



LIQUEFIED NATURAL GAS LIMITED

ASX/MEDIA RELEASE

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HQC REDUCES SHAREHOLDING IN COMPANY SHARES LARGELY PLACED WITH US INVESTORS

The Directors of Liquefied Natural Gas Limited (**Company**) advise that China Huanqiu Contracting and Engineering Corporation (**HQC**) has sold 43.25 million of its shares in the Company. Following the sale, HQC will continue to hold 10 million shares and will no longer be a substantial shareholder. The shares have been placed with US and Australian institutional investors including Third Point LLC.

In accordance with the Process Deed signed with HQC on 3 May 2011, Mr Zhang Gaowu (**Gavin**) has resigned as a Non Executive Director, and Madam Yao Guihua (**Grace**) has resigned as an Executive and Joint CEO.

Company Chairman Mr Richard Beresford said that the Board has asked Grace to continue as a Non Executive Director to advise and assist the Company with its plans on gas supply for the Fisherman's Landing Gladstone LNG Project.

"I am delighted that Grace has agreed to continue on the Board as we work together with the HQC Management team on gas supply options for Fisherman's Landing," said Mr Beresford.

"As previously advised and following the recent successful Capital raising of \$49.5 million, the Board is now accelerating the selection of a US based Non Executive Director. With the significant progress on the Company's wholly owned Magnolia LNG project in the US, the Board considers that this appointment will greatly assist in positioning Magnolia LNG in the top ten US LNG export projects to start construction ." he added

The Board extended its appreciation to Gavin for his contribution as a Director over the last three years.

The sale of shares was managed by Foster Stockbroking Pty Ltd.

For further information contact:

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