



ASX/MEDIA RELEASE
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FURTHER INFORMATION ON SUPPLY DEAL TO VIETNAM

In response to further inquiry by the ASX, Liquefied Natural Gas Limited (ASX: LNG, OTC ADR: LNGLY) (**LNGL** or the **Company**) wishes to provide further information to the market in relation to its announcement of an LNG-to-power project in Vietnam dated 16 September 2019 (**Announcement**). As stated in the Announcement, the project is led by Delta Offshore Energy Pte Ltd (**DeltaOE**) in coordination with LNGL's wholly-owned subsidiary, Magnolia LNG LLC (**Magnolia**), and the Bac Lieu Provincial Government in Vietnam.

The Announcement refers to a term sheet, which is in the form of a memorandum of understanding between DeltaOE and Magnolia (**Term Sheet**). The Term Sheet details material terms of the proposed liquefied natural gas (**LNG**) sale and purchase agreement (**SPA**) having a target commercial start date of no later than January 1, 2024 (which may be adjusted by Magnolia by +/- up to 4 months). DeltaOE and Magnolia are obligated to use reasonable efforts to negotiate and agree the binding terms and conditions of the SPA pursuant to which Magnolia will supply two (2) million tonnes per annum (**mtpa**) of LNG to DeltaOE on a free-on-board basis for a term of at least 20 years. Negotiations are progressing. Pricing is anticipated to be consistent with Magnolia's previously announced market competitive fixed liquefaction fee of 113% of Henry Hub pricing, plus monthly fixed fees for LNG lifting.

The Term Sheet does not itself constitute a definitive binding SPA at this stage, but it does evidence the intent of the parties to work towards execution of a binding SPA for 25% of Magnolia's current nameplate capacity of 8 mtpa (to be increased to 8.8 mtpa subject to Federal Energy Regulatory Commission (**FERC**) approval). The Term Sheet provides that the SPA will be subject to one condition precedent, being that Magnolia reaches "Financial Close" in relation to financing for the Magnolia liquefaction project by December 31, 2019 (which date may be waived or extended by agreement between the parties). While Financial Close is the only specified condition precedent, Financial Close is, in turn, dependent on Magnolia securing sufficient offtake agreements to support financing and on LNGL making a final investment decision in relation to the Magnolia liquefaction project.

"LNGL is confident in our ability to bring negotiations with Delta Offshore Energy to a successful close that will provide value to our shareholders and bring us closer to a final investment decision," said Greg Vesey, Managing Director and CEO, LNGL. "Delta Offshore Energy is a wonderful partner and we look forward to a continued long-standing relationship with them and with the Bac Lieu Provincial Standing Committee, and the Government of Vietnam."

The Company is working towards finalization of the SPA in due course and the Term Sheet provides that the arrangement between Magnolia and DeltaOE will terminate if the SPA has not been executed by October 31, 2019 (or such later date as agreed by the parties). Execution of the SPA (which will remain subject to the "Financial Close" condition precedent referred to above) will take place once the SPA terms

are finalized and agreed and once DeltaOE obtains the necessary government and regulatory approvals for the integrated project, including the official notification of the project into Vietnam's national power development plan (Power Development Plan 7 revised).

As stated in the Announcement, the integrated project is anticipated to commence operations in 2023 if all pending government approvals are obtained and all conditions precedent satisfied.

Further announcements will be made once the SPA has been executed.

For further information, contact:

Mr Micah Hirschfield
Sr. Manager, Communications and Investor Relations
Liquefied Natural Gas Limited
+1 713 815 6920
mhirschfield@lnglimited.com

Mr Andrew Gould
Joint Company Secretary
Liquefied Natural Gas Limited
+61 (0)2 7201 8312
AGould@lnglimited.com.au

ABOUT MAGNOLIA LNG PROJECT

Magnolia LNG proposes to construct and operate up to four liquefaction production trains, each with a capacity of 2.2 mtpa or greater using the Company's patented OSMR® LNG process technology. Construction and operation includes two 160,000 m³ full containment storage tanks, ship, barge, and truck loading facilities, and supporting infrastructure. The LSTK EPC contract includes all elements of the project necessary to bring the facility into full guaranteed production operations. Magnolia LNG is fully permitted, having received its FERC Order and both FTA and non-FTA approval from the DOE. Final investment decision and initiation of construction is expected upon execution of sufficient offtake agreements to support financing.

ABOUT LIQUEFIED NATURAL GAS LIMITED

LNGL 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 eight mtpa or greater LNG export terminal, in the Port of Lake Charles, Louisiana, USA;
- Bear Head LNG Corporation Inc. (**Bear Head LNG**), a Canadian-based subsidiary, which is developing an 8 – 12 mtpa LNG export terminal in Richmond County, Nova Scotia, Canada with potential for further expansion;
- Bear Paw Pipeline Corporation Inc. (**Bear Paw**), which is proposing to construct and operate a 62.5 km gas pipeline lateral to connect gas supply to Bear Head LNG; and
- LNG Technology, LLC a subsidiary which owns and develops the Company's **OSMR**® LNG liquefaction process, a midscale LNG business model that plans to deliver lower capital and operating costs, faster construction, and improved efficiency, relative to larger traditional LNG projects.

Liquefied Natural Gas Limited

Level 25, 20 Bond Street, Sydney, New South Wales 2000
Telephone: +61 (0)2 7201 8312; Facsimile: +61 (0)2 8580 4666
Email: LNG@LNGLimited.com.au Website: www.LNGLimited.com.au

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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 that 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.