



ASX/MEDIA RELEASE

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MAGNOLIA LNG PROJECT UPDATE

The Directors of Liquefied Natural Gas Limited (**Company**) wish to provide a general update on the development progress of its wholly owned 8 million tonnes per annum (**mtpa**) Magnolia LNG Project (**MLNG Project**), in Lake Charles, Louisiana, United States of America (**US**). The MLNG Project is held through the Company's indirect 100% owned US subsidiary, Magnolia LNG, LLC (**MLNG**) and is being designed to comprise four LNG trains, each of 2 mtpa nominal (1.7 mtpa firm) LNG production capacity.

Attached is a copy of the March 2014 Monthly Progress Report, submitted to the US Federal Energy Regulatory Commission (**FERC**), as required under the FERC regulations.

MLNG remains on schedule to submit its application to FERC for the granting by FERC of full filing status in late April 2014.

Since the last report and up to this date, the following two significant milestones have been completed:

- Mr John G. Baguley was appointed as Chief Operating Officer and Rick R. Cape as Chief Commercial Officer for MLNG based in Houston, USA. Both executives will report directly to the President of MLNG, Maurice Brand.
 - John G. Baguley has over 30 years' experience with the global engineering, procurement and construction (**EPC**) company, KBR, Inc., including the last 13 years as a Project Director in the delivery of front end engineering design and EPC services for major liquefied natural gas (**LNG**) plants and projects in Indonesia, Australia, Canada, China, Taiwan and Malaysia.
 - Rick R. Cape has over 30 years of leadership experience in the oil and gas industry, with some 20 years with the BP group in the USA, UK, Australia and Caribbean. In 2002, Rick was elected by the shareholders of the one of the world's largest producers of LNG, Atlantic LNG Company (**Atlantic LNG**) of Trinidad and Tobago, as President and CEO to lead the growth of Atlantic LNG from one LNG train to its current four-train, 15mtpa capacity. The Atlantic LNG project is often cited as the breakout project of the late '90's in terms of driving down the installed capital costs per tonne of output; and
- MLNG has executed a Technical Services Agreement (**TS Agreement**) with SK E&C USA, Inc, a wholly owned subsidiary of SK Engineering and Construction Co. Ltd., of Korea (**SKEC Group**). The TS Agreement relates to the ongoing engineering, procurement and construction activities for MLNG's planned 8 million tonne per annum project.

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April 15, 2014

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Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Magnolia LNG, LLC
PF13-9-000
Monthly Status Report, March 1 - March 31, 2014

Dear Secretary Bose:

On March 20, 2013, the Commission issued an Approval of the Pre-Filing Process Request for Magnolia LNG, LLC's ("Magnolia") proposed Magnolia LNG Project ("Project") and the associated National Environmental Policy Act ("NEPA") review process, as filed under the above-referenced docket.

Pursuant to Section 157.21(f)(6) of the Commission's regulations, Magnolia hereby submits the monthly status report for the period of **March 1 through March 31, 2014**.

If you have any questions regarding this filing, please contact me at (202) 778-9178 or sandra.safro@klgates.com.

Best regards,

/s/ Sandra E. Safro

Sandra E. Safro
Counsel for Magnolia LNG, LLC



Introduction

By letter order dated March 20, 2013, Magnolia LNG, LLC (“Magnolia LNG”) was granted approval by the Director of the Office of Energy Projects of the Federal Energy Regulatory Commission (“FERC” or “Commission”) to utilize the Commission’s Pre-Filing review process for the proposed Magnolia LNG Project (“Project”). The Commission’s Pre-Filing review of the Project has been assigned Docket No. PF 13-09-000.

The proposed Magnolia LNG Project includes an 8 million tonne per annum (“mtpa”) liquefied natural gas (“LNG”) facility in the Port of Lake Charles, Louisiana, that will receive natural gas sourced from North America via an existing pipeline and liquefy, store, and deliver it as needed 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 the surrounding states. The Project will include four 2-mtpa LNG trains.

This Monthly Progress Report, which covers the period from March 1, 2014 through March 31, 2014, provides a brief summary of significant Project activities or changes in Project information that have occurred during the reporting period.

Filings with the Commission

Magnolia LNG’s Marine and Stationary Source Air Emissions Modeling Protocol was submitted to FERC and posted on FERC’s on-line eLibrary on March 21, 2014.

Agency Contacts

The following agency contacts were held during the reporting period:

- There were no conference calls with FERC staff during the reporting period.

Engineering

The following engineering work was performed during the reporting period:

- Continuation of the vapor dispersion modeling based on the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration’s approved



guidelines for recent projects pending official response related to the proposed vapor dispersion protocols for the Project.

- Conducted a HAZID Workshop at CH-IV's offices on February 19, 20, and 21, 2014 (this meeting was inadvertently omitted from Magnolia LNG's report for February 2014).

Environmental

The following environmental work was performed during the reporting period:

- Continued the preparation of responses to FERC's Comments on Draft Resource Reports 1 through 8 and 10, dated January 16, 2014.
- Continued the development of draft air model, including the development of a new marine emissions protocol.
- Continued the development of an 'IT Questionnaire' that will accompany Magnolia LNG's draft air permit application to the Louisiana Department of Environmental Quality.

Scope Update

There are currently no changes to the Project scope.

Stakeholder Activities

The following Stakeholder meetings have been held during the reporting period:

- A meeting was held with Mayor Christopher Duncan of Sulphur, Louisiana on March 5, 2014, during which issues and concerns regarding the planned industrial development in SW Louisiana were discussed.
- A project overview presentation was made to the Propeller Club of Lake Charles on March 11, 2014.

Schedule Update

No changes were made in the Project schedule during the reporting period. Work continues on preparation of the formal application, which Magnolia LNG expects to file by April 30, 2014.