



ASX/MEDIA RELEASE

21 JULY 2016

LNGL Modifies Staffing Levels to Reduce Costs and Streamline the Organisation

Liquefied Natural Gas Limited (**ASX: LNG, OTC ADR: LNGLY**) (**LNGL** or the **Company**) today announced staff reductions resulting in a more streamlined organisation having a lower, more sustainable fixed cost base. These actions further the company's commitment to our previously announced cost management strategy. These changes reflect a combination of redundancy and restructuring measures while keeping a strong focus on marketing of liquefaction capacity in our projects.

The change leads to a reduction of three employees and one consultant in Australia, one Indonesia-based employee, and six U.S.-based employees. Two additional U.S.-based employees were released from their employment in the last 45-days. In aggregate, the 13 people had salaries (inclusive of the consultant's fees) of approximately A\$4.2 million annually.

Included in the reduction is the release of Mr David Gardner from his role as Joint Company Secretary. Ms Kinga Doris will continue in her role as General Counsel and Company Secretary and the Company will announce arrangements to cover the duties of the Joint Company Secretary in due course. The Chairman of LNGL's Board of Directors Richard Beresford thanked Mr Gardner for his 6 years of service to the Board.

LNGL's Managing Director and CEO Greg Vesey said, "My 100-day review of the business highlighted the need to make some tough decisions. This is a great company, with a great history, and great potential. However, the LNG industry as a whole continues to be a difficult market, and it is apparent that we have to reduce overhead costs in certain areas. Regrettably, these changes mean job losses at the executive level, in the corporate office, and in divisional offices. I thank all the impacted individuals for their service and support over the years." In addition, Mr Vesey stated, "Our focus on offtake customers will not be impacted by the restructuring. We remain committed to our 'Energy Link' strategy and believe LNGL is well positioned to deliver value to our shareholders."

All affected employees will receive payments consistent with their individual employment agreements, and/or statutory requirements, and/or discretionary payments commonplace in local jurisdictional practice. These payments aggregate approximately A\$2.0 million, of which approximately A\$703,000 was paid prior to 30 June 2016. The affected individuals continue to hold 1.6 million Performance Rights pursuant to the terms of the Company's Incentive Rights Plan.

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 8 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 mtpa or greater LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**), proposing to construct and operate a 62.5 km gas pipeline lateral to connect gas supply to Bear Head LNG;
- Gladstone LNG Pty Ltd, a subsidiary which plans to develop the 3.5 mtpa Fisherman's Landing LNG (**FLLNG**) project at the Port of Gladstone in Queensland, Australia; and
- LNG Technology Pty Ltd, a subsidiary which owns and develops the Company's **OSMR**[®] LNG liquefaction process, a mid-scale LNG business model that plans to deliver lower capital and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

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Disclaimer

Forward-looking statements may be set out within this correspondence. Such statements are only predictions, and actual events or results may differ materially. Please refer to our forward-looking statement disclosure contained on our website at www.LNGLimited.com.au and to the Company's Annual Report and Accounts for a discussion of important factors that could cause actual results to differ from these forward-looking statements. The Company does not undertake any obligation to update publicly, or revise, forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.