



ASX/MEDIA RELEASE

20 May 2015

LNGL RAISES A\$174 MILLION TO ACCELERATE ITS NORTH AMERICAN LNG PROJECTS

Liquefied Natural Gas Limited (ASX: LNG; OTC ADR: LNGLY) (**LNGL** or the **Company**) announces a placement of 40 million fully paid ordinary shares in the capital of LNGL, which has raised A\$174 million before costs (**Placement**).

Use of Proceeds

The proceeds of the Placement will be used towards:

- Commencement of an Early Works program at the proposed 8 mtpa Magnolia LNG (**MLNG**) project following receipt of the timeline established in the Federal Energy Regulatory Commission (**FERC**) Schedule of Environmental Review (**SER**) announced on 30 April 2015. Expenditures on the full Early Works program will commence upon the execution of binding offtake agreements for at least two LNG trains with a current design capacity of 4 mtpa and the finalisation of pricing for the EPC Contract with the KBR/SKEC JV, with a view to ensuring first LNG is delivered to customers in late 2018;
- Bear Head LNG's (**BHLNG**) pipeline infrastructure development work and front-end engineering design (**FEED**) for a full 8 mtpa export facility, targeting a 2016 final investment decision (**FID**);
- Potentially, the acquisition and development of a third LNG project in North America; and
- General corporate purposes.

Managing Director's Comments

The Managing Director of LNGL, Maurice Brand, said "the capital raised will materially help us to progress the Magnolia LNG and Bear Head LNG projects under development in North America. Commencement in the second half of 2015 of an Early Works expenditure program at the Magnolia LNG project will comprise detailed engineering and ordering of critical long-lead equipment items to accelerate the site works schedule following receipt of the SER from FERC. Timing of the full Early Works expenditures is intended to align with Magnolia LNG's execution of binding offtake agreements for at least two LNG trains with a current design capacity of 4 mtpa, and the finalisation of pricing for the EPC contract with the KBR/SKEC JV, and is consistent with our current plan to achieve first LNG in December 2018.

We are also very pleased with the progress of the Bear Head LNG project in Richmond County, Nova Scotia. Expenditures on the Bear Head LNG project, also commencing in the second half of 2015, will focus on access to feed gas supplies and FEED for a full 8 mtpa export facility, maximizing use of the completed FEED for the Magnolia LNG project, targeting FID in 2016".

"The Company has also been investigating other potential opportunities where we can leverage our mid-scale LNG strategy and OSMR® technology into a third North American project", said Mr. Brand.

Details of the Placement

LNGL's Board of Directors is pleased to advise that it has received irrevocable offers from institutional and sophisticated investors to subscribe for shares in connection with the Placement, at an issue price of \$4.35 per share (**Placement Shares**). The Placement is undertaken pursuant to the Company's 15% capacity under ASX listing Rule 7.1 and no shareholder approval will be required.

The issue price under the Placement represents a 5% discount to the volume weighted average price for the five trading day period up to and including 15 May 2015 (the trading day prior to LNGL going into trading halt while it arranged the Placement).

Settlement of the Placement is scheduled for 26 May 2015 and the Placement Shares are expected to be issued on 27 May 2015. The Placement Shares will rank equally with existing shares on issue.

Foster Stockbroking Pty Ltd acted as Sole Lead Manager to the Placement and was supported by the Company's US advisor, New York based EAS Advisors LLC, acting through Merriman Capital, Inc.

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