

# Liquefied Natural Gas Limited



*Developing LNG Export Growth Opportunities in North America...and beyond.*



*Schematic Site Layouts for the proposed Magnolia LNG Project in the Port of Lake Charles, Louisiana, USA (left) and the Bear Head LNG Project, Nova Scotia, Canada (right)*

**North American Investor Presentations and Site Visits**

**ASX: LNG and OTC ADR: LNgLY**

## Overview of Presentation

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<b>1.</b>	<b>Company Overview</b>
<b>2.</b>	<b>Magnolia LNG Project (Louisiana, USA)</b>
<b>3.</b>	<b>Bear Head LNG Project (Nova Scotia, Canada)</b>
<b>4.</b>	<b>Fisherman's Landing LNG Project (Queensland, Australia)</b>
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## Company Overview – Corporate Snapshot

*LNG Limited (LNG) is a Liquefied Natural Gas (LNG) developer focused on developing projects using its' wholly-owned patented OSMR® LNG technology*

Asset Portfolio	
Magnolia LNG (Louisiana, USA)	Under advanced development. Target financial close mid-2015
Bear Head LNG (Nova Scotia, Canada)	Acquired from Anadarko Petroleum Corporation. Under development
Fisherman's Landing LNG (Gladstone, Australia)	On hold pending gas supply
OSMR® LNG liquefaction Process	Patent applications for OSMR® and Boil-off gas handling already granted in many jurisdictions
Corporate Snapshot (as at 14 October 2014)	
ASX / OTC Code	LNG / LNGLY
No. 86 in the S&P/ASX 200 Index and No. 7 in the S&P/ASX Energy 200 Index on entry	
Cash (as at 30 September 2014) and No Debt	~\$65m
Market Cap (@A\$2.82/share)	~\$1,300m
Shares on issue	461.4m
Unlisted Options on Issue	4.26m
Share Register (as at 30 September 2014)	
Directors & Employees	2.1%
North America:	48.0%
Australia:	21.5%
<b>Top 20</b>	<b>56.9%</b>

### LNG Board of Directors



**Richard Beresford** Chairman  
Over 30 years experience in international energy industry, including British Gas plc, Woodside Petroleum Ltd and CLP Power Hong Kong.



**Maurice Brand**  
Managing Director / CEO  
Extensive experience in the global energy industry since 1985. Founder of LNG Limited.



**Yao Guihua**  
Non-Executive Director  
Madam Yao is employed by HQC as General Manager, HQSM Engineering.



**Leeanne Bond**  
Non-Executive Director  
Leeanne is a professional company director with board roles in the energy, water and engineering services sectors.



**Paul Cavicchi**  
Non-Executive Director (US)  
Over 25 years leadership experience in the international energy industry, including Executive Vice President of GDF SUEZ Energy North America, Inc.

## Company Overview – Mission and Strategy

LNG Limited's Mission is to create wealth for our shareholders by delivering competitive and innovative LNG projects in key markets throughout the world.

- **LNG Limited is emerging as a leader in the mid-scale LNG sector by:**
  - **Identifying** and securing strategically located project sites to build, own and operate LNG facilities;
  - **Using** the Company's wholly owned OSMR® LNG process technology to deliver liquefied natural gas competitively and cost effectively; and
  - **Offering** innovative and commercially sound solutions to LNG buyers and natural gas owners which enhances their business outcomes.
- **In pursuit of its Mission, LNG Limited will:**
  - **Achieve** market leadership in the mid-scale LNG sector;
  - **Satisfy** the needs of customers competitively, reliably and with integrity;
  - **Contribute** to growth and economic development in the countries in which we operate; and
  - **Emphasise** creating safe working conditions and protecting the environments in which we operate.
- **Given the company's OSMR® technology platform**, LNG Limited has a competitive advantage developing, building and operating mid-scale LNG facilities cost effectively. This advantage will also enable the company to pursue LNG production opportunities in global markets where existing gas reserves may traditionally be considered uneconomic.
- **LNG Limited is selectively identifying project sites in North America** that meet the Company's stringent selection criteria.
- **LNG Limited has a number of other global opportunities** which are in the early stages of evaluation.



## Company Overview – Key Milestones

**LNG Limited has a clear set of key milestones to deliver in the months ahead  
Resources are in place to deliver all key milestones to continue the Company's Growth**

### **LNGL**

- Establish a US Corporate office in Houston
- Appoint a US based Non Executive Director
- Select additional LNGL Management based in Houston
- Evaluate options to further unlock shareholder value in North America
- Resolve the future of the Fisherman's Landing LNG project in Gladstone, Australia
- Secure a “third” North American opportunity



### **MAGNOLIA LNG**

- Issue by FERC of the Draft Environmental Impact Statement (DEIS) to satisfy the National Environmental Policy Act
- Execution of a legally binding lump sum turn-key EPC contract with SK E&C following completion of FEED
- Execution of legally binding Tolling Agreements for the supply of up to 4 mtpa of LNG



The achievement of these three milestones will be important steps towards Financial Close for the MLNG project which is targeted for mid-2015 and first LNG in 2018

### **BEAR HEAD LNG**

- Submit and secure a LNG export license from the Canadian National Energy Board
- Secure permits and licenses to change the Bear Head LNG site from an approved import terminal to LNG export terminal
- Obtain Letters of Intent to secure Tolling capacity in the Bear Head LNG Project
- Enter into gas pipeline capacity agreements to supply gas to Bear Head LNG
- Integrate the Magnolia LNG FEED with the existing FEED work completed by Anadarko Petroleum Corporation



### **OSMR® TECHNOLOGY**

- Continue to secure global Patents



## Company Overview – LNG Limited Executive Management

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**Maurice Brand**

Managing Director/CEO

Extensive experience in the global energy industry since 1985.  
Founder of LNG Limited



**Norman Marshall**

Group Executive – Strategic Development

Over 20 years in investment banking & project financing with the Commonwealth Bank and 4 years with iron ore project developer Portman Mining Limited



**Paul Bridgwood**

Chief Technical Officer

Over 34 years experience in the energy and resource industries.  
Originator of the OSMR® process



**Mike Mott**

Chief Financial Officer

Over 30 years of finance and accounting experience in senior executive roles, including the BG Group, Dynegy Inc. and Price Waterhouse LLP. Based in Houston.

- LNGL also employs the following key senior managers:

- Lincoln Clark – Group Engineering Manager
- Garry Triglavcanin – Group Commercial Manager
- Andrew Gould – Group Corporate Development Manager
- Emma Criddle – Finance Manager
- David Gardner – Company Secretary

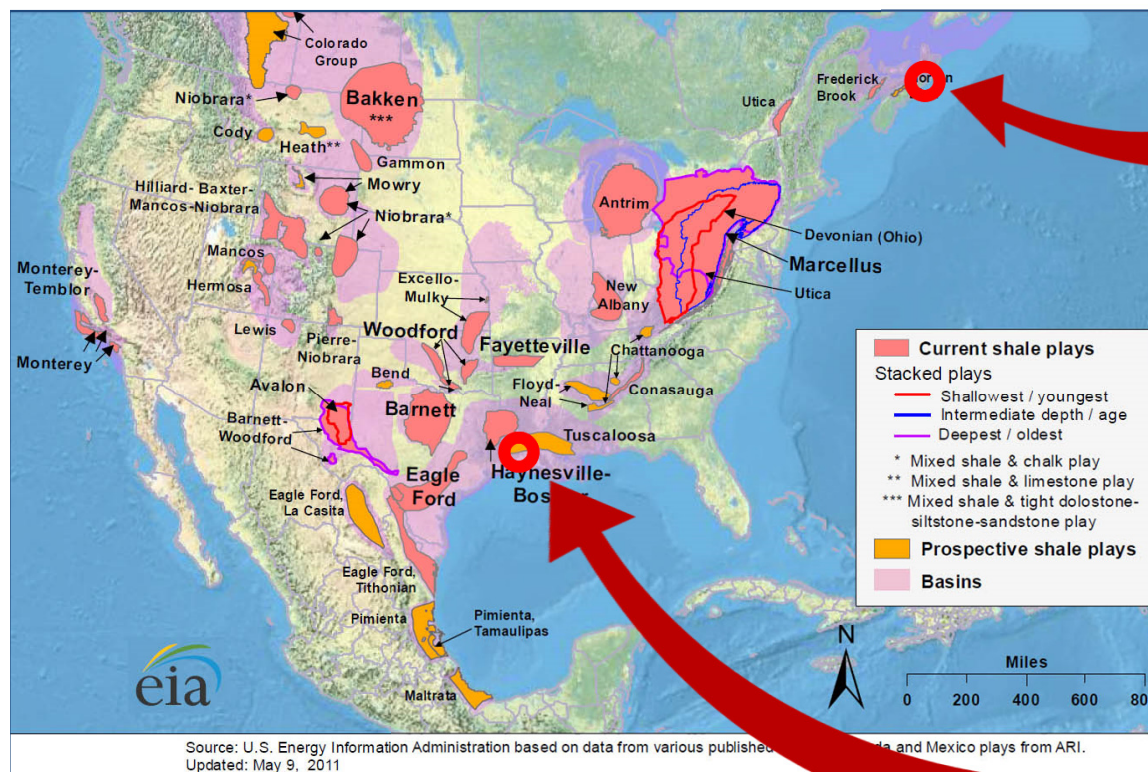
## LNG Limited's LNG Export Projects Under Development in North America

### BEAR HEAD LNG EXPORT PROJECT

**Location:** Richmond County, Nova Scotia, Canada

**Area:** 255 acres (180 acres industrial-zoned land and 75 acres deep-water acreage)

**LNG Facility:** 4 mtpa (two x 2.0 mtpa LNG trains) with potential for future expansion



### MAGNOLIA LNG EXPORT PROJECT

**Location:** Port of Lake Charles, Louisiana, USA

**Area:** 115 acres in an established LNG shipping channel

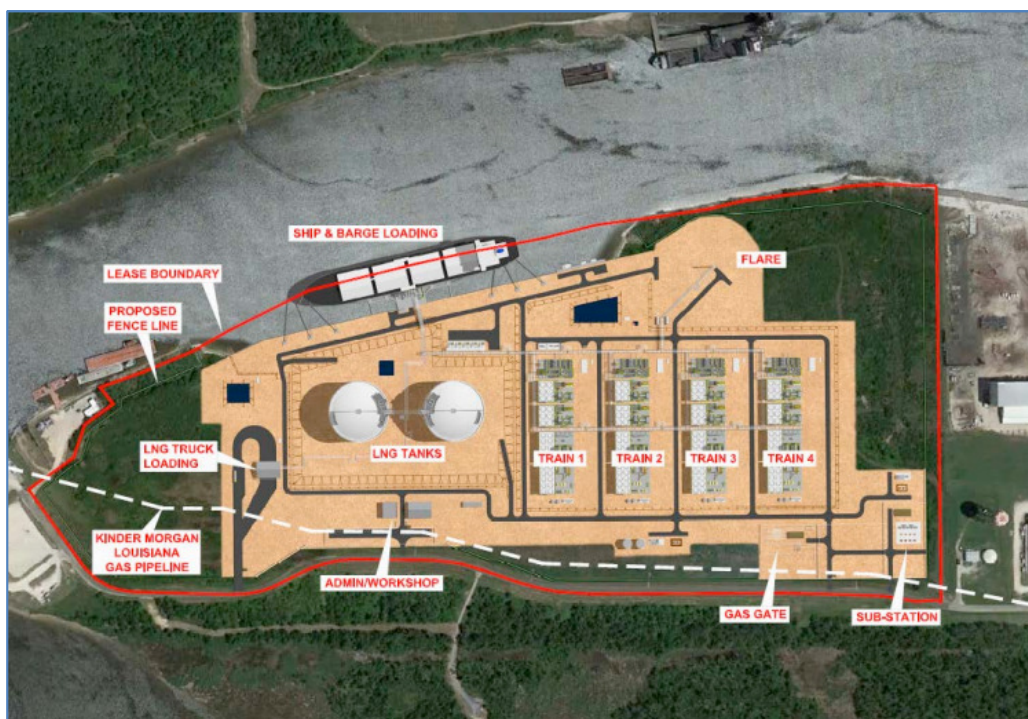
**LNG Facility:** 8 mtpa (four x 2.0 mtpa LNG trains)

**North American Map Source:** Underlying shale plays from the US Energy Information Administration (EIA), May 9, 2011



### LNG Limited's flagship Magnolia LNG Project, Louisiana USA

- 8 million tonne per annum (mtpa) LNG facility in the Port of Lake Charles, Louisiana, USA using LNG Limited's patented OSMR® LNG Technology.



Proposed Site Layout for the Magnolia LNG Project

#### Robust Financial Returns

Key financial model assumptions for base case:

- 2 x 2.0 mtpa LNG Trains.
- 4.0 mtpa nameplate LNG production capacity.
- 3.4 mtpa guaranteed LNG sales capacity.
- Total development costs of US\$18 million from 1 July 2012 to 30 June 2014.
- Capital costs of \$US2.2 billion.
- **EBITDA: US\$380 million per annum for 20 years on 100% LNGL ownership on base case**

**Rick R. Cape**

Chief Commercial Officer

Over 30 years of leadership experience in  
the oil and gas industry, including BP  
Group and Atlantic LNG

**John G. Baguley**

Chief Operating Officer

Over 30 years of experience with the  
global engineering, procurement and  
construction (EPC) company, KBR, Inc.

- Magnolia LNG has also employed the following key senior managers and staff:
  - Ernie Megginson – Vice President, Development (ex Chevron)
  - Rafael Hernandez – Vice President, Engineering and Construction (ex Bechtel)
  - Jim Schulz – Engineering Manager (ex Chevron)
  - Greg Pilkinton - EPC Commercial Director (ex KBR)
  - Ron Hogan - EPC Planning Director (ex CB&I)
  - Komi Hassan – Environmental, Health and Safety Manager (E&E)
  - Carmen Vilchez – Office Manager, Houston
  - Tammy Truax – Office Manager, Lake Charles

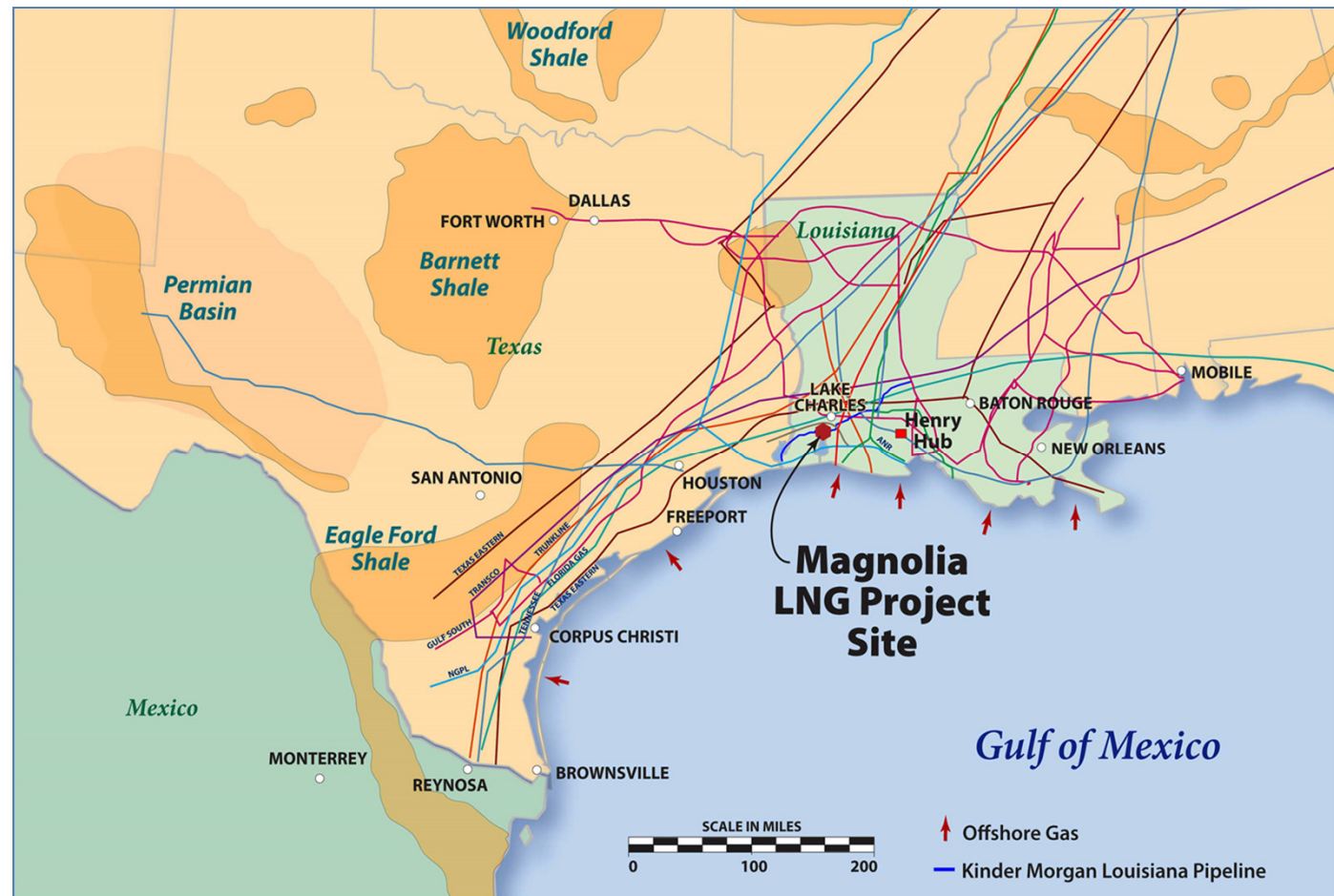
- 116 acre Magnolia LNG site is PLC Tract 475 Industrial Canal off Calcasieu Shipping Channel and opposite existing Trunkline LNG Import Terminal.
- Project site has minimal marine investment and well positioned to provide LNG ship access.
- Legally binding Option to Lease. Term of lease up to 70 years.
- Site located within 3 miles of three major underutilised pipelines.
- Underutilised Kinder Morgan Louisiana Gas Pipeline located on site.
- Project supported by local community, state and federal representatives.



Schematic Representation of the Proposed Magnolia LNG Project at the Port of Lake Charles, Louisiana, USA



- Magnolia LNG has entered into a 20 year legally binding pipeline capacity agreement with Kinder Morgan Louisiana Pipeline LLC (KMLP) to deliver gas to site for the full 8mtpa of the project.
- KMLP Pipeline underutilised and located on Magnolia LNG site. Available to supply gas to Magnolia LNG Project from Gas Suppliers.
- Magnolia's Tolling customers for LNG off-take will be responsible for securing gas supply and payment of pipeline tariff costs for delivery to plant using the KMLP capacity agreement.
- In July 2014, FERC accepted KMLP's filing application for the installation of compression and related facilities on the KMLP Pipeline.



### Magnolia LNG is involved with two main Federal Agencies that regulate LNG Projects in the United States

#### US Department of Energy (DOE)

- In Feb 2013, DOE authorises exports of up to 4 mtpa to Free Trade Agreement (FTA) countries. Term is 25 years from first LNG supply that must be within 10 years from Authorisation Date.
- In March 2014, the DOE authorised a further 4 mtpa of LNG export to FTA countries from Magnolia LNG with same terms as first 4 mtpa.
- Application for LNG exports to non-FTA countries lodged for up to 8 mtpa. However, Magnolia LNG achieving Financial Close is NOT dependent on this authorisation.
- Potential for DOE to grant non-FTA approval 90 days after FERC issues Final Environmental Impact Statement (FEIS) as part of the NEPA process.

#### Federal Energy Regulatory Commission (FERC)

- FERC provides Authorisation for construction and operation of a LNG facility, and includes a comprehensive analysis of environmental, operational and safety implications of Project. FERC filing process expected to take 12-15 months from formal application to Notice to Proceed (NTP).
- FERC granted Magnolia LNG's pre-filing request on 20 March 2013.
- On 27 November 2013, Magnolia LNG submitted 13 draft resource reports to FERC that covered a wide range of environmental and engineering aspects.
- On 30 April 2014, Magnolia LNG filed a formal application with FERC seeking authorisation for the siting, construction, ownership and operation of proposed Project. FERC accepted Magnolia LNG's application on May 14, 2014 and assigned Docket No. CP14-347-000.
- In mid July 2014, FERC accepted Kinder Morgan's filing application for authorisation to install compression and other related facilities on the KMLP Pipeline. Following this acceptance, FERC staff are preparing a Draft Environmental Impact Statement (DEIS) to satisfy the National Environmental Policy Act (NEPA). DEIS is open for review and comment by public and other permitting agencies. **MLNG expects to receive the DEIS in 2014, and the Final Environmental Impact Statement (FEIS) is likely to be issued approximately 4 months after the DEIS.**
- Normally, FERC issues a conditional order authorising the project approximately 30-45 days after FEIS. After satisfaction of several conditions in the order, FERC staff issues an NTP that authorises commencement of construction. This is required before MLNG can achieve Financial Close and commence construction. **Financial Close planned for mid 2015.**

Project (Company)	Location	Sponsor	Capacity mtpa	Offtake mtpa	Non-FTA Approval	Non-FTA Approval mtpa	First LNG Proposed	FERC Status	FERC 'filing' Date	Brownfield
Sabine Pass (T1-4)	Louisiana	Cheniere Energy	18	18	Y	16.9	2015	Approved, Apr-12	Dec-11	Y
Cameron LNG, LLC	Louisiana	Sempra Energy	12	12	Y	13	2018/19	Approved, Jun-14	Dec-12	Y
Freeport LNG	Texas	Freeport	13.2	13.2	Y	13.2	2018	Approved, Jul-14	Aug-12	Y
Corpus Christi	Texas	Cheniere Energy	13.5	3	N	-	2018/19	Filing	Jun-13	N
Sabine Pass (T5-6)	Louisiana	Cheniere Energy	9	-	N	-	2018/19	Filing	Sep-13	Y
<b>Magnolia LNG</b>	<b>Louisiana</b>	<b>Liquefied Natural Gas Ltd</b>	<b>8</b>	<b>-</b>	<b>N</b>	<b>-</b>	<b>2018</b>	<b>Filing</b>	<b>Apr-14</b>	<b>N</b>
Lake Charles	Louisiana	Southern Union (BG)	15	15	Y	15.3	2019	Filing	Mar-14	Y
Cove Point	Maryland	Dominion Resources	5.3	4.6	Y	5.9	2018/19	Filing	Apr-13	Y
Jordan Cove	Oregon	Veresen	6	-	Y	4	2019	Filing	May-13	N
Oregon LNG	Oregon	Leucadia National Corp	9	-	Y	9	2019	Filing	Jun-13	N
Lavaca Bay FLNG	Texas	Excelerate Energy	4.4	-	N	-	2019	Filing	Feb-14	N
Elba Island LNG	Georgia	Southern LNG/Kinder Morgan	2.5	2.5	N	-	tbc	Filing	Mar-14	Y
Golden Pass	Texas	Exxon Mobil / Qatar Petroleum	15.6	-	N	-	tbc	Filing	Jul-14	Y
Gulf LNG	Mississippi	GE Energy & Kinder Morgan	11.5	-	N	-	tbc	Pre-filing	Dec-12	N
CE FLNG	Louisiana	CE FLNG	8.2	-	N	-	tbc	Pre-filing	Apr-13	N
Gulf Coast LNG	Texas	M S Smith	13.2	-	N	-	tbc	n/a	-	N
Carib Energy	TBC	Crowley Maritime	0.3	-	N	-	tbc	n/a	-	N
Main Pass Energy Hub	Louisiana	Freeport-McMoran Energy	24	-	N	-	tbc	n/a	-	N
Pangea LNG	Texas	Pangea LNG Holdings	8.4	-	N	-	tbc	n/a	-	N
Waller LNG	Louisiana	Waller LNG Services	1.2	-	N	-	tbc	n/a	-	N
Gasfin LNG	Louisiana	Gasfin Development	1.5	-	N	-	tbc	n/a	-	N
Venture Global LNG	Texas	Venture Global	5.1	-	N	-	tbc	n/a	-	N
Eos & Barca LNG	Texas	Eos & Barca	24.5	-	N	-	tbc	n/a	-	N
<b>Total</b>			<b>229.4</b>	<b>68.3</b>		<b>77.3</b>				

Source: US Dept of Energy; Company Presentations; FSB Research

**Magnolia LNG in the first 10 FERC LNG progressed Projects**

### LNG Tolling Model

- 20 year term, plus a 5 year extension option.
- Fixed Monthly Capacity payments to Magnolia LNG over the Agreement term.
- Fixed and Variable Monthly Operating and Maintenance payments to Magnolia – US inflation adjusted.
- Tolling parties responsible for gas supply, delivery of gas to Magnolia LNG site through KMLP gas pipeline and supply of gas for use in LNG Plant.
- Tolling parties responsible for marketing and shipping to LNG customers.
- MLNG takes NO COMMODITY RISK.

### Four Non-Binding Tolling Agreement Term Sheets in place

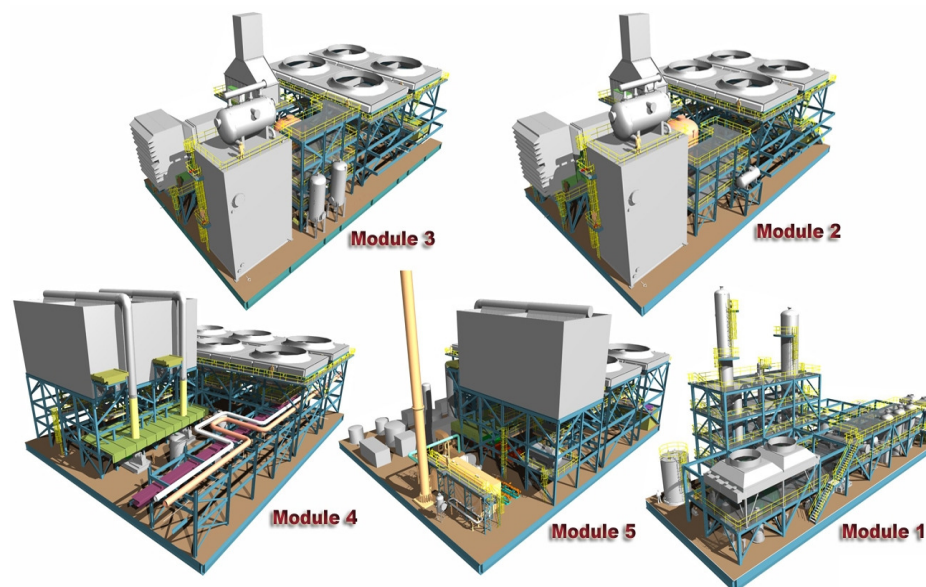
- **Brightshore Overseas Ltd**  
Affiliate of the commodities trading house Gunvor Group (Gunvor).
- **Gas Natural SDG, S.A.**  
Part of Spanish energy multinational, Gas Natural Fenosa Group (Madrid Stock Exchange: GAS).
- **LNG Holdings**  
Wholly-owned subsidiary of the Canadian Investment Fund, West Face Capital Group.
- **AES Latin American Development Ltd**  
Wholly-owned subsidiary of the global power company, The AES Corporation Group (NYSE: AES).

**LNG now focused on securing Binding Tolling Agreements**

## Magnolia LNG - Fixed Priced Engineering, Procurement and Construction (EPC) Contract

- Selected SKEC Group (Korean) as preferred EPC Contractor.
- SKEC Indicative EPC cost estimate of US \$1.57 billion, **less than the budget of US\$1.8 billion**, for all infrastructure for 8 mtpa and Financial Close for 4 mtpa of LNG. Phase 2 is the additional 4 mtpa to follow during Construction.
- EPC scope for Magnolia LNG is 8 mtpa includes completion of fully operational LNG Plant comprising: 4 LNG trains of 2mtpa design capacity each (1.7mtpa EPC guaranteed capacity), 2 LNG tanks of 160,000m<sup>3</sup> capacity each, LNG ship loading for vessels up to 180,000m<sup>3</sup> vessels and LNG truck loading facilities.
- Fixed price lump sum EPC contract shifts construction risk from company (and shareholders) to EPC Contractor.
- Magnolia LNG Construction schedule of 36 - 39 months .
- Final design to be progressed in 2014 with SKEC to enable open book EPC cost, scope and schedule to be agreed.
- Bankable EPC Contract ready for execution end Nov 2014.
- EPC Contract Term Sheet signed early July 2014 with SK E&C USA, Inc. in relation to the first phase of the Magnolia LNG Project involving two LNG Trains, each of 2 mtpa LNG design capacity.

### Modular LNG Plant: 2mtpa LNG train



- Based on detailed FEED completed for Fisherman's Landing LNG Project at the Port of Gladstone, Queensland.
- Has enabled fast-track of the FERC process with significant cost savings. Expenditure from 1 July 2012 to 30 June 2014 was US\$18 million.
- LNG's OSMR® LNG technology and smaller train size allows easy modularisation and economic project development.

**Magnolia LNG Project - Estimated capital cost of Phase 1 remains at US\$2.2 billion.**  
**Financing Plan: 70% project debt financing and 30% Project equity financing by Stonepeak**

**Equity Financing: Definitive US\$660 million equity Commitment Agreement with Stonepeak**

**The Financing Plan includes:**

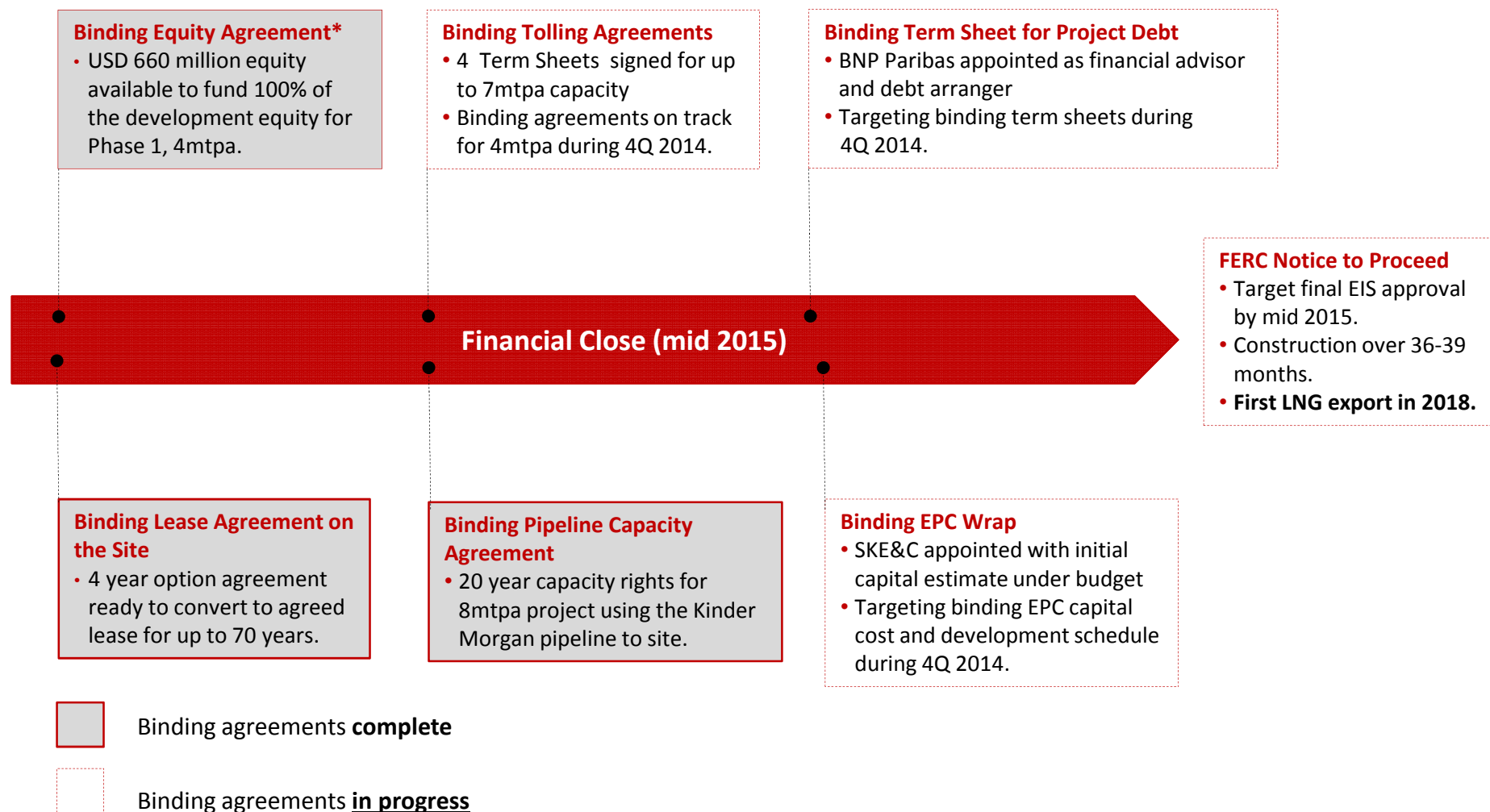
- Success fee of 3% (~US\$66 million) of total capital cost to LNGL at Financial Close.
- Trent Vichie, (Founding Partner of Stonepeak) appointed to Board of Magnolia LNG LLC – no voting rights prior to Financial Close and Stonepeak's project equity financing contribution.
- Magnolia LNG to pay US\$25 million in licence fees to LNGL for trains 1 and 2 and further US\$25 million for trains 3 and 4. Payment in two tranches of 50% at Financial Close and 50% at commercial operations date.

**Debt Financing: BNP Paribas will progress the Magnolia LNG Project to Financial Close, targeted in mid-2015**

**BNP Paribas' role will include:**

- Detailed project risk and bankability review to enable potential project debt financing issues to be identified early and addressed.
- Detailed review of all material project agreements to ensure compatibility with project lenders' requirements.
- Project debt financing structure option analysis, including bridging finance, long term bank financing, Export Credit Agency financing, bond markets, supplier finance, etc.
- Completion of detailed Project Information Memorandum for presentation to potential project lenders.
- Communication with potential project lenders and delivery of the total project debt financing package at Financial Close.





\* Subject to certain Conditions Precedent and Investment Committee Approval

- On 28 July 2014, LNG Limited announced that it had agreed to acquire 100% of the issued and outstanding capital of Bear Head LNG Corporation (**BHLC**) from a subsidiary of Anadarko Petroleum Corporation (**Anadarko**), and 100% of the Project Rights associated with a Project Site located in Richmond County, Nova Scotia, Canada (the **Transaction**) for US\$11.0 million.
- The Transaction was finalised on 27 August 2014. The Company raised A\$38.6 million (pre-costs) from US and Australasian institutional investors to primarily fund the acquisition and the development of Bear Head LNG Project.
- The Key Assets of BHLC include:
  - The **Project Site** in Northern Nova Scotia, comprising **(i) Land Lot**: 180 acres of industrial-zoned land (~800m length x 890m wide) and **(ii) Water Lot**: 75 acres of land and water covered land (~330m length x 890m wide); and
  - The **Project Rights** in relation to the previously proposed LNG import terminal at the Project Site, including all assets, rights and obligations associated with the Bear Head project.
- Plans to transform the Bear Head LNG Project (Bear Head) into a 4 mtpa LNG export facility with potential for future expansion.
- LNGL has already developed a gas supply plan and a transportation plan, and has interest from several parties to enter into Tolling Agreements, adopting the same business model as the Magnolia LNG Project in Louisiana, USA.
- **Bear Head acquisition is consistent with LNG Limited's strategy of acquiring sites in North America where the Company can replicate its Magnolia LNG Project and fast-track development by using existing LNG Limited development team and OSMR® LNG technology.**

- The Bear Head LNG Project Executive Management has significant experience:
  - **John Godbold** is the Chief Operating Officer and Project Director for the Bear Head LNG Project. John has overall responsibility for the project and will report to Maurice Brand. John has lead energy projects for Pangea LNG, Gulf Coast LNG and El Paso Energy, and is a former NASA engineer.
  - **Ian Salmon** is the Chief Financial Officer and Chief Commercial Officer for the Bear Head LNG Project. Ian is responsible for integrating financial and commercial matters to ensure financeability of the Bear Head LNG Project. Ian previously worked for Morgan Stanley and El Paso Energy.
  - John and Ian bring extensive LNG development experience, knowledge and significant relationships to support the development of the Bear Head LNG Export Project. This team has formulated a well defined development plan for the Bear Head Project.
  - **Paul McLean** has joined the Bear Head LNG team from Anadarko as Strategic and Regulatory Affairs Advisor. Paul has been involved with Bear Head LNG since its beginning last decade and is based in Halifax, Nova Scotia.
  - **Dean Hart** has been appointed Manager of Environmental & Construction Approvals. Dean has extensive permitting knowledge and a strong network of relationships in Nova Scotia. He recently retired from the Nova Scotia Environment after 28 years of service.
  - **Leanne Ebow** has been appointed Office Manager in Houston.



**Maurice Brand**  
Managing Director and CEO, LNG  
President

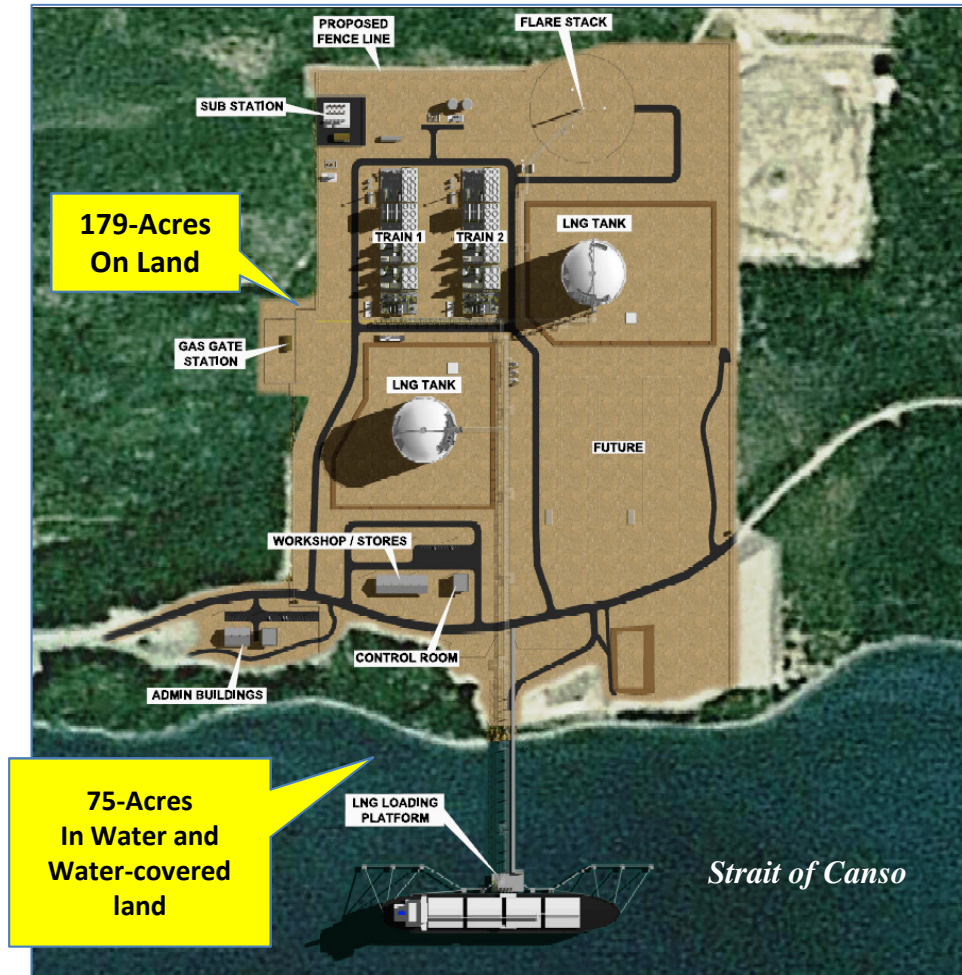


**John Godbold**  
Chief Operating Officer &  
Project Director



**Ian Salmon**  
Chief Financial Officer &  
Chief Commercial Officer

## Bear Head LNG - Project Site Advantages



*Schematic Site Layout for the Bear Head LNG Project, Nova Scotia*

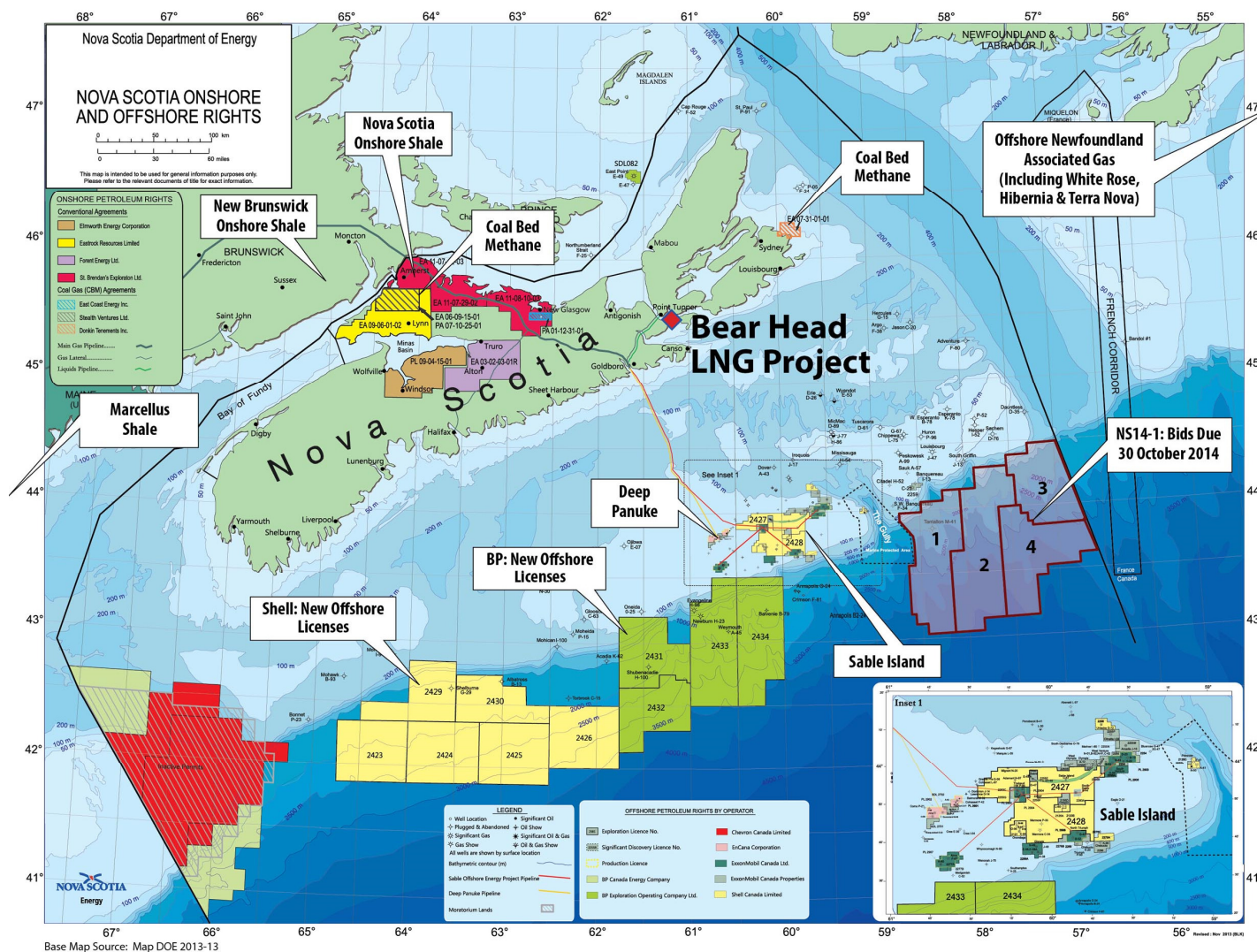
- Strait of Canso location:
  - Naturally deep water, sheltered and ice-free, “turning basin” immediately in front of site
  - No wave, current or tide restrictions
  - Established tug, pilot and marine support operations
  - Direct access to North Atlantic
- Remote 255-acre land and water site is within an established industrial zone in Point Tupper.
- OSMR® liquefaction technology provides higher production rates, lower CAPEX, and lower fuel usage . LNG L has been issued its second and final Canadian Patent from the Canadian Intellectual Property Office in Canada.
- Project economically competitive at 2 mtpa; initial permit modifications will begin with 4 mtpa.
- Expansion will scale up incrementally to at least 8 mtpa with market demand and natural gas production.
- Fast track possible due to Magnolia LNG FEED, prior EPC detailed engineering, and active environmental and construction permits.



## Bear Head LNG - Project Site (cont'd)

### Aerial Photos of the Bear Head LNG Project Site





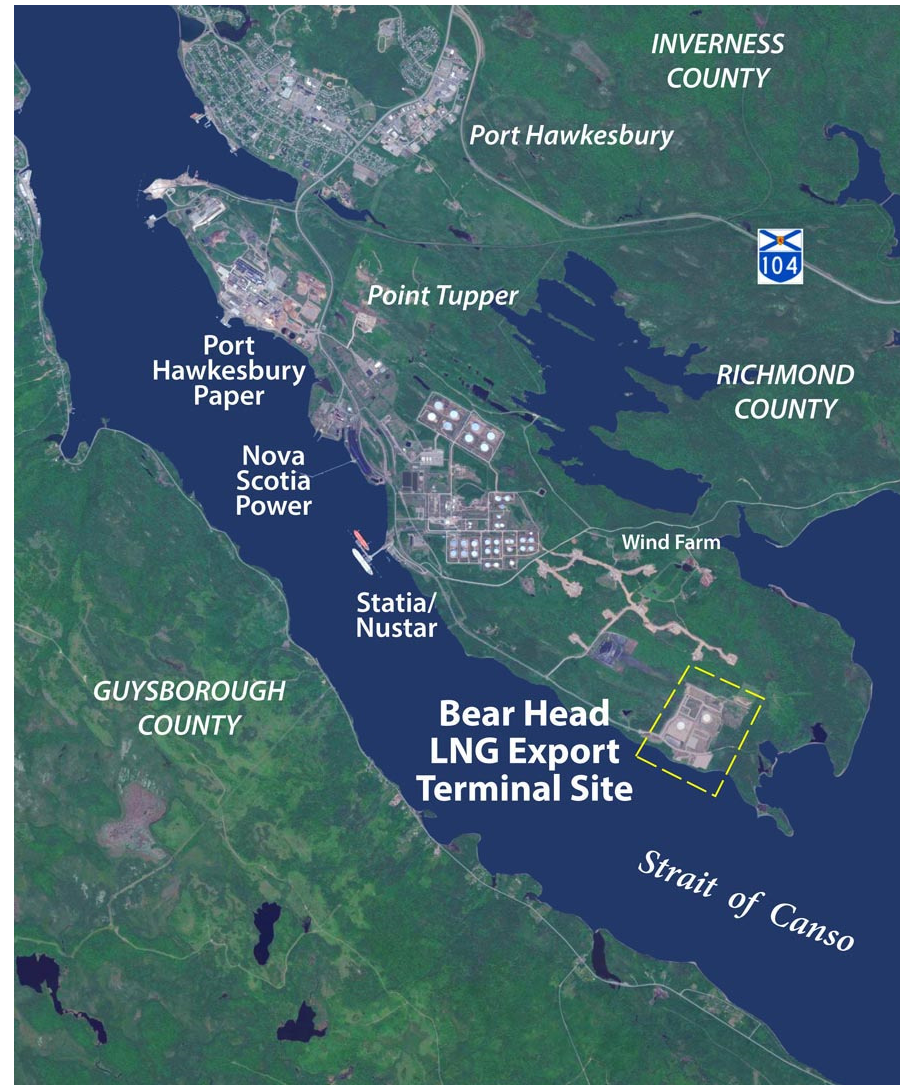
## A number of alternative potential natural gas supply opportunities for Bear Head LNG Export Project

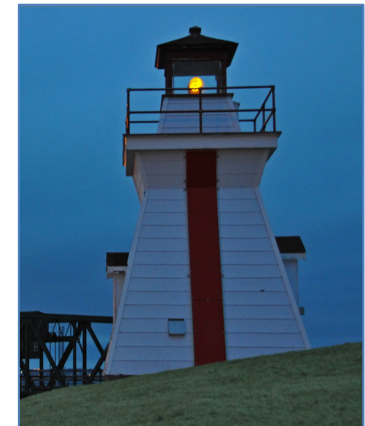
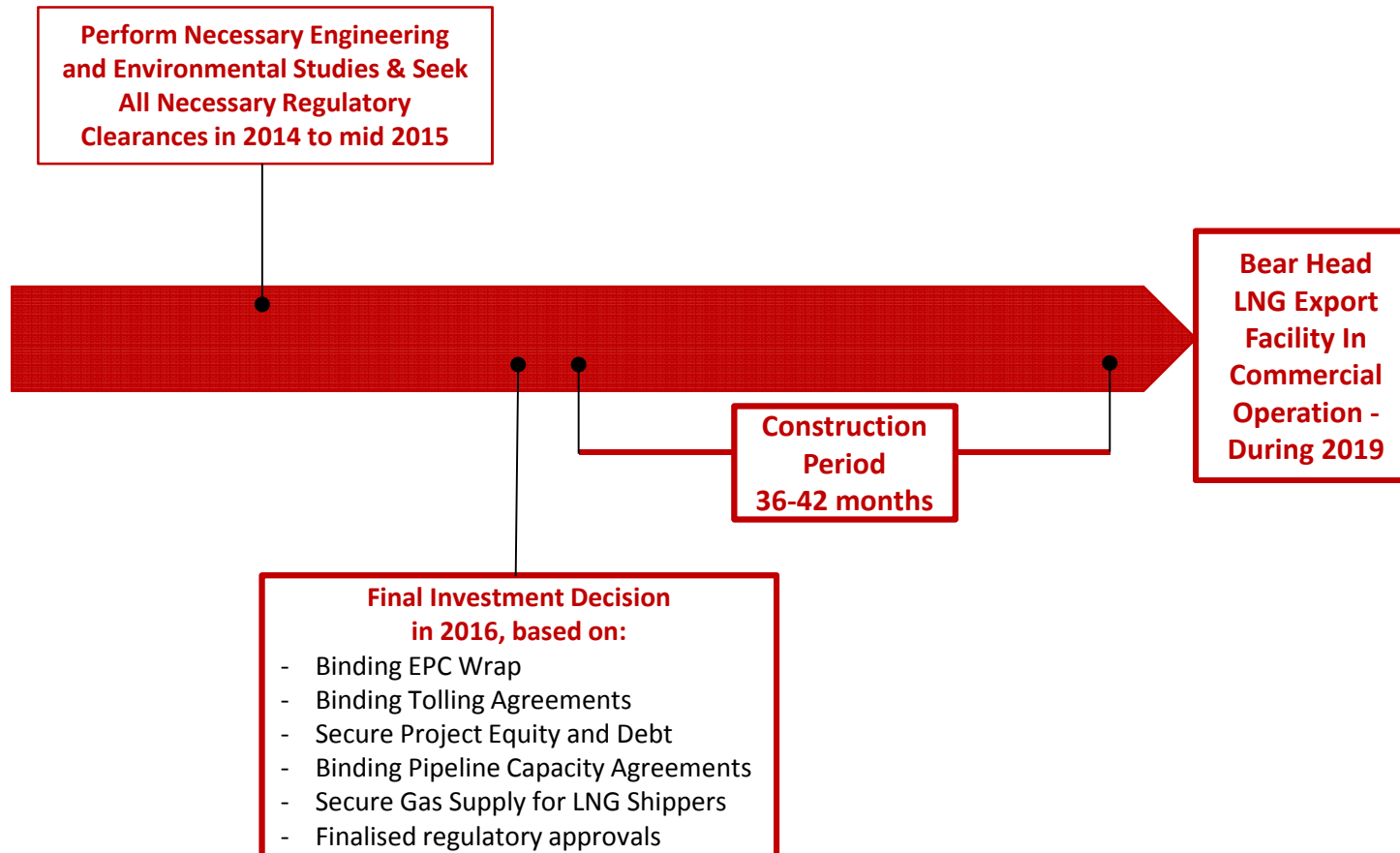




**Gas Supply to the Bear Head LNG Project requires construction of a gas transmission pipeline off the M&NP pipeline to deliver gas from Goldboro to the Bear Head LNG terminal site**

- **Major Economic Impact for Nova Scotia (Population: approx. 940,000):**
  - 45 to 70 permanent direct jobs.
  - 175 permanent indirect jobs.
  - 600 to 700 construction jobs.
  - A major new addition to the property tax base.
  - Company participation in the community as a committed corporate citizen.







# Fisherman's Landing LNG Project at Gladstone, Queensland, Australia – Project Update

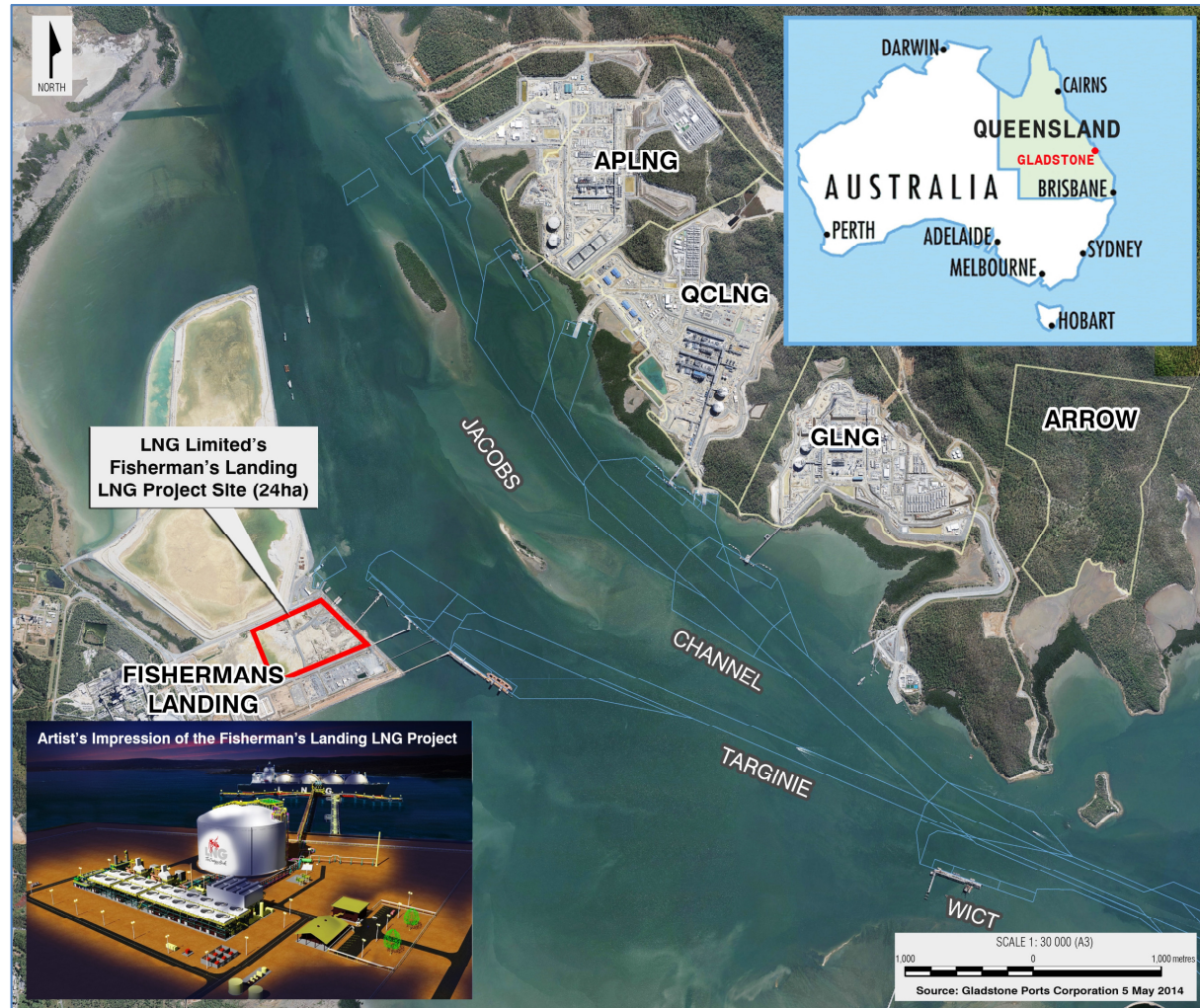


## Gas Supply

- LNG Limited's major focus remains to secure adequate gas supply for the first LNG Train either through the PetroChina Australia Letter of Intent and/or directly under Gas Sale Agreements/Tolling Agreements with third parties.
- LNG Limited is continuing to directly pursue other potential gas supply sources.

## Lease Agreement

- Secured until 31 October 2014 with Gladstone Ports Corporation (GPC). In discussions with GPC regarding further extension/renewal of site lease.



## LNG Limited - Developing a Technological Advantage



### Proposed Technology: OSMR® LNG Technology

LNG Limited's Optimised Single Mixed Refrigerant (OSMR®) process has the following main features, which contribute to its higher efficiency:

- Aero Derivative Gas Turbines and Efficient Compressors.
- Combined Heat and Power (CHP) plant which minimises plant fuel gas use.
- Steam driven Ammonia refrigeration system.
- Efficient re-liquefaction of Boil-Off Gas.

### Market the OSMR® LNG liquefaction Process

- ~ 50% Lower capital cost.
- ~30% Improved energy efficiency.
- ~ 25% Shorter development and construction schedule.
- ~ 30% Lower carbon emissions.
- Patent applications for OSMR® and Boil-off gas handling already granted in many jurisdictions, including: Australia, Brunei, China, Eurasia, Hong Kong, Israel and New Zealand.

### Recognised Independent Engineer's Technology Reviews/Reports include:

- CH-IV - Evaluation of OSMR® LNG Process in October 2008.
- Foster Wheeler – Gladstone LNG - OSMR® Study Report in June 2009.
- SKEC - Evaluation of the OSMR® Process for Gladstone in June 2009.
- Arrow-WP - Interim Review of Fisherman's Landing LNG Plant in Dec 2009.
- Evaluation Report of LNG's OSMR® by I. Aoki in January 2010.
- LNG Industry Article in March 2010.
- HQC and Consultants OSMR® Technical review in November 2010.
- SKEC OSMR® Technical review August 2013.

## Summary

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- LNG Limited has established a strategic position and early mover advantage in the dynamic US Export LNG market through its Magnolia LNG Project in Louisiana, USA. A third LNG project opportunity is being assessed.
- Magnolia LNG immediate focus is the delivery of three key milestones:
  - Issue by FERC of the Draft EIS to satisfy the National Environmental Policy Act;
  - Signing of a legally binding lump sum turn-key EPC contract with SK E&C; and
  - Signing of legally binding Tolling Agreements for the supply of 4 mtpa of LNG.
- The achievement of these three milestones will be important steps towards Financial Close for the Magnolia LNG Project which is targeted for mid-2015 and first LNG production in 2018.
- The Bear Head LNG acquisition in August 2014 is consistent with LNG Limited's strategy of acquiring sites in North America where the Company can replicate its Magnolia LNG Project and fast-track development by using existing LNG Limited development team and OSMR® LNG technology.
- The Fisherman's Landing LNG (FLLNG) Project at the Port of Gladstone in Queensland, Australia, provides project optionality, as well as upside earnings potential, depending on securing a gas supply agreement and extension of the site lease.
- LNG Limited's wholly owned subsidiary, LNG Technology Pty Ltd, owns the Optimised Single Mixed Refrigerant or OSMR® LNG process technology that is planned to be used at the Magnolia LNG, Bear Head LNG and FLLNG Projects.
- LNG Limited has a very experienced Board and Management Team as well as key senior executive in Magnolia LNG and Bear Head LNG with the technical and commercial experience in development and execution of LNG projects.



**For Further Information Contact:**

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**ASX: LNG; OTC ADR: LNgLY**

## Forward Looking Statement

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