



13 March 2014

ASX/Media Release

## **INSTITUTIONAL PLACEMENT TO ADVANCE MAGNOLIA LNG PROJECT**

### **Highlights:**

- **The Company has completed an Equity Share Placement with the issue of 10 million shares at an issue price of \$0.42 per share to Institutional clients of Foster Stockbroking Pty Ltd, raising \$4.2m (before costs).**
- **The funds raised from the Placement will be used to support a US\$2 million Letter of Credit condition under the recently executed Precedent Agreement with Kinder Morgan Louisiana Pipeline and for further development of Magnolia LNG.**

Liquefied Natural Gas Limited (ASX:LNG) (**Company**) is pleased to announce it has completed an equity placement (**Placement**) of 10 million new fully paid ordinary shares at \$0.42 per share to institutional and sophisticated investors in Australia. The Placement is being conducted within the 15% capacity under ASX listing Rule 7.1.

In accordance with the Company's ASX/Media announcement dated 28 January 2014, Magnolia LNG LLC (**MLNG**) executed a legally binding pipeline capacity agreement, known in the United States as a Precedent Agreement (**PA**), with Kinder Morgan Louisiana Pipeline LLC (**KMLP**). The PA secured sufficient firm gas transportation service rights for the full 8 mtpa capacity of the MLNG Project, subject to the fulfilment of various preliminary conditions. KMLP's Open Season process closed on 7 March 2014. On the 12 March 2014, KMLP issued a formal notification to MLNG of the award of capacity to MLNG. One of the requirements under the PA and after the award of firm pipeline capacity is that MLNG issue a US\$2 million Letter of Credit, which guarantees the minimum development costs that KMLP has and is expected to incur under the PA. This Letter of Credit will remain in place until financial close of the Company's Magnolia LNG Project.

The Company's Managing Director Maurice Brand commented on the completion of the placement, *"This capital raising will allow the Company to accelerate the Precedent Agreement with Kinder Morgan. The formal award of capacity rights for the supply of gas to MLNG is a critical step in the project progressing through the FERC regulatory process and completion of FID later in the year. We are delighted with the increasing level of support from Australian institutions."*

Foster Stockbroking acted as Sole Lead Manager to the Placement.

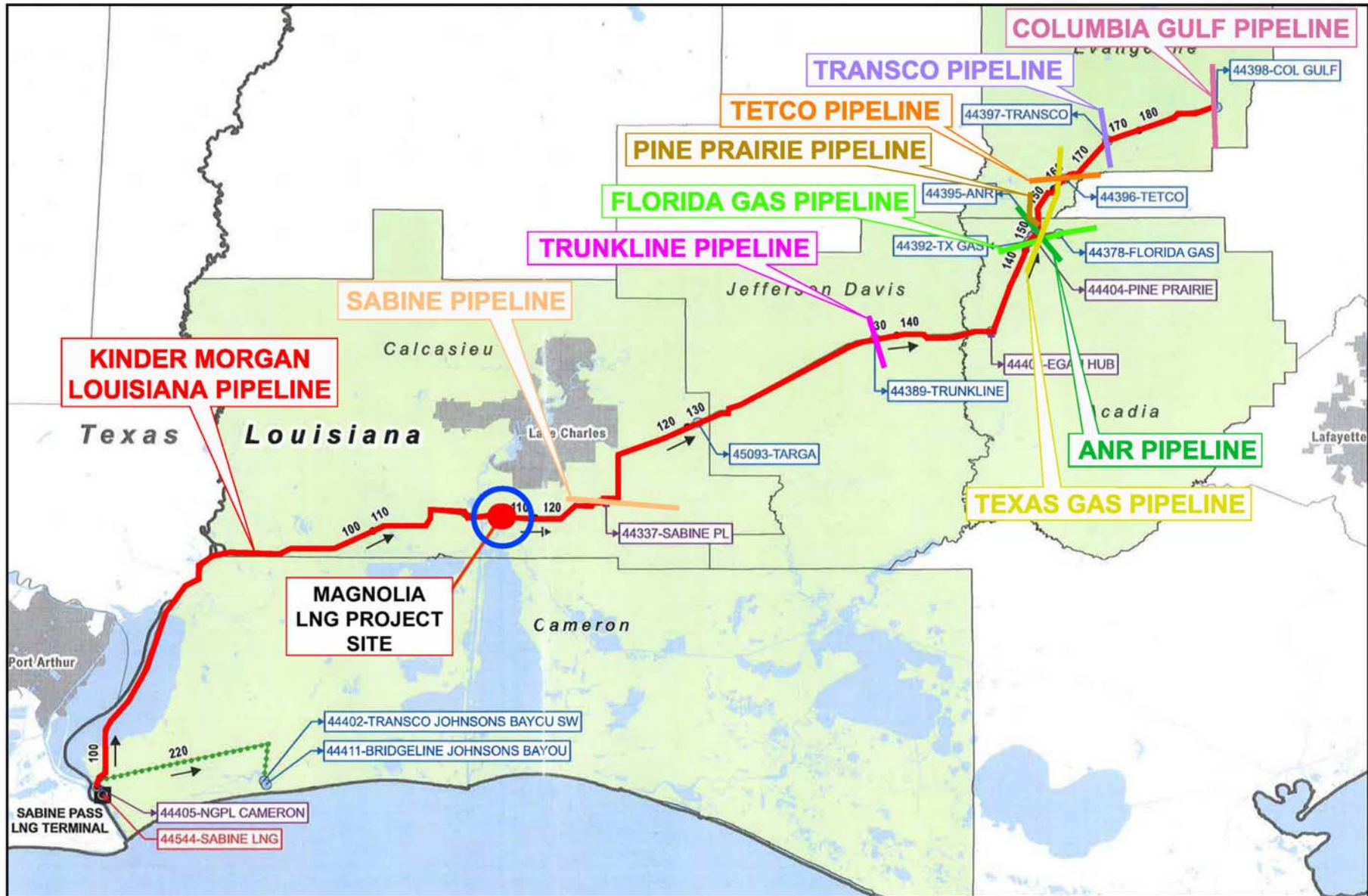
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# KINDER MORGAN LOUISIANA PIPELINE LOCATION MAP



# MAGNOLIA LNG PROJECT LAYOUT

(existing Kinder Morgan Louisiana Gas Pipeline shown directly traversing the Project Site)

