



## ASX/MEDIA RELEASE

5 May 2014

# A\$49.5 MILLION CAPITAL RAISING TO FULLY FUND MAGNOLIA LNG PROJECT THROUGH TO FINANCIAL CLOSE

### Highlights

- The Company has placed 90 Million shares at A\$0.55 cents/share to raise A\$49.5 million
- Placement in two tranches with 31,207,254 shares unconditional (tranche 1) and 58,792,746 shares conditional (tranche 2) on Shareholder approval
- Magnolia LNG now fully funded to Financial Close – planned mid 2015
- 80% of Placement taken up by cornerstone US Institutional Investors
- The Placement follows formal filing of application with U.S. Federal Energy Regulatory Commission (FERC) for the Magnolia LNG Project
- The FERC application positions Magnolia LNG as one of the leading U.S. based LNG export projects to have completed this milestone

Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNGLY**) (**LNGL or the Company**) advises that it has raised A\$49.5 million with a placement of 90 million ordinary shares at A\$0.55 to US and Australian institutional investors (**Placement**). The Placement will be made in two tranches with 31,207,254 shares placed under the Company's placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A, and the placement of 58,792,746 shares subject to shareholder approval.

The Placement received very strong demand from existing Australian institutional shareholders and a group of US institutional investors, with the Company welcoming Fairview Capital Asset Management, LLC ([www.fairviewcap.com](http://www.fairviewcap.com)) as a new substantial shareholder and Claren Road Asset Management, LLC as a significant new shareholder.

Foster Stockbroking Pty Ltd acted as Sole Lead Manager and was supported by the Company's US advisor, New York based EAS Advisors LLC, acting through Merriman Capital, Inc.

### Managing Director and Joint CEO Comments

The Company's Managing Director, Maurice Brand, said: "This is a significant milestone for the Company and the strong demand for the Placement is recognition of the outstanding progress that Magnolia LNG has achieved to date. In regard to the FERC application filed last week, the Magnolia LNG Project is placed among a small group of projects to have formally filed".

"The Company plans to use some US\$30 million to fully fund Magnolia through to 30 June 2015 with the balance of funds to be used for LNGL working capital including the identification of other LNG opportunities".

“To the end of April 2014, the Magnolia LNG Project has expensed a total of US\$11 million, including the delivery of its filing application to FERC. While these costs are substantially lower than what has been reported by other US LNG developers, Magnolia LNG has had the benefit of a considerable amount of technical, engineering and development work that was associated with the Company’s Fisherman’s Landing Gladstone LNG project in Australia”.

“With this funding in place the team is now fully focused on delivering the EPC contract and entering into binding Liquefaction Tolling Agreements”, said Mr Brand.

#### **Placement Timetable**

<b>Event</b>	<b>Date</b>
Settlement of unconditional Placement shares (tranche 1)	Monday, 12 May 2014
Allotment of new shares under the unconditional Placement (tranche 1)	Tuesday, 13 May 2014
Extraordinary General Meeting to approve conditional Placement of shares (tranche 2)	Monday, 16 June 2014
Settlement of conditional Placement shares (tranche 2)	Tuesday, 17 June 2014
Allotment of new shares under the unconditional Placement (tranche 1)	Wednesday, 18 June 2014

*Note – the above timetable is indicative only and subject to change.*

#### **For further information contact:**

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**Managing Director & Joint Chief Executive Officer**

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**Company Secretary**

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## About Liquefied Natural Gas Limited

Liquefied Natural Gas Limited is an ASX listed company (Code: **LNG** and OTC ADR: **LNGLY**) whose portfolio consists of 100% ownership of the following assets:

- Magnolia LNG LLC (**Magnolia LNG**), a US-based wholly owned subsidiary of LNGL, which is developing an 8 million tonne per annum (mtpa) LNG export terminal, in the Port of Lake Charles, Louisiana, US;
- Gladstone LNG Pty Ltd, a wholly owned subsidiary, which is working on gas supply agreements for the **Fisherman's Landing LNG (FLLNG) Project** at the Port of Gladstone in Queensland, Australia; and
- LNG Technology Pty Ltd, a wholly owned subsidiary, which owns and develops the Company's **OSMR<sup>®</sup> LNG liquefaction process**, a mid-scale LNG business model that plans to deliver: lower capital operating costs; faster construction; and improved efficiency, relative to larger traditional LNG projects.

## About the Magnolia LNG Project – SEE FIGURE 1

The Magnolia LNG Project is 100% owned by Magnolia LNG LLC, which is a wholly owned subsidiary of Liquefied Natural Gas Limited. The project comprises the proposed development of an 8 mtpa LNG project on a 115-acre site, in an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America.

The development is based on the development of 4 x 2 mtpa LNG production trains using the Company's wholly owned OSMR<sup>®</sup> LNG process technology and the completed LNG plant front end engineering and design of the Company's Gladstone Fisherman's Landing LNG Project in Queensland, Australia.

The business model being adopted for the Magnolia LNG Project is to provide liquefaction services to LNG buyers who pay a monthly fixed capacity fee, plus all LNG plant operating and maintenance costs. In addition, each LNG Tolling Party is responsible for supplying and transporting gas to the Magnolia LNG Project at its own expense.

For further information on the Magnolia LNG project, please see our website: [www.magnolialng.com](http://www.magnolialng.com) .

Figure 1 – Schematic Representation of the Proposed Magnolia LNG Project at the Port of Lake Charles, Louisiana, US

