



## ASX/MEDIA RELEASE

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### GLOBAL ALLIANCE WITH CHART INDUSTRIES, INC.

#### Highlights:

- Chart to provide cold boxes and heat exchangers to current and future LNGL projects
- Alliance agreement reflects LNGL's strategy to standardize OSMR® technology design
- LNGL reiterates EBITDA guidance on Magnolia LNG project of US\$2.50/mmBtu or greater

Liquefied Natural Gas Limited (**LNGL** or **Company**) is pleased to advise that it is entering into a supplier alliance agreement (**SAA**) with Chart Industries, Inc. (**Chart**) through Chart's wholly owned subsidiary, Chart Energy & Chemicals, Inc. The SAA provides for the design and manufacture of brazed aluminium heat exchangers (**BAHX**) and LNG liquefaction cold boxes used in the OSMR® LNG liquefaction design. The global alliance agreement will call for Chart and LNGL to work collaboratively together on both current and future Company projects.

Negotiations between LNGL and other key equipment and service providers continue as the Company progresses its strategy to institute and maintain a high degree of standardization and commonality across the Company's global OSMR® LNG liquefaction facilities.

Associated with execution of the Chart SAA, Magnolia LNG is releasing a purchase order (**PO**) for the liquefaction equipment including cold boxes, brazed aluminium heat exchangers, and Core-in-Kettle® exchangers for Magnolia LNG's four-train LNG facility project in Lake Charles, Louisiana, USA. The PO, released as part of an Early Works engineering procurement and construction (**EPC**) program, will subsequently be novated to the EPC contractor for delivery as part of the full lump sum turnkey EPC project.

John Baguley, Magnolia LNG's Chief Operating Officer, stated, "We are particularly pleased to be joining an alliance with Chart, one of the world's leading suppliers of cryogenic liquefaction equipment. This equipment is vital to our mission to deliver LNG to market by the end of 2018. With Chart on board, we will be working closely with them and our EPC contractor to establish an overall asset management program to jointly address the successful design, fabrication, installation, commissioning and operation of the Chart equipment within our overall facility."

Sam Thomas, Chairman, Chief Executive Officer and President of Chart Industries commented, "We are excited to partner with LNG Limited to supply key equipment components for the OSMR® liquefaction technology across all their projects, again demonstrating Chart BAHX as the highly efficient, low risk technology platform for LNG. We look forward to providing our track record of safety, quality and experience as a leader in our sector."

LNG Managing Director / CEO and President of Magnolia LNG, Maurice Brand, stressed the importance of the Chart global alliance. “The use of alliance agreements with key suppliers such as Chart is central to our efforts to produce a standardized, repeatable design that we are able to replicate across all our projects and opportunities,” said Brand. “Our strategy is to establish and demonstrate the clear advantages of our OSMR® technology and modular construction approach on Magnolia LNG, and then apply this to our subsequent projects such as Bear Head LNG in Nova Scotia, Canada.”

### **EBITDA Guidance Reiterated**

The Magnolia LNG project has realized a series of key milestones over the past weeks including issuance by the FERC of the notice of schedule of environmental review (**SER**) and draft environmental impact statement (**DEIS**), announcement of the binding Meridian LNG liquefaction tolling agreement, and now the ordering of key liquefaction equipment components from Chart. These events in combination with the status of negotiations with other offtake counterparties and potential alliance candidates provide increasing certainty of development of the full 8 mtpa Magnolia LNG project.

Mr. Brand stated, “We remain on schedule to provide first LNG in December 2018 with full LNG supply of 8 mtpa completed in 2019. Our recent announcements and continuing negotiations combine to reinforce our previous Magnolia LNG EBITDA<sup>1</sup> guidance across the full 8 mtpa project of US\$2.50/mmBtu or greater.”

### **ABOUT MAGNOLIA LNG:**

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, located on an established LNG shipping channel in the Lake Charles District, State of Louisiana, United States of America. The project is based on development of four LNG production trains of 2 mtpa each using the Company’s wholly owned OSMR® LNG process technology.

Feed gas supply will come from the highly-liquid US Gulf Coast gas market via several gas suppliers. Gas supply will be delivered to the site via the Kinder Morgan Louisiana Pipeline. Magnolia LNG has entered into a 20-year binding pipeline capacity agreement with Kinder Morgan Louisiana Pipeline LLC to deliver gas to the site for the full 8 mtpa of the project.

The Magnolia LNG project has received its FERC issued SER, setting 16 November 2015 as the anticipated date for issuance of the project’s final environmental impact statement (**FEIS**). The SER also establishes a 90-day-post-FEIS decision deadline for all agencies responsible for issuing related federal authorizations.

Magnolia LNG signed a binding agreement with Meridian LNG Holdings Corp for firm capacity rights for up to 2 mtpa on 22 July 2015. Magnolia LNG continues negotiations with a number of other LNG buyers for the purchase of LNG on 20-year terms (with extension options). LNG buyers contract for liquefaction services under two contract models – a Liquefaction Tolling Agreement, whereby the LNG export terminal is only responsible for processing natural gas into LNG, and an

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<sup>1</sup> EBITDA is an acronym for earnings before interest, taxes, depreciation and amortization. EBITDA is computed as total revenues (sum of all tolling and SPA fees) less, all operating, maintenance and commissioning expenses, and state and local taxes. The metric excludes depreciation expenses on invested capital, interest expenses on project indebtedness, and any non-operating revenues or expenses. Because we have not disclosed forecasted interest, depreciation, non-operating items and income tax provisions, we have not made any forecast of net income. EBITDA is a non-GAAP (generally accepted accounting principle) measure typically applied as a proxy measure of operating cash flows. EBITDA has limitations as an analytical tool and should not be considered in isolation or in lieu of an analysis of our results as reported under GAAP.

LNG Sales and Purchase Agreement under which the customer buys LNG on a free on board basis.

#### **ABOUT CHART INDUSTRIES, INC**

Chart is a leading independent global manufacturer of highly engineered equipment used in the production, storage and end-use of hydrocarbon and industrial gases. The majority of Chart's products are used throughout the liquid gas supply chain for purification, liquefaction, distribution, storage and end-use applications, the largest portion of which are energy-related. Chart has domestic operations located across the United States and an international presence in Asia, Australia, Europe and South America. For more information, visit: <http://www.chartindustries.com>

#### **ABOUT LIQUEFIED NATURAL GAS LIMITED**

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 subsidiary, which is developing an 8 mtpa LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation (**Bear Head**), a Canadian based subsidiary, 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 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 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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