



ASX/MEDIA RELEASE

18 MARCH 2016

MAGNOLIA LNG RECEIVES FERC ORDER

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 LNG**), received the Federal Energy Regulatory Commission (**FERC**) authorization (**FERC Order**) to site, construct, and operate facilities to liquefy and export domestically produced natural gas from its liquefied natural gas (**LNG**) terminal in the Lake Charles District, State of Louisiana, USA.

In addition, the Louisiana Department of Environmental Quality (**LDEQ**) approved the air permit for the Magnolia LNG.

In a related matter, FERC also authorized the Kinder Morgan Louisiana Pipeline LLC (**KMLP Pipeline**) to install compression and other related facilities on the KMLP Pipeline, facilitating the transportation of full feed gas volumes to the Magnolia LNG project.

LNGL Managing Director and Chief Executive Officer, Greg Vesey said, "We are pleased to receive the FERC Order and the air permit from LDEQ. Both of these items are important milestones as we progress the Magnolia LNG project towards a final investment decision. 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."

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 OSMR® patented LNG process technology. Construction and operation shall include two 160,000m³ full containment storage tanks, ship, barge and truck loading facilities, and supporting infrastructure.

As previously announced, construction of the facility will be by the KBR-SKE&C joint venture (**KSJV**) under a lump sum turnkey EPC contract.

"Our primary focus remains to complete marketing of Magnolia LNG's offtake capacity, finalize financing arrangements, and progress towards construction", stated Mr Vesey.

ABOUT MAGNOLIA LNG

Magnolia LNG project is 100% owned by Magnolia LNG, which is wholly owned by LNG Limited. 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.

Magnolia LNG 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.

Magnolia LNG 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

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

- Magnolia LNG, LLC, 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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