



ASX/MEDIA RELEASE
28 FEBRUARY 2013

**US DOE AUTHORISES 4 MTPA EXPORT TO FTA COUNTRIES
FOR
MAGNOLIA LNG PROJECT**

The Directors of Liquefied Natural Gas Limited (*Company*) are pleased to advise that the Office of Fossil Energy of the Department of Energy (*DOE*), United States, has granted authorisation for Magnolia LNG, LLC (wholly owned by the Company), to export up to 4 mtpa (Phase 1) of LNG, from its proposed LNG project site at the Port of Lake Charles, Louisiana (*Magnolia LNG Project*).

The DOE authorisation is valid for LNG sales to commence within 10 years and is then for a period of 25 years from first LNG sales; which sales are permitted to all existing, and any future, countries that have, or enter into, a Free Trade Agreement with the Government of the United States.

The Magnolia LNG Project comprises the proposed development of an 8 mtpa LNG project on a ~90 acres site, in an established LNG shipping channel in the Lake Charles District. The project is based on two 4 mtpa development phases, each phase comprising 2 x 2 mtpa LNG production trains, and will use the Company's wholly owned OSMR® LNG process technology. Refer to the attached Location Map and Conceptual Layout.

The DOE authorisation, follows the Company's recent signing of a Site Option to Lease Term Sheet, with the Lake Charles Harbour & Terminal District (*Port Authority*). The Company is now:

- Negotiating a definitive and binding Real Estate Lease Option Agreement with the Port Authority, together with the agreed form of Lease to be executed on Magnolia LNG, LLC exercising the site Lease Option;
- In discussion with a number of parties who have expressed interest to enter into a Tolling Agreement, under which the Tolling Party will be responsible for arranging gas supply to the Magnolia LNG Project and the LNG buyers and ships. The Magnolia LNG Project will treat and liquefy the gas, store the produced LNG and load the LNG onto the LNG buyer's ships, in consideration of a Capacity Fee and Processing Fee; and
- Progressing work on the Magnolia LNG Project's Pre File Application, which is required to be submitted to the Federal Energy Regulatory Committee and represents the commencement of the project's required permits and approvals process.

Managing Director Maurice Brand said "We are very pleased that the DOE authorisation had been received in accordance with the Company's development schedule. Our ability to meet key milestones will be a critical factor in discussions with potential Tolling Parties."

For further information contact:

Mr Maurice Brand
Managing Director & Joint Chief Executive Officer
Telephone: + 61 8 9366 3700

Mr David Gardner
Company Secretary
Telephone: + 61 8 9366 3700

Liquefied Natural Gas Limited
Ground Floor, 5 Ord Street, West Perth WA 6005
Telephone: (08) 9366 3700 **Facsimile:** (08) 9366 3799
Email: LNG@LNGLimited.com.au
Web site: www.LNGLimited.com.au

MAGNOLIA LNG PROJECT

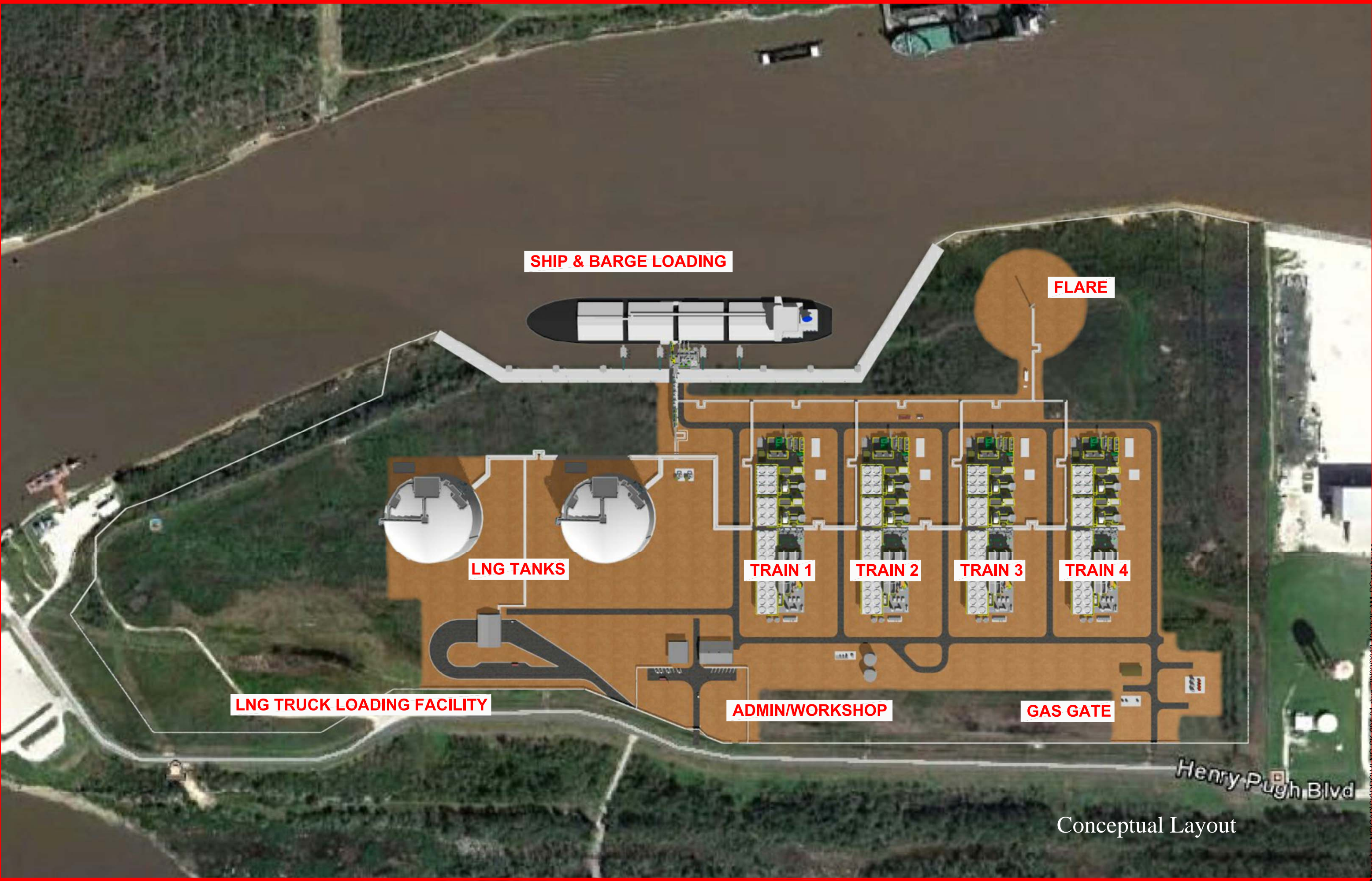


MAGNOLIA LNG PROJECT SITE

CALCASIEU RIVER SHIPPING CHANNEL

GULF OF MEXICO

Location Map



SHIP & BARGE LOADING

FLARE

LNG TANKS

TRAIN 1

TRAIN 2

TRAIN 3

TRAIN 4

LNG TRUCK LOADING FACILITY

ADMIN/WORKSHOP

GAS GATE

Henry Pugh Blvd

Conceptual Layout