ASX/MEDIA RELEASE

26 MARCH 2015

MAGNOLIA LNG PROJECT UPDATE: ON TARGET FOR FIRST LNG IN 2018

The Directors of Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR; LNGLY**) (**LNGL or the Company**) wish to provide a general update on the development progress of its 8 million tonne per annum (**mtpa**) Magnolia LNG Project (**MLNG Project**), in Louisiana, United States of America (**US**). The MLNG Project is held through the Company's indirect 100% owned US subsidiary, Magnolia LNG, LLC (**MLNG**) and is being designed to comprise four LNG trains, each of 2 mtpa design capacity and guaranteed 1.7 mtpa firm production capacity.

1. LNG Offtake Agreements

- Advanced negotiations continue with two parties for ~ 4 mtpa with anticipated contract closings once the third parties sign their customer agreements and/or receive required Board approvals, which will occur after 31 March 2015.
- Magnolia LNG is confident it will close bankable offtake agreements for the full 8 mtpa of capacity, with initial LNG production from Train 1 forecasted for late 2018.
- Market demand is strong for MLNG's offtake reflected by:
  - Four non-binding LNG tolling agreement (**LTA**) term sheets in place for a total of ~ 7 mtpa;
  - Two parties with combined demand of ~ 1.7 mtpa negotiating LNG sales and purchase agreements (**SPA**);
  - 3.7 mtpa of draft LTAs in "mark-up stage" with three other parties; and
  - Four other parties, for ~ 6.0 mtpa demand, in early stage contract discussions for SPAs or LTAs.

2. Federal Energy Regulatory Commission (FERC)

- FERC's progress towards MLNG's draft environmental impact statement (**DEIS**) announced on 19 March 2015.
- MLNG delivered timely responses to FERC's data Request for Resource Report 9 on 27 February 2015.
- FERC issued an engineering data request on 20 March 2015 and the Company will deliver its response in a timely manner. FERC advised that it might issue additional engineering questions.
- FERC procedure is to issue a Schedule of Environmental Review followed by the issue of a DEIS once it is satisfied it has received all required information from MLNG.

3. Engineering, Procurement and Construction (EPC) Contract

- The joint venture between KBR and SKE&C (**EPC JV**) announced 2 March 2015.
- Negotiation of a bankable EPC contract between MLNG and EPC JV is underway, with terms disclosed upon conclusion of these negotiations. MLNG does not expect any material changes to terms previously agreed with SKE&C, prior to formation of the EPC JV.
- The EPC JV should complete all pre-EPC contract activities in the second quarter with a resulting lump sum fixed price EPC contact agreed thereafter. The EPC contract will have a fixed price validity period of six months during which time the MLNG Project will complete its project financing.
- Commencement of an "Early Works" program in the second half of 2015, comprising initial detailed engineering and ordering of critical long-lead equipment items, accelerates site work schedule following receipt of the Notice to Proceed from FERC.
- The Early Works program coupled with commencement of site work in early 2016 enables forecasted first LNG production in late 2018.

Company Managing Director and Magnolia LNG President, Maurice Brand said, "I am pleased with the solid progress by Magnolia LNG and the contribution being made by management and recently appointed staff".

"In order to assist Magnolia LNG management to ensure the above timetable is realized and Magnolia achieves financial close in 2015, I will be relocating to Houston at the end of April 2015. This will also enable me to work more closely with the Houston-based Company CFO, Michael Mott on various corporate matters including the proposed dual share listing on ASX and NYSE, as well as with the Bear Head project team to achieve financial close for that project in 2016", said Mr Brand.

Conference Call Details:

LNGL invites shareholders to participate in a conference call about this ASX release with Maurice Brand (Managing Director of LNGL) and Michael Mott (Chief Financial Officer of LNGL) at 9.00am (AEST) on Friday 27th March. Conference call (toll free) numbers are as follows:

Australia: 1800 123 296 or +61 2 8038 5221	**Singapore: 800 616 2288**	**Hong Kong: 800 908 865**
United States: 1855 293 1544	**Canada: 1855 5616 766**	**China: 4001 203 085**

After dialling a number to enter the conference call, please refer to the CONFERENCE ID NO. 1516 2662

For further information contact:

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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 companies:

- 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, USA;
- Bear Head LNG Corporation (**Bear Head**), a Canadian based wholly owned subsidiary of LNGL, which is developing an 8 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Gladstone LNG Pty Ltd, a wholly owned subsidiary, which is progressing the 3.8 mtpa **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® LNG liquefaction process**, a mid-scale LNG business model that plans to deliver lower capital and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

About the Magnolia LNG Project

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, on an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America.

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

Magnolia LNG's business model provides liquefaction services to LNG buyers who pay a monthly fixed capacity fee, plus all LNG plant operating and maintenance costs. LNG buyers contract for liquefaction services under two contract models – a Liquefaction Tolling Agreement, whereby the LNG export terminal is only responsible for processing natural gas into LNG, and an LNG Sales and Purchase Agreement under which the customer buys LNG on a free on board basis (FOB).

For further information on the Magnolia LNG project, please visit www.magnoliaLNG.com.