

### ABN 19 101 676 779

### NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday 22 November 2012 at 3:00pm (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on 08 9366 3700.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.

### LIQUEFIED NATURAL GAS LIMITED

ABN 19 101 676 779

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Liquefied Natural Gas Limited (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday 22 November 2012 at 3:00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Tuesday 20 November 2012 at 4:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

### **AGENDA**

## 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2012, which includes the Financial Report, the Directors' Report and the Auditor's Report.

## 2. Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

### **Voting Exclusion**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or

(b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 3. Resolution 2 - Re-election of Mr Richard Jonathan Beresford as Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with article 9.1(e) of the Constitution and for all other purposes, Mr Richard Jonathan Beresford is elected as a Director on the terms and conditions in the Explanatory Memorandum."

## 4. Resolution 3 - Re-election of Madam Wang Xinge as Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with article 9.1(e) of the Constitution and for all other purposes, Madam Wang Xinge is elected as a Director on the terms and conditions in the Explanatory Memorandum."

## 5. Resolution 4 - Re-election of Mr Zhang Gaowu as Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That in accordance with article 9.1(e) of the Constitution and for all other purposes, Mr Zhang Gaowu is elected as a Director on the terms and conditions in the Explanatory Memorandum."

### BY ORDER OF THE BOARD

David Gardner Company Secretary

Dated: 19 October 2012

### LIQUEFIED NATURAL GAS LIMITED

ABN 19 101 676 779

### **EXPLANATORY MEMORANDUM**

### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, on Thursday 22 November 2012 at 3:00pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions.

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (**proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

### Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Alternatively, Shareholders can vote online by visiting www.linkmarketservices.com.au. Select "Investor Login" and enter Liquefied Natural Gas Limited or the ASX code (LNG) in the Issuer name field, your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), which is shown on the front of your Proxy Form, postcode and security code which is shown on the screen and click "Login". Select the "Voting" tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

## 2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2012.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at: www.lnglimited.com.au/IRM/content/invest\_annualreports.html;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;

- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

### 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for reelection.

The Company's Remuneration Report did not receive a Strike at the 2011 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2013 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders at the Meeting to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary Resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

## 5. Resolution 2 – Re-election of Mr Richard Jonathan Beresford as Director

In accordance with Listing Rule 14.4, a Director must not hold office (without reelection) past the third annual general meeting following the Director's appointment, or 3 years, whichever is longer.

Article 9.1(e) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 9.1(h) of the Constitution provides that a Director who retires under article 9.1(e) of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Richard Jonathan Beresford retires by rotation and seeks re-election.

Mr Richard Jonathan Beresford (BSc (Mechanical Engineering), MSc (Technology and Development), FAIE, FAICD) has over 29 years experience in the international energy industry spanning research, technology commercialisation, strategic planning, operations, consultancy, business development, acquisitions, marketing and general management.

Richard spent 12 years with British Gas plc, including 3 years in London managing a portfolio of downstream gas and power generation investments in Asia and 4 years in Jakarta as Country Manager. He joined Woodside Petroleum Limited in 1996 where he became General Manager, Business Development, then Managing Director of Metasource, Woodside's green energy subsidiary, until 2001. Richard was Head of Gas Strategy and Development of CLP Power Hong Kong Limited from January 2005 to March 2007.

Richard is currently the Executive Chairman of ASX listed Green Rock Energy Limited, a Perth based energy explorer and developer. Richard has held this position since March 2012 and prior to this appointment, he was the Managing Director and a non-executive director of Green Rock from September 2008.

Richard has also been a non-executive director of ASX listed Eden Energy Limited since May 2007. He also joined the Board of Men of the Trees in June 2011. The Board (excluding Mr Richard Jonathan Beresford) recommends that Shareholders vote in favour of Resolution 2.

The Board (excluding Mr Richard Jonathan Beresford) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

# 6. Resolution 3 - Re-election of Madam Wang Xinge as Director

In accordance with Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 9.1(e) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number) and each Director appointed as an addition to the existing directors must retire from office as Director.

Article 9.1(h) of the Constitution provides that a Director who retires under article 9.1(e) of the Constitution is eligible for re-election.

Resolution 3 therefore provides that Madam Wang Xinge retires and seeks re-election.

Madam Wang is an Executive Director and Joint Chief Executive Officer of the Company and Senior Vice President of China Huanqiu Contracting & Engineering Corporation (**HQC**).

Madam Wang holds a BSc in Mechanical Engineering from Beijing Chemical Engineering University and an Executive MBA from the University of Texas, Arlington, USA.

Madam Wang joined HQC in 1987 as a Mechanical Engineer. She was Project Manager, Management Department between 1994 - 1998; Director International Business Department between 1998 - 2002; appointed Vice President in 2002 and in January 2006 was promoted to Senior Vice President.

As Senior Vice President of HQC, Madam Wang's responsibilities encompassed the company's domestic and overseas business, including domestic and overseas market exploration and development, international bidding, contract negotiation, contract review, contract and legal affairs, foreign affairs and supervision of project execution. The primary markets comprised South East Asia, the Middle East, North America and Central and Latin American countries, with additional responsibility for subsidiary companies and branch offices in Canada, Costa Rica, Venezuela, United Arab Emirates, Saudi Arabia, Egypt, Singapore, Vietnam, Myanmar and Sri Lanka.

Madam Wang has over 25 years working experience in petrochemical, oil and gas engineering and construction, including 14 years experience in overseas business management with 6 years enterprise management.

Madam Wang Xinge has not been a director of any other listed companies during the three years prior to 30 June 2012.

The Board (excluding Madam Wang Xinge) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

# 7. Resolution 4 - Re-election of Mr Zhang Gaowu as Director

In accordance with Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 9.1(e) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number) and each Director appointed as an addition to the existing directors must retire from office as Director.

Article 9.1(h) of the Constitution provides that a Director who retires under article 9.1(e) of the Constitution is eligible for re-election.

Resolution 4 therefore provides that Mr Zhang Gaowu retires and seeks re-election.

Mr Zhang Gaowu is a Non-Executive Director of the Company and Deputy Director of Finance and Assets of China Huanqiu Contracting & Engineering Corporation (**HQC**).

Mr Zhang joined HQC in 2007 as the Financial Controller of HQSM Engineering Pte Ltd (Singapore) which is a subsidiary of HQC. He was relocated to HQC's headquarters in May 2010 as the Deputy Director of Finance and Assets division. His responsibilities include the financial management of the overseas business interests of HQC and the group's asset management and mergers and acquisitions.

His previous experience includes Finance Supervisor of Beijing Ershang Group, Auditor of Shaanxi Kodo and Finance Manager of Shaanxi Yongli Construction Co.

Mr Zhang is a member of The Association of Chartered Certified Accountants and The Chinese Institute of Certified Public Accountants. He has over 15 years working experience in finance and accounting in China and overseas, and has a complete practical familiarity with both the Chinese Accounting Standards and the International Financial Report Standards.

Mr Zhang Gaowu has not been a director of any other listed companies during the three years prior to 30 June 2012.

The Board (excluding Mr Zhang Gaowu) recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

### **Schedule 1 - Definitions**

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2012.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting.

### **Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Liquefied Natural Gas Limited ABN 19 101 676 779.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

WST means Western Standard Time, being the time in Perth, Western Australia.



### **Liquefied Natural Gas Limited** ABN 19 101 676 779

### **LODGE YOUR VOTE**

ONLINE

www.linkmarketservices.com.au



By mail: Liquefied Natural Gas Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia



**By fax:** +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474

Overseas: +61 2 8280 7111



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### SECURITYHOLDER VOTING FORM

I/We being a member(s) of Liquefied Natural Gas Limited and entitled to attend and vote hereby appoint:				
STEP 1 APPOINT A PROXY				
the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.				
If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3:00pm on Thursday, 22 November 2012, at the Celtic Club, 48 Ord Street, West Perth, WA and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.				
Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.  Please read the voting instructions overleaf before marking any boxes with an X				
STEP 2 VOTING DIRECTIONS				
Resolution 1 Adoption of Remuneration	For Against Abstain*  Report			
Resolution 2 Re-election of Mr Richard . Beresford	lonathan			
Resolution 3 Re-election of Madam Wan	g Xinge			
<b>Resolution 4</b> Re-election of Mr Zhang Ga	owu			

①	* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.
	poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED				
Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)		
Sole Director and Sole Company Secret	ary Director/Company Secretary (Delete one)	Director		

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

### HOW TO COMPLETE THIS PROXY FORM

#### Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

#### **Corporate Representatives**

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

### Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm on Tuesday, 20 November 2012,** being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

### ONLINE

### www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



#### by mail:

Liquefied Natural Gas Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia



#### by fax:

+61 2 9287 0309



### by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.