



**ASX/MEDIA RELEASE**  
**5 JULY 2017**

**MAGNOLIA LNG SECURES \$1.5 BILLION COMMITMENT FROM STONEPEAK**

**AGREEMENT SUMMARY:**

- Commitment expected to fund the full Magnolia LNG project equity requirement
- Fixed coupon with pay-in-kind provisions during construction that lowers project cost of capital from the previous agreement
- Stonepeak's commitment is a redeemable Preferred Interest in the Magnolia LNG project having a 12-year tenor from financial close
- Redeemable in full at Magnolia's election beginning three years following commercial operations date, subject to certain call protections
- Normal liquidation preference, pre-emptive rights, and other preferred interest protection features
- Preferred Interest has no conversion features into either Magnolia or LNGL equity instruments
- LNGL owns 100% of the common interest in Magnolia pre- and post-financial close

Liquefied Natural Gas Limited (**LNGL** or the **Company**) is pleased to announce that certain of its wholly owned subsidiaries have entered into an amended and restated Magnolia LNG (**Magnolia**) equity commitment agreement (**ECA**) with Stonepeak Partners LP (**Stonepeak**) and have updated the associated Magnolia LLC Agreement (**LLC Agreement**). The amended ECA and LLC Agreements replace the existing Stonepeak agreements signed in October 2013 in their entirety.

LNGL Managing Director and Chief Executive Officer, Greg Vesey, stated, "Stonepeak is a long-term and valued partner in our project, and we are pleased to continue this relationship. This announcement signals a strong message to the LNG industry about our shared confidence in the virtues and advantages of the Magnolia LNG project as we continue our focus on finalizing offtake agreements and moving toward a final investment decision (**FID**)."

Stonepeak Co-Founder and Senior Managing Director, Trent Vichie, stated, "We are thrilled to announce our continued support for Magnolia, which we believe to be among the best positioned projects for the next wave of US LNG exports, and to support LNGL management in the final steps to a successful Financial Close. Stonepeak is bullish on the long-term outlook for US sourced LNG, which we believe can provide cheaper and cleaner fuels globally to underserved or stranded consumers, and we hope that Stonepeak's commitment to Magnolia can help bring additional low-cost LNG to market."

The ECA governs the relationship, cooperation, rights, and obligations between Stonepeak and LNGL through Financial Close of Magnolia. The LLC Agreement sets out the respective rights and obligations of Stonepeak and LNGL relating to Magnolia from Financial Close, including the governance, construction, operation, allocation of profits, distribution of post-debt service cash flows, and other related matters.

The amended and restated agreement represents the definitive documentation under which investment funds managed by Stonepeak will acquire Mandatorily Redeemable Preferred Interests (**Preferred Interest**) in the Magnolia LNG project. Proceeds will be used to fund the full expected US dollar equivalent equity requirement to construct and place into service the Magnolia LNG project located in Lake Charles, Louisiana, USA. Stonepeak's investment is scheduled to close following a positive FID on Magnolia by LNGL, subject to certain conditions precedent, with definitive debt financing agreements thereafter in front of Financial Close.

LNGL's share of annual cash distributions from Magnolia will be after payment of debt service and the Preferred Interest fixed-return obligation held by Stonepeak. LNGL's equity share of Magnolia's distributable cash flow is primarily dependent on final total capital cost of the project (inclusive of EPC, Owner's, and debt financing costs), as well as the average pricing of the offtake agreements executed for Magnolia's 8 mtpa of capacity.

The Stonepeak transaction is a Magnolia LNG project level finance transaction which does not impact Bear Head LNG or LNGL shareholders' interest in LNGL.

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## ABOUT LIQUEFIED NATURAL GAS LIMITED

LNGL 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 subsidiary, which is developing an 8 mtpa or greater LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation Inc. (**Bear Head LNG**), a Canadian based subsidiary, which is developing an 8 mtpa or greater LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**), which is proposing to construct and operate a 62.5 km gas pipeline lateral to connect gas supply to Bear Head LNG;
- LNG Technology Pty Ltd, a 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 and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

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#### Disclaimer

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