



ACN 101 676 779

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
The Radisson Blu Plaza Hotel, 27 O'Connell Street,
Sydney, New South Wales 2000, Australia
on Thursday 14 November 2019 at 2:30pm (AEDT)**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61(0)2 7201 8312.

Shareholders are urged to attend the Annual General Meeting or vote following the directions on the Proxy Form attached to the Notice.

LIQUEFIED NATURAL GAS LIMITED

ACN 101 676 779

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Liquefied Natural Gas Limited (**Company**) will be held at The Radisson Blu Plaza Hotel, 27 O'Connell Street, Sydney, New South Wales 2000, Australia on Thursday 14 November 2019 at 2:30pm (AEDT) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Tuesday 12 November 2019 at 7:00pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2019, which includes the Financial Report, the Directors' Report, and the Auditor's Report.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2019 be adopted."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Paul Joseph Cavicchi as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Cavicchi who retires in accordance with Rule 9.1(e)(2) of the Constitution and, being eligible, offers himself for re-election, be elected as a Director."

4. Resolution 3 – Re-election of Philip D. Moeller as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Moeller who retires in accordance with Rule 9.1(e)(2) of the Constitution and, being eligible, offers himself for re-election, be elected as a Director."

5. Resolution 4 – Issue of Incentive Rights to Gregory Matthew Vesey

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.14, and for all other purposes, the grant of up to 1,000,000 Performance Rights to Gregory Matthew Vesey under the Incentive Rights Plan on the terms and conditions summarised in the Explanatory Memorandum be approved."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of any Director of the Company who is eligible to participate in the Incentive Rights Plan and any associate of such a Director. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Kinga Doris

General Counsel and Joint Company Secretary

Dated: 4 October 2019

LIQUEFIED NATURAL GAS LIMITED

ACN 101 676 779

EXPLANATORY MEMORANDUM

Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Radisson Blu Plaza Hotel, 27 O'Connell Street, Sydney, New South Wales 2000, Australia on Thursday 14 November 2019 at 2:30pm (AEDT) (**Meeting**).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains information relevant to the approvals being sought at the Meeting.

To assist Shareholders in deciding how to vote on the Resolutions, the Explanatory Memorandum includes information under the following headings:

Section 1:	Annual Report
Section 2:	Resolution 1 – Remuneration Report
Section 3:	Resolution 2 – Re-election of Paul Joseph Cavicchi as a Director
Section 4:	Resolution 3 – Re-election of Philip D. Moeller as a Director
Section 5:	Resolution 4 – Issue of Incentive Rights to Gregory Matthew Vesey
Schedule 1:	Definitions
Schedule 2:	Summary of Incentive Rights Plan

Proxies

A Proxy Form is attached to (and forms part of) the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;

- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes; and
- (d) each share carries one vote.

Proxy Forms must be received by the Company by no later than 2:30pm (AEDT) on Tuesday 12 November 2019, being at least 48 hours before the Meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Alternatively, Shareholders can vote online by visiting <http://www.linkmarketservices.com.au>. Select "Investor & Employee Login" and enter Liquefied Natural Gas Limited or the ASX code (LNG) in the Issuer name field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the front of your Proxy Form, postcode, and security code which is shown on the screen and click "Login". Select the "Voting" tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

If you appoint the Chairman as your proxy, or the Chairman is appointed as your proxy by default, please note that the Chairman intends to vote all undirected proxies held by him, and which are able to be voted, **in favour** of all Resolutions.

Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 or 4 if the person is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on the Resolution. However, the proxy may vote if the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on any of Resolutions 1 or 4, by signing and returning the Proxy Form (including via the online voting facility described above), you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

1. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report, and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at:

https://www.lnqlimited.com.au/site/PDF/6314_1/2019AnnualReport;

- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chairman or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report; and
- (b) the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

However, under the "two strikes" rule, the Company will be required to put a resolution to Shareholders to hold new elections of Directors if, at two consecutive annual general meetings, more than 25% of the votes cast on a resolution to adopt the Remuneration Report (such as Resolution 1) are cast against that resolution. Accordingly, if 25% or more of the votes cast at the Meeting on Resolution 1 are against that Resolution and if at the next annual general meeting in 2020, 25% or more of the votes are again cast against the resolution to adopt the Remuneration Report, then the Company will be required to propose a resolution to hold another general meeting within the following 90 days (the **Spill Meeting**). If more than 50% of Shareholders vote in favour of holding a Spill Meeting, then at the Spill Meeting all Directors (other than the Managing Director) will cease to hold office immediately before the end of the Spill Meeting, but may, if eligible, stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved would (together with the Managing Director) be the Directors of the Company.

Key Management Personnel, details of whose remuneration are included in the Remuneration Report, and their Closely Related Parties, are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion set out in the Notice.

The Chairman will allow a reasonable opportunity for Shareholders at the Meeting to ask about, or make comments on, the Remuneration Report.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

3. Resolution 2 – Re-election of Paul Joseph Cavicchi as a Director

In accordance with Listing Rule 14.4, a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or 3 years, whichever is longer.

Rule 9.1(e)(2) of the Constitution requires that one third of the Directors (excluding the Managing Director), rounded down if necessary to the nearest whole number, must retire from office at an annual general meeting.

Rule 9.1(h) of the Constitution provides that a Director who retires under Rule 9.1(e)(2) of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Cavicchi retires and seeks re-election.

Mr Cavicchi was appointed to the Board in October 2014 and has been Chair since November 2017. He is Chair of the Compensation Committee and a member of Corporate Governance and Nominating Committee.

The Board considers that Mr Cavicchi qualifies as an independent director.

Most recently Mr Cavicchi served as Executive Vice President of GDF SUEZ Energy North America, Inc. (GSENA) from 2014 to 2009. Prior to that Mr Cavicchi had been President and CEO of SUEZ Renewable Energy NA, LLC from 2007 to 2008, and before that President and CEO of SUEZ Energy Generation North America, Inc., from 2005 to 2006. Mr Cavicchi served as Division President of Tractebel Project Development Inc. from 1995 to 2004, and Vice President, Venture Development of American Tractebel Corporation from 1991 to 1995.

Mr Cavicchi is a Registered Professional Engineer in the State of New Hampshire. Mr Cavicchi received a BSc in Civil Engineering from Tufts University, an MBA from the Colgate Darden Graduate School of Business Administration at the University of Virginia and an M.S. in Civil Engineering from the University of Massachusetts.

Skills contributed to the Board include:

Environmental and sustainability	Project management	Risk management
International experience	Finance	Legal and regulatory
Marketing and business development	Government and community relations	Project engineering, construction and execution
Contracts and negotiation	Business strategy	Mergers and acquisitions

Health and safety

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr Cavicchi) unanimously resolved that Mr Cavicchi's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

Accordingly, the Board (excluding Mr Cavicchi) recommends that Shareholders vote in favour of Resolution 2.

4. **Resolution 3 – Re-election of Philip D. Moeller as a Director**

In accordance with Listing Rule 14.4, a Director must not hold office (without re-election) past the third general meeting following the Director's appointment, or 3 years, whichever is longer.

Rule 9.1(e)(2) of the Constitution requires that one third of the Directors (excluding the Managing Director), rounded down if necessary to the nearest whole number, must retire from office at an annual general meeting.

Rule 9.1(h) of the Constitution provides that a Director who retires under the Rule 9.1(e)(2) of the Constitution is eligible for re-election.

Resolution 3 therefore provides that Mr Moeller retires and seeks re-election.

Mr Moeller was appointed to the Board in December 2015. He is Chair of the Corporate Governance and Nominating Committee, and a member of the Audit Committee and the Safety, Sustainability, People and Culture Committee.

The Board considers that Mr Moeller qualifies as an independent director.

Mr Moeller currently serves as the Executive Vice President, Business Operations Group and Regulatory Affairs with the Edison Electric Institute. Prior to that Mr Moeller served as Commissioner of the Federal Energy Regulatory Commission (FERC) from 2006 to 2015. Prior to serving on the Federal Energy Regulatory Commission Mr Moeller headed the Washington office of Alliant Energy from 2002 to 2006, worked as the director of Federal Relations of Calpine Corporation from 2001 to 2002, and served on the Washington, D.C. staff of Senator Slade Gorton from 1997 to 2001. Prior to that he was the staff coordinator of the Washington State Senate Energy, Utilities and Telecommunications Committee from 1987 to 1997.

Mr Moeller holds a bachelor's degree (BA) in Political Science from Stanford University.

Skills contributed to the Board include:

Corporate Governance	Risk management	Cybersecurity
Legal and regulatory	Business strategy	Contracts and negotiations
Health and safety	Environmental and sustainability	

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr Moeller) unanimously resolved that Mr Moeller's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

Accordingly, the Board (excluding Mr Moeller) recommends that Shareholders vote in favour of Resolution 3.

5. Resolution 4 – Issue of Incentive Rights to Gregory Matthew Vesey

Resolution 4 seeks Shareholder approval for the offer and grant of up to 1,000,000 Performance Rights under the Incentive Rights Plan to Mr Vesey or an entity or person associated with him in accordance with Listing Rule 10.14. Mr Vesey is the Managing Director and CEO of the Company.

A summary of the Incentive Rights Plan is set out in Schedule 2.

Mr Vesey is not being offered any Retention Rights under the Incentive Rights Plan in 2019.

5.1 Background to remuneration structure and policies

The Remuneration Report, which is the subject of Resolution 1, sets out the remuneration policies of the Company and the remuneration structures for executives and staff and for NEDs.

The remuneration structure for executives and staff consists of a base salary, a short-term incentive (**STI**) based on corporate and individual performance that is paid annually (subject to performance and Board discretion), and an annual grant of long-term incentive(s) (**LTI**) primarily based on the performance of the Company over multiple years.

The remuneration structure for NEDs consists of a base fee, certain committee fees, and grants of options or NED Rights structured so as not to compromise the independence of the NEDs. The composition of the Board of Directors comprises a majority of US-based NEDs.

The Board recognises a need for the Company to manage its existing liquidity in line with its cash management plan. To conserve cash, in 2019 the Board approved the Compensation Committee recommendation to implement a 25% reduction in the cash component of the relevant Board fee structure. In addition, the Board resolved to not grant any NED Rights to the NEDs in 2019.

In relation to the Incentive Rights Plan, the Compensation Committee considers that it is in the interests of Shareholders for selected executives to receive part of their total remuneration package in the form of at-risk securities that will vest based on performance against indicators that are linked to Shareholder benefit during a defined measurement period. The Incentive Rights Plan is therefore designed to accommodate a significant component of at-risk remuneration and to create alignment between Shareholder benefit and the remuneration of selected executives and Key Management Personnel.

The Compensation Committee seeks to ensure that grants of Rights to executives are made at a level that will appropriately position their total remuneration package in the market, in accordance with the Company's remuneration policies. The Compensation Committee and the Board regularly review market positioning and the elements and mix of remuneration for Key Management Personnel to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company and the relevant Key Management Personnel.

Upon vesting of a Right, the Shares issued to Directors and Key Management Personnel shall remain subject to the Company's Stock Ownership Guidelines as further provided below. Shares issued to a member of Key Management Personnel shall initially be held in trust for the participant for a period of two years. All Shares issued under the Plans shall always remain subject to restrictions on dealing relating to compliance with the Company's securities trading policy and with all relevant insider trading laws.

The Board has adopted formal Stock Ownership Guidelines for Key Management Personnel whereby each member of Key Management Personnel shall strive to maintain the following equity stake in the Company:

Role	Minimum ownership	Holding requirement
CEO	5x base pay	Each executive officer must retain 75 percent of all net Shares (post tax) that vest under the Incentive Rights Plan until the minimum Share ownership requirement is achieved.
CFO, CTO, CDO, GC	2.5x base pay	
Other executive officers designated by the Compensation Committee from time to time	2.5x base pay	Guidelines are expected to be met by 30 June 2023. If the executive officer is promoted to a position that has a higher ownership requirement, the higher standard will apply as of the promotion date and 75 percent of net vested Shares should be retained until such time that the higher ownership requirement is met.
NEDs	3x annual Board cash retainer	Each NED must retain 50 percent of all Shares that vest under the NED Rights Plan until the minimum Share ownership requirement is achieved. Guidelines are expected to be met by 30 June 2021.

In relation to the Incentive Rights Plan, the Compensation Committee considers that it is in the interests of Shareholders for selected executives to receive part of their total remuneration package in the form of at-risk securities that will vest based on performance against indicators that are linked to Shareholder benefit during a defined measurement period. The Incentive Rights Plan is therefore designed to accommodate a significant component of at-risk remuneration and to create alignment between Shareholder benefit and the remuneration of selected executives and Key Management Personnel.

The Compensation Committee seeks to ensure that grants of Rights to executives are made at a level that will appropriately position their total remuneration package in the market, in accordance with the Company's remuneration policies. The Compensation Committee and the Board regularly review market positioning and the elements and mix of remuneration for Key Management Personnel to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company and the relevant Key Management Personnel.

5.2 Overview of approval sought

Listing Rule 10.11 requires a listed entity to obtain shareholder approval for the issue of securities to related parties, which include directors of a company.

Listing Rule 10.12, exception 4 provides that approval under Listing Rule 10.11 is not required where securities are to be issued to a person under an employee incentive scheme where that issue has been approved under Listing Rule 10.14.

Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the issue of securities under an 'employee incentive scheme' to certain parties, including a director, or an associate of a director, of the company.

Accordingly, Resolution 4 seeks Shareholder approval for the offer and grant of up to 1,000,000 Performance Rights under the Incentive Rights Plan to Mr Vesey or an entity or person associated with him in accordance with Listing Rule 10.14.

The Compensation Committee and the Board have, together with their professional advisers, considered the proposed issues of Performance Rights to Mr Vesey or an associated person or entity and, taking into account the circumstances of the Company and its subsidiaries, the circumstances of Mr Vesey, and the remuneration practices of other similar entities, consider that the financial benefits provided to Mr Vesey by way of the Performance Rights (together with the other elements of Mr Vesey's remuneration packages) constitute reasonable remuneration.

5.3 Specific information in relation to the grant of Performance Rights to Mr Greg Vesey

The following information is provided for the purposes of Listing Rule 10.15:

(a) The maximum number of securities that may be acquired by all persons for whom approval is required

A maximum of 1,000,000 Performance Rights will be issued to Mr Vesey or an associated person or entity. These Performance Rights could potentially vest and be exercised into no more than 1,000,000 Shares.

(b) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme

The Company will issue the Performance Rights to Mr Vesey or an associated person or entity at no cost and no exercise price will be payable upon vesting of the Performance Rights. In accordance with the terms of the Incentive Rights Plan, the Performance Rights will vest and convert to Shares in the Company if the following conditions are met:

The Performance Rights will partially or fully vest if the Company's Total Shareholder Return (**TSR**, as defined below) is equal to or greater than 100% of the Market Adjusted Total Shareholder Return (**MATSR**) of the ASX All Ordinaries Accumulation Index (**XAOAI**), with 25% vesting achieved if the Company's TSR is 100% of the XAOAI TSR (i.e. return performance percentages are equal) at the end of the Measurement Period and 100% vesting achieved if the Company's TSR is 200% of the XAOAI TSR or greater (i.e., Company's percentage return performance is at least double XAOAI's percentage return performance) at the end of the Measurement Period.

Vesting percentages for relative TSR performance between 100% and 200% of the XAOAI TSR will be calculated using linear interpolation, rounded down to the nearest whole Share, provided that, if the Company's TSR during the Measurement Period is negative (i.e. below 0%), the Performance Right payouts will be the lower of the linear interpolation calculation amount or 50% of the maximum award amount. The following table sets forth the vesting schedule for the Performance Rights.

LNG TSR relative to XAOAI TSR	Vesting % (of maximum grant)	Performance Level
Less than 100%	0%	
100%	25%	Threshold
>100% < 200%	Linear interpolation between 25% and 100%	
200% or Greater	100%	Target
TSR < 0%	Lower of linear interpolation calculation amount or 50% of maximum award	Award is Capped

The Measurement Period commenced on 1 July 2019 and ends on 30 June 2022.

For Mr Vesey, an additional 2-year retention period has been imposed during which any Shares issued on vesting of Incentive Rights may only be sold to cover tax liabilities resulting from the vesting.

Total shareholder return (**TSR**) is a measure which combines Share price appreciation over a period and dividends paid during that period (assuming dividends are reinvested into Shares) to show the total return to Shareholders over a period. When calculating the Company's TSR, its Share price at the beginning and end of the Measurement Period shall be calculated as the volume weighted average price (**VWAP**) of Shares on ASX over the 30 days immediately preceding the relevant dates.

The Board applied a VWAP of A\$0.295 for Shares and 69,326.9 for the XAOAI (the volume weighted average prices for a 30-day period ending on the first day of the Measurement Period).

(c) The names of all persons referred to in Listing Rule 10.14 who received securities under the scheme since the last approval, the number of securities received, and acquisition price for each security

Since the approval obtained at the 2018 annual general meeting, the following persons referred to in Listing Rule 10.14 have received Incentive Rights under the Incentive Rights Plan:

Name	Date of issue	Number received	Acquisition Price
Gregory M Vesey	November 2018	1,600,000	Nil

Certain Incentive Rights were also issued under the Incentive Rights Plan to staff during the 2019 financial year.

(d) The names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme

The Incentive Rights Plan is open to employees and Executive Directors of the Company and its subsidiaries, at the discretion of the Board. Mr Vesey, as the Managing Director and Chief Executive Officer of the Company, is the only Director eligible to participate (directly or through his associated persons or entities) in the Incentive Rights Plan.

Any further persons referred to in Listing Rule 10.14 (for whom Shareholder approval is required) will not participate in the Incentive Rights Plan unless and until approval is obtained under Listing Rule 10.14.

(e) A voting exclusion statement

A voting exclusion statement for Resolution 4 is included in the Notice.

(f) The terms of any loan in relation to the acquisition

The Company will not loan any monies in relation to the acquisition of Incentive Rights by Mr Vesey or on vesting of the Incentive Rights.

(g) The date by which the entity will issue the securities, which must be no later than 12 months after the meeting

Subject to Shareholder approval, the Incentive Rights will be issued to Mr Vesey on a date not later than 12 months after the date of the Meeting or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules.

(h) Other information that may be relevant to the decision of Shareholders

- (i) Mr Vesey currently receives a base salary of US\$570,000 per annum, equivalent to A\$760,000 based on an exchange rate of 0.75. Mr Vesey currently holds 1,252,459 Shares and 3,200,000 Incentive Rights.
- (ii) Should the Incentive Rights to be granted to Mr Vesey in accordance with Resolution 4 vest at the maximum level, his interest in the Company's issued capital will increase by approximately 0.17% (based on the number of Shares on issue as at the date of this Notice and assuming no further issue of Shares and no prior exercise of other Rights or Options by Mr Vesey or any other holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 1,000,000 Shares that will issue on vesting of these Incentive Rights.
- (iii) There will be no amount raised due to the vesting of Mr Vesey's Incentive Rights.
- (iv) A valuation of the Performance Rights has been undertaken by an independent accounting firm, HLB Mann Judd, with each Performance Right being valued at A\$0.1309 giving the Performance Rights a maximum total value of A\$130,900 as at the date of the valuation (being 10 September 2019). The key assumptions underpinning the valuation were as follows:
 - (A) the measurement date is the grant date, which is generally the date of Shareholder approval. For the purposes of this valuation, a proxy grant date of 10 September 2019 has been used;
 - (B) the Share price on the grant date was assumed to be A\$0.190765 (being a 30 day VWAP as at 10 September 2019) for the Performance Rights;
 - (C) risk-free rate of 0.83%;
 - (D) volatility of the underlying Share of 67.16% in respect of the Performance Rights (the volatility of the XAOAI assumed to be 10.35% for the equivalent period);
 - (E) there being a three-year vesting period; and

- (F) the valuation of the Performance Rights was conducted using Monte Carlo and Trinomial Tree Methods.

Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

- (v) All of the Directors, other than Mr Vesey, agree that the number of Incentive Rights to be issued to Mr Vesey is appropriate given the benefit to the Company of retaining his services.
- (vi) Details of any Performance Rights issued under the Incentive Rights Plan will be published in each annual report of the Company relating to a period in which Performance Rights have been issued, and noting that approval for the issue of Performance Rights was obtained under Listing Rule 10.14.

(i) Non-Executive Directors' recommendation

The Non-Executive Directors consider that the issue of Incentive Rights to Mr Vesey under the Incentive Rights Plan is in the Company's interests as it further aligns the interests of Mr Vesey as an Executive Director with the interests of the Company's Shareholders to maximise Shareholder value. Further, the issue of the Incentive Rights provides cost effective consideration to Mr Vesey in his role as Managing Director and Chief Executive Officer of the Company.

Accordingly, the Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Schedule 1 – Definitions

In the Notice, words importing the singular include the plural and vice versa.

A\$ or AUD means Australian dollars unless otherwise specified.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect of the year ended 30 June 2019.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the securities exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

Board means the Board of Directors of the Company.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Liquefied Natural Gas Limited ACN 101 676 779.

Company Secretary means the company secretary of the Company.

Compensation Committee means the Compensation Committee of the Board.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security means equity securities as defined in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Executive Director includes the Managing Director and any executive directors within the meaning given in Rule 10.3 of the Constitution.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Incentive Rights means Rights to be issued pursuant to the Incentive Rights Plan and includes both Performance Rights and Retention Rights.

Incentive Rights Plan means the Liquefied Natural Gas Limited Incentive Rights Plan for employees and Executive Directors as summarised in Schedule 2.

Key Management Personnel means persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Managing Director means the managing director of the Company.

Meeting has the meaning given in the introductory paragraph of the Notice.

NED or Non-Executive Director means a non-executive director of the Company.

NED Right means a right issued or to be issued by the Company pursuant to the NED Rights Plan.

NED Rights Plan means the Liquefied Natural Gas Limited Non-Executive Directors Rights Plan as summarised in Schedule 3 of the Company's 2018 Notice of Annual General Meeting announced to ASX on 12 October 2018.

Notice means this notice of annual general meeting.

Options mean options granted by the Company to acquire Shares.

Performance Right means a performance-based Incentive Right issued or to be issued by the Company pursuant to the Incentive Rights Plan.

Plans means the Incentive Rights Plan and the NED Rights Plan.

Proxy Form means the proxy form attached to or accompanying the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Retention Right means a retention-based Incentive Right issued or to be issued by the Company pursuant to the Incentive Rights Plan.

Right means an Incentive Right issued or to be issued by the Company pursuant to the Incentive Rights Plan, or a NED Right issued or to be issued by the Company pursuant to the NED Rights Plan (as applicable).

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

US means the United States.

US\$, USD or US dollars means United States dollars.

VWAP means volume weighted average price.

Schedule 2 – Summary of Incentive Rights Plan

Aspect	Details
Instrument	The Incentive Rights Plan authorises the granting of Incentive Rights to executives and staff of the Company, which may be in the form of Performance Rights or Retention Rights.
Eligibility	Eligibility to participate in the Incentive Rights Plan and the number of Incentive Rights offered to each individual participant (Participant) will be determined by the Board. Non-Executive Directors (NEDs) are not eligible to participate but are eligible to participate in the NED Rights Plan.
Terms & Conditions	Within the bounds of the terms of the Incentive Rights Plan, the Board has the discretion to set the terms and conditions on which it will offer Incentive Rights under the Incentive Rights Plan, including the Vesting Conditions. All Incentive Rights offered will be subject to vesting conditions (for Performance Rights) and retention periods (for Retention Rights). Terms and conditions including vesting conditions will be set out in an Invitation. In the case of Performance Rights, the conditions are intended to be challenging and linked to growth in shareholder value.
Number of Incentive Rights	The Board has the discretion to determine the number of Incentive Rights to be granted to each Participant. However, generally, it will be determined by multiplying the Participant's base package by the long-term incentive percentage and dividing that dollar value by the value of the type of Incentive Right being offered (as valued for remuneration purposes). There are overall caps on the number of Shares that may be issued pursuant to the Incentive Rights Plan (restricting Shares issued under the Incentive Rights Plan to 5% of the Shares on issue).
Amount payable for Incentive Rights	No amount will be payable by Participants for the Incentive Rights as they are part of the annual remuneration package in each financial year.
Vesting of Incentive Rights	Upon the satisfaction of the Vesting Conditions or retention periods, the number of Incentive Rights granted under the Incentive Rights Plan will be multiplied by the vesting percentage (where applicable) to determine the number of Shares to be issued. No exercise price is required to convert Incentive Rights into Shares.

Aspect	Details
Measurement Period	The Measurement Period is generally three full financial years with no vesting prior to performance being tested at the end of the three years.
Vesting Conditions	In order for Incentive Rights to vest a Participant must remain employed by the Company during the measurement period (except in the case of death, permanent disability or retirement – see cessation of employment below) In addition, performance related conditions will be specified as part of the invitation for Performance Rights. These conditions may be related to both market and non-market measures of company performance. The Board has discretion to adjust vesting conditions in circumstances where it reasonably considers it is appropriate to do so. Retention Rights will be subject to conditions relating to the period of continuous employment or engagement.
Exercise Price	This aspect is at the discretion of the Board. It is intended that no amount will be payable by a Participant to exercise an Incentive Right that has vested.
Cessation of Employment	If a Participant ceases employment by reason of voluntary resignation or termination for cause, all unvested Incentive Rights shall lapse. Lapsing in other cases will depend on the circumstances in which the Participant ceases employment.
Change of Control of the Company	In the event of a change of control unvested Incentive Rights may vest in whole or in part at the Board's discretion. In relation to Shares that have resulted from the vesting of Incentive Rights, dealing restrictions specified in the Invitation may also be lifted. A restructure or capital raising for the purposes of a US listing would not constitute a change of control.
Voting and Dividend Rights	Incentive Rights do not carry voting or dividend rights. Shares issued when Incentive Rights vest carry the same rights and entitlements as other Shares, including voting and dividend rights.
Lapse and Forfeiture of Rights	Incentive Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed measurement period.
No Transfer of Rights	Without approval of the Board, Incentive Rights granted under the Incentive Rights Plan may not be transferred, mortgaged, charged or otherwise dealt with or encumbered.
Quotation	Incentive Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Incentive Rights Plan, in accordance with the Listing Rules.
Variation of Terms and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the Incentive Rights Plan. This includes varying the number of Incentive Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Incentive Rights vest under the Incentive Rights Plan may be issued by the Company or acquired on market by the Company or its nominee. The nominee may be the trustee of a trust, the purpose of which trust is to facilitate the operation of the Incentive Rights Plan.

Aspect	Details
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the Incentive Rights Plan. However, it may require Participants to share the cost on such a basis as the Company considers fair.
Other Terms of the Incentive Rights Plan	The Incentive Rights Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Incentive Rights Plan, and terms to deal with Australian and US regulatory issues and legal requirements.
Hedging	Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the Incentive Rights Plan.

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Liquefied Natural Gas Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Liquefied Natural Gas Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm (AEDT) on Thursday, 14 November 2019 at The Radisson Blu Plaza Hotel, 27 O'Connell Street, Sydney, New South Wales 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours before the Meeting**. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Paul Joseph Cavicchi as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Philip D. Moeller as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Incentive Rights to Gregory Matthew Vesey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (AEDT) on Tuesday, 12 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Liquefied Natural Gas Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**