



ASX/MEDIA RELEASE

19 MARCH 2015

MAGNOLIA LNG PROJECT UPDATE FROM FERC

Liquefied Natural Gas Limited (**ASX: LNG; OTC ADR: LNGLY**) ("**LNGL**" or the "**Company**") wishes to provide an update on the status of Environmental Impact Statements ("**EIS**") due to be issued from the United States Federal Energy Regulatory Commission ("**FERC**") in relation to the Company's wholly owned subsidiary, Magnolia LNG LLC ("**MLNG**").

FERC has posted the attached report on its web site dated March 2015. The report provides the current status of the Magnolia LNG Project environmental review process, including the ongoing preparation of the draft EIS. The FERC information includes a summary of the steps involved in this overall process and the status of MLNG within this sequence of activities.

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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.

NEXT STEPS

We are currently preparing the draft EIS for the projects based on the information we have received from the applicants and the comments we have received from stakeholders. After we have all the information to complete our analysis, we will issue a Notice of Schedule for Environmental Review. This Notice will announce the target date for issuing the final EIS and disclose the 90-day federal authorization action/decision deadline.

When the draft EIS is completed, a Notice of Availability will appear in the Federal Register, and the draft EIS will be mailed to the environmental mailing list. There will be a 45-day comment period to review and comment on the document. In addition to accepting written comments, the date and location of a public comment meeting will be announced in the draft EIS and in the Notice of Availability.

At the close of the comment period, we will consider all comments received on the draft EIS, prepare written responses to those comments, and revise the draft EIS, as necessary, to create the final EIS. The final EIS will also be mailed to the environmental mailing list. The Commission will consider the findings in the final EIS when it makes its decision about whether or not to approve the projects.

HOW TO STAY INFORMED

Go to the FERC website at <http://www.ferc.gov>. Click on the eLibrary link, click on "General Search" and enter the docket number (i.e., CP14-347 or CP14-511). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676. For TTY, contact 202-502-8659.

In addition, the FERC offers a free service called eSubscription that allows you to keep track of all issuances and submittals in specific dockets. Using this service can reduce the amount of time you spend monitoring our website by automatically providing you with electronic notification when new items are posted and providing direct links to the documents. To register for this service, go to:

<http://www.ferc.gov/docs-filing/esubscription.asp>

Magnolia also maintains a project website at:

<http://www.magnolialng.com/IRM/content/default.aspx>

While we believe that the Internet is the best way to stay informed of the projects, we realize that not everyone has Internet access. From this point forward on these projects, issuances by the environmental staff, including the EIS document, will be mailed to the environmental mailing list in either hard copy or compact disc format.



Federal Energy
Regulatory
Commission

Office of Energy
Projects

UPDATE FOR THE MAGNOLIA LNG AND LAKE CHARLES EXPANSION PROJECTS

March 2015

FEDERAL ENERGY REGULATORY COMMISSION

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PURPOSE

The purpose of this mailing is to provide an update on the environmental review of the proposed Magnolia LNG Project and Lake Charles Expansion Project, explain the Federal Energy Regulatory Commission (FERC or Commission) environmental review process, describe the issues identified to date, and give you an idea of what's next in our review process.

DESCRIPTION OF THE PROJECTS

Magnolia LNG, LLC (Magnolia) plans to construct, own, and operate a facility in Calcasieu Parish, Louisiana to liquefy natural gas (LNG) and subsequently store and deliver LNG to: LNG carriers for export overseas; LNG carriers and barges for domestic marine distribution and the possibility of LNG bunkering; and LNG trucks for road distribution to LNG refueling stations in Louisiana and surrounding states. The proposed Magnolia LNG Project consists of two LNG storage tanks, four LNG liquefaction trains, a 40-foot pipeline connecting to an existing interstate pipeline (described below), a LNG vessel loading terminal and berth, a LNG truck loading area, and other ancillary facilities.

We started our review of the Magnolia LNG Project on March 20, 2013, when we approved Magnolia's request to use the FERC pre-filing process. The environmental issue identification process began during this phase of our review. The pre-filing process ended when Magnolia formally filed its application with the FERC on April 30, 2014.

Kinder Morgan Louisiana Pipeline (KMLP) is proposing additions and changes to its existing mainline system that would result in the creation of a new firm north-to-south service path that would supply natural gas to Magnolia's LNG Terminal. KMLP plans to construct and operate a 40-foot-long interconnect pipeline and a meter station within Magnolia's LNG Terminal, one compressor station, two header pipelines, and would also modify six existing meter stations in Acadia and Evangeline Parishes, Louisiana.

We started our review of the Lake Charles Expansion Project on June 30, 2014, when Kinder Morgan formally filed its application with the FERC.

WHERE WE ARE IN THE ENVIRONMENTAL REVIEW PROCESS

The FERC is the lead federal agency responsible for conducting the environmental review for these projects. In compliance with the National Environmental Policy Act, the FERC is preparing one environmental impact statement (EIS) for the Magnolia LNG and Lake Charles Expansion Projects. The U.S. Army Corps of Engineers, U.S. Coast Guard, U.S. Department of Energy, U.S. Environmental Protection Agency, and U.S. Department of Transportation are cooperating agencies in the preparation of the EIS.

To date, we attended one open house sponsored by Magnolia to provide information about FERC and the EIS process. For each project, we issued a *Notice of Intent to Prepare an Environmental Impact Statement*, which opened a scoping period to seek public comments. We also conducted a public scoping meeting in Lake Charles, Louisiana; issued three environmental data requests and four engineering and design data request to Magnolia; and issued three environmental data requests to KMLP.

Presently, we are conducting our environmental analysis of the proposed projects, the results of which will be presented in the draft EIS. The draft EIS will describe the potential environmental impacts of the projects, mitigation measures proposed for each project, alternatives considered, and will include an engineering design review of the proposed facilities. The draft EIS will also present our recommendations for additional mitigation and/or conservation measures to avoid or further reduce impacts on the affected environment.

In addition to the companies' applications and project data, we will analyze information that has been filed by other stakeholders and commenters in the proceeding. All substantive issues identified by commenters will be addressed in the draft EIS.

ISSUES IDENTIFIED

The following concerns that have been raised during scoping on the projects:

- Purpose of and need for the projects
- System alternatives
- Storage of hazardous materials and fuel oil
- Impacts on groundwater, existing hydrology, and drinking water supply
- Noise and visual effects
- Effects on public health and safety
- Cumulative effects to health, safety, and the environment
- Impacts on air quality
- Effects on threatened and endangered species and habitat

