

13 OCT 2010 16:40 ASX PERTH  
13 October 2010

By Fax: 9221 2020

Mr Cameron Bill  
Adviser, Issuers (Perth)  
ASX Markets Supervision Pty Ltd  
2 The Esplanade  
Perth WA 6000



Liquefied Natural Gas Ltd  
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Perth WA 6005  
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Email: lng@lnglimited.com.au  
Website: www.lnglimited.com.au  
ABN: 18 101 676 779

Dear Mr Bill

LIQUEFIED NATURAL GAS LIMITED (THE "COMPANY")  
- PRICE AND VOLUME QUERY

We refer to the Australian Securities Exchange letter dated 13 October 2010 in relation to the change in the price of the Company's securities, from 47.5 cents yesterday to an intraday high of 57.0 cents today, and the increase in the volume of trading in the securities over this period.

As to the questions detailed in the referenced letter, we respond as follows:

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading volumes and prices in the securities of the Company.
2. Not applicable, given the answer to question 1.
3. The Company does not have a specific explanation for the price and volume change in the securities of the Company. However, as already communicated to the market, the Company continues to advance:
  - discussions with potential gas suppliers for the Company's wholly owned Gladstone "Fisherman's Landing" LNG Project;
  - discussions with a number of strategic partners; and
  - the marketing of the Company's proprietary OSMR<sup>®</sup> LNG process with several interested parties.
4. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Please do not hesitate to contact David Gardner or Maurice Brand if you require any additional information.

Yours sincerely

Maurice Brand  
Managing Director & CEO

David Gardner  
Company Secretary



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13 October 2010

Mr David Gardner  
Company Secretary  
Liquefied Natural Gas Limited  
Ground Floor  
5 Ord Street  
WEST PERTH WA 6005

By Email: [dgardner@lnqlimited.com.au](mailto:dgardner@lnqlimited.com.au)

Dear David

**Liquefied Natural Gas Limited (the "Company")**

**PRICE AND VOLUME QUERY**

We have noted a change in the price of the Company's securities from 47.5 cents yesterday to an intraday high today of 57 cents. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 6:30 am (W.S.T) tomorrow, being Thursday 14 October 2010.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately 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. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- 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.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Cameron Bill

**Adviser, Issuers (Perth)**