



## **ASX/MEDIA RELEASE**

**26 APRIL 2016**

### **MAGNOLIA LNG & KSJV EXTEND PRICING VALIDITY ON EPC CONTRACT**

Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNGLY**) (**LNGL** or the **Company**) is pleased to advise that its wholly owned subsidiary, Magnolia LNG LLC (**Magnolia**) has agreed with KSJV to extend the validity period of the signed engineering, procurement, and construction (**EPC**) contract price through 31 December 2016.

As previously announced on 16 November 2015, Magnolia and KSJV, a KBR – SKE&C joint venture lead by KBR, signed a binding lump sum turnkey (**LSTK**) EPC contract with a cost of US\$4.354 billion for four LNG trains and associated facilities. The original agreement maintained the validity of the LSTK EPC contract price through 30 April 2016. This extension agreement guarantees the LSTK price for an additional eight-month period.

LNGL Managing Director and Chief Executive Officer, Greg Vesey stated, “We are working closely with key contractors and suppliers, such as KSJV, to maintain momentum on the Magnolia LNG project as we continue our marketing efforts. Extension of the lump sum turnkey contract price validity along with the recently received FERC Order helps maintain Magnolia’s standing as the low cost, low risk, construction ready Gulf Coast LNG export project.”

Magnolia LNG proposes to construct and operate up to four liquefaction production trains, each with a capacity of 2 mtpa or greater using the Company’s patented OSMR® LNG process technology. Construction and operation shall include two 160,000m<sup>3</sup> full containment storage tanks, ship, barge and truck loading facilities, and supporting infrastructure.

“We look forward to the US Department of Energy (**DOE**) processing Magnolia LNG’s pending application to export LNG to countries that do not have a free trade agreement (**FTA**) with the United States following receipt from the FERC of the final notice to proceed”, stated Mr Vesey.

## **ABOUT MAGNOLIA LNG:**

MLNG is 100% owned by Magnolia, which is wholly owned by LNGL. The greenfield project comprises an 8 mtpa or greater plant on a 115-acre site, located on an established LNG shipping channel in the Lake Charles District, State of Louisiana, USA. The design is based on four LNG production trains of 2 mtpa or greater, each using the Company's OSMR® LNG process technology.

Feed gas supply for the 8 mtpa or greater project will come from the US Gulf Coast gas market via several gas suppliers, delivered via the Kinder Morgan Louisiana Pipeline (KMLP) under a 20-year binding pipeline capacity agreement with Kinder Morgan Louisiana Pipeline LLC.

MLNG has signed a binding agreement with Meridian LNG Holdings Corp for firm capacity rights for up to 2 mtpa that has a condition precedent that Magnolia LNG achieves financial close by 31 December 2016.

MLNG continues negotiations with a number of other LNG buyers for the purchase of LNG on 20-year terms (with extension options).

## **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, 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 (**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;
- 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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