



## ASX/MEDIA RELEASE

26 May 2011

### HQCEC Share Placement Conditions Precedent

The Directors of Liquefied Natural Gas Limited (ASX: LNG, *LNG LTD*) are pleased to announce that, following the signing of the definitive share Placement Agreement, on 3 May 2011, with China Huanqiu Contracting & Engineering Corporation (*HQCEC*), **the following conditions precedent have been satisfied or waived:**

- HQCEC has obtained final approval from its parent company China National Petroleum Corporation (*CNPC*); and
- HQCEC has confirmed in writing, to LNG LTD, the satisfaction or waiver of all conditions precedent relating to LNG LTD's Fisherman's Landing LNG Project, in the Port of Gladstone, Queensland.

The remaining conditions precedent, to be satisfied, are:

- HQCEC obtaining approval from the Ministry of Commerce and the National Development and Reform Commission of the People's Republic of China; and
- LNG LTD obtaining shareholder approval, at the meeting of shareholders to be held on 7 June 2011.

As previously announced, HQCEC has obtained Australian Foreign Investment Review Board approval for the share placement and LNG LTD has obtained a Petroleum Facility Licence for its Fisherman's Landing LNG Project, both of which were also conditions precedent to the share placement.

Pending completion of the share placement, HQCEC and LNG LTD are working closely together, with the emphasis being on LNG LTD's 100% owned Fisherman's Landing LNG Project, including HQCEC's update of the front end engineering and design and provision of a detailed engineering, construction and procurement proposal and the securing of gas for the first two LNG trains, each of 1.5 million tonnes per annum LNG production capacity.

LNG LTD's Managing Director, Maurice Brand, said "We are very pleased at the cohesive working relationship that has already been established between HQCEC and LNG LTD and HQCEC's commitment to the development of LNG LTD's Fisherman's Landing LNG Project. This commitment was clearly communicated when senior executives of CNPC and HQCEC visited the Fisherman's Landing LNG Project site and Gladstone Ports Corporation earlier this month."

"We are confident that HQCEC will obtain the required approvals from the Ministry of Commerce and the National Development and Reform Commission prior to LNG LTD's meeting of shareholders on 7 June 2011. The importance of the share placement cannot be overstated, as the relationship with the CNPC-HQCEC group brings with it the technical and financial credibility needed to progress the Fisherman's Landing LNG Project and pursue other LNG project opportunities in Australia and overseas."

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