LNG'): Aware Query

ASX refers to the following:

- A. The change in the price of LNG's securities from a low of \$0.16 on 6 September 2019 to an intra-day high of \$0.325 today, 16 September 2019 and the increase in volume of LNG securities traded over that period.
- B. LNG's announcement entitled "LNGL, Delta Offshore Energy Agree on Supply Deal to Vietnam" released on the ASX Market Announcements Platform at 9.01 AM (AEST) today, 16 September 2019 (the 'Announcement'), disclosing information with respect to LNG and Delta Offshore Energy's alliance with the Bac Lieu Provincial Government in Vietnam to deliver an LNG-to-power project (the 'Information').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks LNG to respond separately to each of the following questions and requests for information:

1. Does LNG consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did LNG first become aware of the Information?
4. If LNG first became aware of the Information before the time of the Announcement, did LNG make any disclosure prior to the Announcement which disclosed the Information? If so, please provide details. If not, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe LNG was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps LNG took to ensure that the Information was released promptly and without delay.
5. Please confirm that LNG is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that LNG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LNG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00 PM AWST Tuesday, 17 September 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LNG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LNG to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LNG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LNG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in LNG's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Ryan Gava
Listings Compliance (Perth)