



ASX/MEDIA RELEASE
19 JANUARY 2015

MAGNOLIA LNG SIGNS EPC MOU WITH KBR AND SKE&C

Highlights:

- **KBR and SKEC to execute EPC Joint Venture Agreement (JVA) on a 70/30 percent participation basis, respectively, to deliver the 8 mtpa four train Magnolia LNG Project**
- **KBR will be the leader of the EPC Contract**
- **Magnolia LNG on schedule for Financial Close in mid-2015 and first LNG in fourth quarter 2018**

Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNGLY**) (the **Company**) is pleased to advise that its wholly owned subsidiary, Magnolia LNG LLC (**MLNG**), has executed a Memorandum of Understanding (**MOU**) with Kellogg Brown & Root LLC, a wholly owned subsidiary of KBR, Inc. (**KBR**) and SKE&C USA, Inc, (**SKEC**) whereby KBR and SKEC propose to execute a Joint Venture Agreement (**JVA**) on a 70/30 percent participation basis to deliver the 8 mtpa four train Magnolia LNG Project.

The MOU follows the execution of a Technical Services Agreement with SKEC in March 2014 and a subsequent Technical Services Agreement with KBR that was announced on the 5 January 2015. Under the Technical Services Agreements the parties will complete all due diligence in relation to technical commercial and contractual matters that will enable the EPC JV to execute a lump sum, turnkey engineering, procurement, construction, commissioning, start-up and performance testing EPC Contract for the LNG plant.

Magnolia LNG has set the following milestone schedule;

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| • JV Agreement between KBR and SKEC | February 2015 |
| • Initialling EPC Contract between Magnolia LNG and the JV | March 31, 2015 |
| • EPC Contract signing between Magnolia LNG and JV | April, 2015 |

SKEC has already initialled the EPC contract, which incorporates all requirements stipulated by BNP Paribas, Magnolia's project finance adviser, Merlin Advisors LLC, the lenders' technical consultant, legal advisors White and Case and Stonepeak Partners LLC, the proposed Magnolia LNG Project Equity partner. Magnolia LNG does not expect any material changes to the EPC contract.

LNGL Managing Director and Chief Executive Officer, Maurice Brand, said that, "the execution of the MOU with KBR and SKEC was a further positive step towards the formation of the EPC JV that will provide the "EPC Wrap" that is required by both project lenders and equity participants.

The EPC JV structure is common in the LNG industry with each participant able to provide their experience and expertise. KBR is a well-credentialed LNG EPC contractor and will provide the Project Director and access to the full global resources of the KBR group. This will be particularly relevant as Magnolia LNG moves to commit to the full 8 mtpa,” said Mr Brand.

MLNG’s Chief Operating Officer, John Baguley added, “Our MLNG team look forward to working with KBR in their joint venture with SKEC as Magnolia LNG advances towards a final EPC Contract and our planned financial close in mid-2015. During the period through to financial close we will be working to incorporate any comments received from FERC during their preparation of the Draft Environmental Impact Statement, and to undertake the necessary rigorous planning and scheduling required to support achieving first LNG in the fourth quarter of 2018.”



From left: Casey Choi, President/CEO SKEC Group; Jose Montalvo, President/CEO SKEC USA; Maurice Brand, Managing Director/CEO LNG Limited; Stuart Bradie, President/CEO KBR

About KBR Inc. (NYSE: KBR): Visit www.kbr.com.

KBR, Inc. is a global technology, engineering, procurement and construction company serving the hydrocarbons and government services industries, employing about 27,000 people worldwide with customers in more than 70 countries and operations in 40 countries across three distinct global businesses:

- Technology & Consulting, including proprietary technology in refining, ethylene, ammonia and fertilizers, and gasification; and niche consulting and know-how through Granherne/Energo and GVA;
- Engineering & Construction, including Upstream Oil & Gas; LNG/GTL; Downstream Petrochemicals and Chemicals; and differentiated EPC; and,
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KBR is proud to work with its customers across the globe to provide technology, value-added consulting services and integrated EPC skills to ensure a consistent project delivery with predictable results. **At KBR, we deliver.** Visit www.kbr.com.

About Liquefied Natural Gas Limited: Visit www.LNGLimited.com.au

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 operating costs, faster construction and improved efficiency, relative to larger traditional LNG projects.

About the Magnolia LNG Project: Visit www.magnoliaLNG.com

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 Project's business model 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.

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