



LIQUEFIED NATURAL GAS LIMITED

December 2014

Quarterly Highlights and Appendix 4C

Corporate

- Cash balance of \$53.2 million as at 31 December 2014, and no debt.
- United States Patent and Trademark Office has allowed a patent application of the Company's core liquefied natural gas (LNG) processing design. The Company expects a granted patent to be issued in several weeks, protecting its OSMR® process, being a method and system for production of LNG (ASX Release: 16 Jan 2015).

Magnolia LNG Project, Lake Charles, Louisiana, United States (Magnolia LNG)

- Continued to progress with the US Federal Energy Regulatory Commission (FERC) all necessary permits and approvals for the development of the Magnolia LNG project, which included responses to various anticipated engineering data and environmental information requests (ASX Releases: 27 Oct, 13 Nov, 11 & 31 Dec 2014; and 12 Jan 2015).
- Engineering, procurement and construction (EPC) contract containing fixed and provisional sums agreed with SKE&C USA, Inc. (SKEC). Total capital cost for 8 million tonnes per annum (mtpa) project remains as previously stated on 24 February 2014 at US\$3.5 billion, equating to US\$440/tonne (ASX Release: 1 Dec 2014).
- Magnolia LNG executed a memorandum of understanding (MOU) with Kellogg Brown & Root LLC, a wholly owned subsidiary of KBR, Inc. (KBR) and 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. KBR will be the leader of the EPC Contract (ASX Release: 19 Jan 2014).
- Continued negotiations with all four proposed tolling parties and several others.
- Magnolia LNG on schedule for financial close in mid-2015 and first LNG in fourth quarter 2018.

ASX Code: LNG
OTC ADR: LONGLY
ABN: 19 101 676 779

CONTACT DETAILS

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BOARD OF DIRECTORS

Richard Jonathan Beresford
Chairman

Fletcher Maurice Brand
Managing Director &
Chief Executive Officer

Yao Guihua
Non-Executive Director

Leeanne Kay Bond
Non-Executive Director

Paul Cavicchi
Non-Executive Director

David Michael Gardner
Company Secretary

ISSUED CAPITAL – as at 5 Jan. 2015

Shares on Issue:	462,643,201
Performance Rights:	13,166,654
Unlisted Options on Issue:	3,019,000
ADRs on Issue (31 Dec 2014):	1,480,539

SUBSTANTIAL SHAREHOLDERS

The Baupost Group, LLC:	11.41%
Valinor Management, LLC:	8.32%
Claren Road Asset Mgt:	5.22%
LNG Directors & Management	2.08%

Bear Head LNG Project, Nova Scotia, Canada (Bear Head LNG)

- Bear Head LNG filed for modifications to the existing construction and environmental permits granted by the Nova Scotia Utility and Review Board and Nova Scotia Environment.
- The Company also announced the expansion of the initial facility production capacity from 4 to 8 mtpa ([ASX Release: 3 Nov 2014](#)).
- Bear Head LNG filed an application with Canada's National Energy Board (NEB) for an export license for up to 12 mtpa per year of LNG ([ASX Release 7 Nov 2014](#)).
- The Company filed an application with the US Department of Energy (DOE) for authorisation to export natural gas to Canada for a 25-year period ([ASX Release 10 Dec 2014](#)).

Fisherman's Landing LNG Project, Gladstone, Queensland (FLLNG)

- Gladstone Ports Corporation Limited extended the Option to Lease until 31 March 2015, with an option to extend to 31 March 2016.
- The Company signed a non-binding memorandum of intent (MOI) for gas supply with Tri-Star Petroleum Company (Tri-Star). Tri-Star has certain gas tenures in Queensland, which could supply gas to FLLNG.
- The Tri-Star MOI involves FLLNG processing Tri-Star's potentially significant gas reserves to produce 1.5 mtpa of LNG over a 20-year term.
- The Tri-Star gas supply would support FLLNG development to proceed with the first LNG train of 1.5 mtpa ([ASX Release: 31 October 2014](#)).

Note: As announced to the ASX on 23 December 2014, LNGL is no longer required to report under ASX Listing Rules 5.4 and 5.5, which require quarterly disclosure of the Company's activities together with an Appendix 5B. Under ASX Listing Rule 4.7B, the Company is now subject to providing quarterly cash flow reports (Appendix 4C), the first of which for the December 2014 quarter is attached to this announcement.

For further information contact:

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Disclaimer

Forward-looking statements may be set out within this correspondence. Such statements are only predictions, and actual events or results may differ materially. Please refer to our forward-looking statement disclosure contained on our website at www.LNGLimited.com.au and to the Company's Annual Report and Accounts for a discussion of important factors, which could cause actual results to differ from these forward-looking statements. The Company does not undertake any obligation to update publicly, or revise, forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Liquefied Natural Gas Limited

ABN

19 101 676 779

Quarter ended ("current
quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	(16)	5
1.2 Payments for:		
(a) staff costs	(4,440)	(6,904)
(b) patent costs	(50)	(225)
(c) LNG project development	(10,928)	(31,971)
(d) leased assets	(1)	(1)
(e) other working capital	(313)	(1,193)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	245	508
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(1)
1.7 Other (provide details if material)	-	-
Net operating cash flows	(15,503)	(39,782)

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(15,503)	(39,782)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(54)	(171)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(54)	(171)
1.14 Total operating and investing cash flows	(15,557)	(39,953)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	316	36,859
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	316	36,859
Net increase (decrease) in cash held	(15,241)	(3,094)
1.21 Cash at beginning of quarter/year to date	64,992	50,939
1.22 Exchange rate adjustments to item 1.20	3,426	5,332
1.23 Cash at end of quarter	53,177	53,177

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	492
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments to directors include salaries, directors' fees, bonuses and superannuation payments to executive and non-executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	N/a	N/a
3.2	Credit standby arrangements	N/a	N/a

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	52,132	40,047
4.2 Deposits at call	1,045	24,945
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	53,177	64,992

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/a	N/a
5.2 Place of incorporation or registration	N/a	N/a
5.3 Consideration for acquisition or disposal	N/a	N/a
5.4 Total net assets	N/a	N/a
5.5 Nature of business	N/a	N/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
Company Secretary

Date: 27 January 2015

Print name: David Gardner