



LIQUEFIED NATURAL GAS LIMITED

Company Presentation

25 March 2008

www.LNGlimited.com.au

LNG Overview



- Listed on ASX Sep 2004 (Code LNG)
- Market Cap of ~ A\$90 million
- Cash reserves ~ A\$15.8 million as at 29 February 2008 (no debt)
- LNG major projects:
 - Gladstone LNG Project - Base: 1.3Mtpa Potential: 2 x 1.3Mtpa
 - PNG LNG Project - Base: 1.3Mtpa Potential: 2 x 1.3Mtpa
 - Central Sulawesi LNG Project - Base: 2 x 1.1Mtpa
 - Qeshm Integrated LNG Project - Base: 3 x 1.15Mtpa
 - Gas Link Global Limited - 66.7% subsidiary of LNG
 - Other LNG Projects - ongoing project identification and development

Directors



- **Phil Harvey**: Chairman – Former CEO of ASX listed Alinta Ltd
- **Maurice Brand**: Managing Director & CEO – Former founder & CEO Energy World Corporation. Led development projects in Australia, Indonesia and India – project funding >US \$1.0 billion
- **Richard Beresford**: Director – Former Head of Gas Strategy & Development China Light & Power , GM Business Development Woodside Energy Ltd, Indonesia Country Manager with British Gas Plc
- **Nick Davies**: Director – Managing Director & CEO of Arrow Energy and former President for BP's Asia Pacific Gas and Power business, including LNG, headquartered in Tokyo
- **Gary Smith**: Director – CEO Golar LNG & former GM Commercial Shipping for Shell (including LNG shipping/trading) and former President of SIGTTO

Directors (con't)



- **Bill Hornaday**: Director – COO of Niko Resources a Canadian listed oil and gas E&P company. Former senior positions in global E&P companies
- **Paul Bridgwood**: CTO & Director – Former Project Manager for Energy World Corporation (Alice Springs LNG to power project (Aust); Sengkang gas to power project (Indonesia); Barcaldine IPP (Aust); Basin Bridge IPP (India) & Karratha LNG plant design (Aust). Formerly Worley Eng (NWS LNG Project)
- **Norm Marshall**: CFO & Director – Former Commonwealth Bank Head of Investment Banking, WA; former CFO of ASX listed Portman Mining Ltd (iron ore project development) & corporate & project financing >US \$4.0 billion (Australia, Indonesia, India and Africa)

MAJOR SHAREHOLDERS



	Shares Held	% of Shares on Issue
1. Golar LNG Limited	23,000,000	16.05%
2. Sasigas Nominees Pty Ltd	15,007,742	10.47%
3. Mr Paul Bridgwood	15,000,040	10.47%
4. Arrow Energy Ltd	14,000,000	9.77%
5. Australian Heritage Group	7,534,836	5.26%
6. HSBC Custody Nominees	4,204,093	2.93%
7. ANZ Nominees	4,199,456	2.93%
8. Mr Phillip Harvey	3,000,010	2.09%
9. Citicorp Nominees	2,928,281	2.04%
10. Mr Norman Marshall	2,707,692	1.89%
Major Shareholders	91,582,150	63.90%
Top 50 Shareholders	114,425,791	79.83%

LNG BUSINESS MODEL



Development of “mid-scale” LNG projects of up to 1.5 million tonne per annum (Mtpa) production capacity per LNG train, based on:

- **Gas Access: targeting stranded gasfields (as small as 500 billion cubic feet) that are:**
 - difficult to monetise as insufficient local energy demand
 - too small & far from energy markets for pipeline delivery
 - reserves insufficient to support a traditional large-scale LNG plant (require multiple trillion cubic feet of gas)
- **LNG Markets (existing)**
 - targeting existing LNG markets with present global shortage of LNG (LNG supply/demand imbalance)
- **LNG Markets (new)**
 - targeting niche energy markets that would otherwise not have access to competitively priced and environmentally attractive natural gas, delivered as LNG

The Company offers a complete “LNG package/solution” structured for the benefit of all stakeholders

LNG MARKET POSITION



- **Global LNG Industry** - dominated by multi national companies for the past 40 years who generally focus on larger (5-7Mtpa), rather than smaller (1-3Mtpa) projects
- **Global LNG Production** - 157 Mtpa in 2006 & 380 Mtpa forecast demand by 2015
- **New LNG Concept** - innovative, fit for purpose, mid scale LNG projects a viable alternative to conventional large scale projects
- **Innovation** - provisional patent pending over technology that significantly improves LNG plant efficiency
- **Industry Position** - currently the only downstream niche mid-scale LNG developer for on-shore LNG projects
- **Collaborative Agreement** - with Golar LNG Limited, the world's largest independent LNG shipping company and Company's major shareholder, to jointly pursue LNG development opportunities

Mid-Scale LNG Evolving



- In 2002, not one company was totally focussed on mid scale LNG
- In 2007, 50 plus companies promoting mid scale LNG
- LNG train sizes from 55,000 tpa to 700,000 tpa and increasing
- Predicted by 2015, about 25 mpta supplied from mid scale LNG
- Growth driven partly by the ability to obtain higher LNG prices
- LNG buyers willing to support "new entrants"
- LNG supply shortfalls fuelling demand
- In 2008, the "majors" will start participating in mid scale LNG

ADVANTAGES OF MID-SCALE LNG PROJECTS



- **Smaller land access requirement** - increases ability to strategically locate LNG plants closer to existing infrastructure and sheltered deepwater access for LNG ships (lower associated infrastructure costs)
- **Proven uncomplicated & highly efficient single mixed refrigerant process** - lower equipment count, easier installation, operation & maintenance (including faster shut down and start up) and faster construction
- **Concrete storage tanks delivering a lower construction cost and faster construction schedule**
- **Smaller project size and uncomplicated contracting (potential only 1 LNG buyer)** - reduces period to complete detailed (bankable) feasibility study and achieve financial close

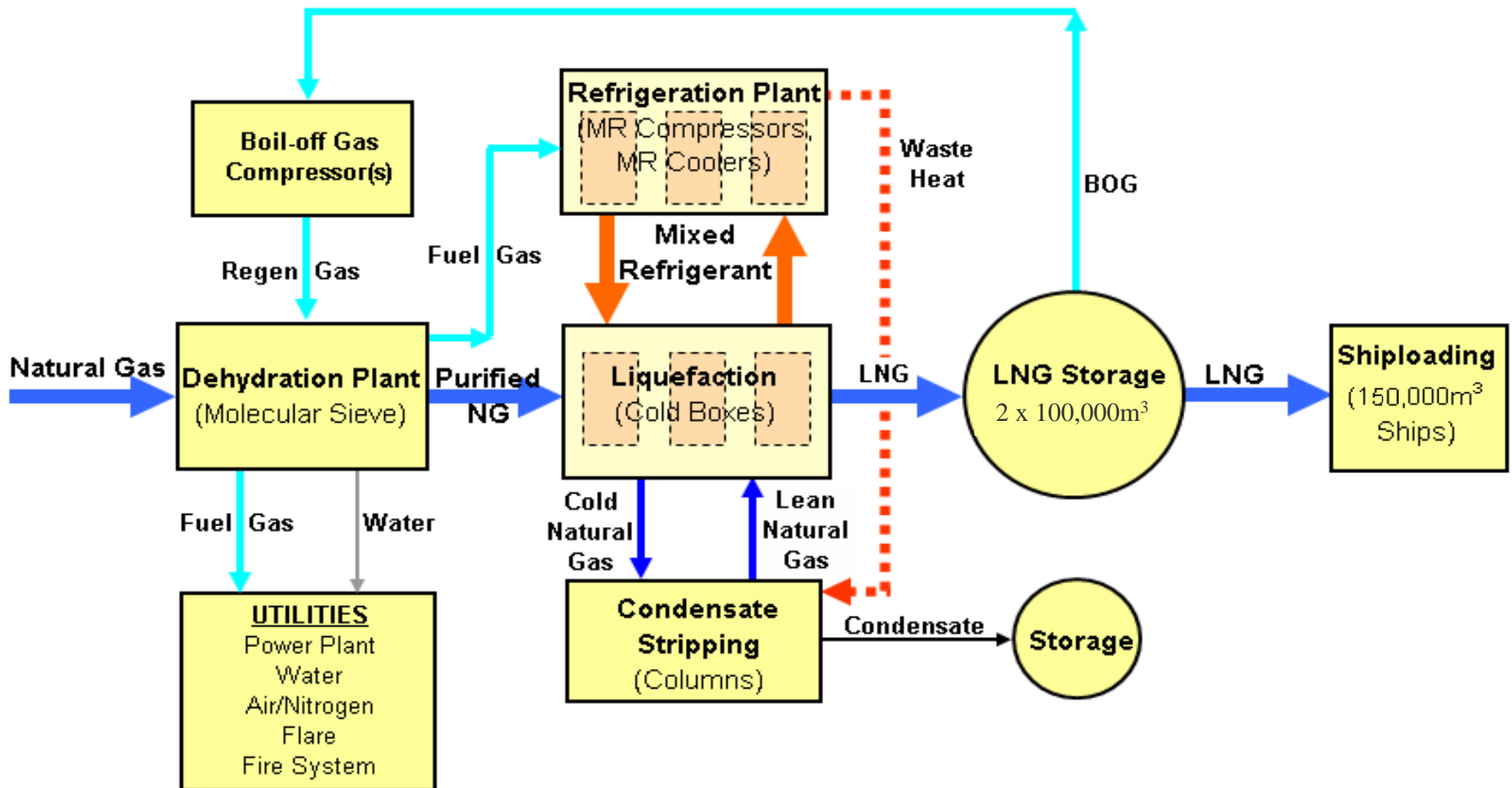
All of the above leads to a faster project delivery schedule, thus delivering lower construction phase overheads and financing costs

REVENUE MODEL

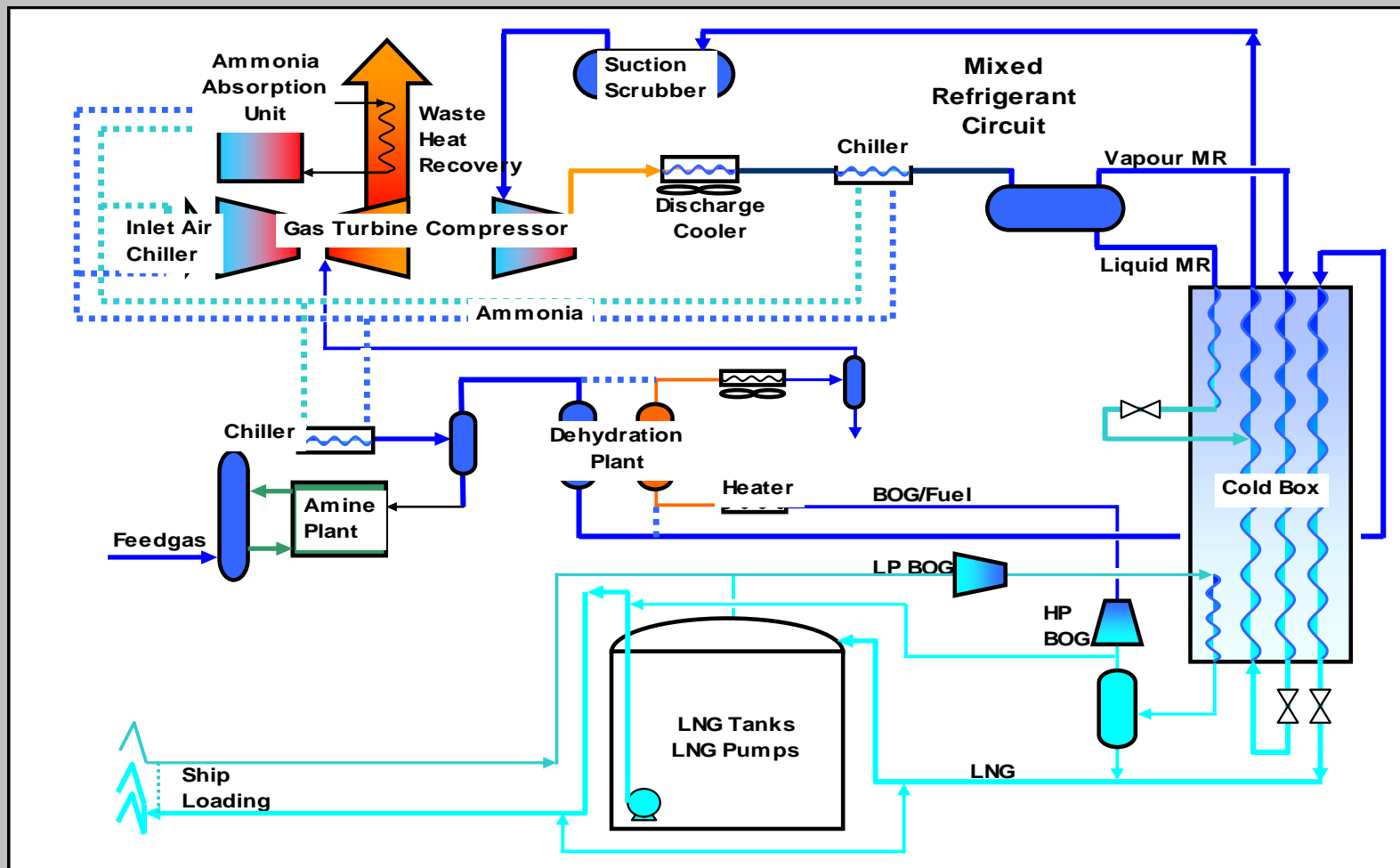


- **Business Objective:** Mid-scale LNG project development
- **Management Fees:** During development, construction and operation
- **Success Fees:** Payable at Financial close and at Commercial Operations Date
- **Technology Fees:** Based on actual production (US\$/MMBtu)
- **Project Dividends:** Retain equity share in each project
- **Leverage:** Gas Link Global Limited targeted listing in 2008

LNG PLANT BLOCK DIAGRAM



AA-MR LNG PROCESS FLOW DIAGRAM



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LNG PROCESSES COMPARISON CHART



Process	Efficiency (Shaft Power)	Efficiency (Fuel)	GT Fuel/LNG	Turbine Power	Train Capacity	Notes
	kW/tpd	MJ/t		MW	tpd	
Propane-MR	13.0	3,782	7.0%	156.0	12,000	1
SMR*	14.4	3,491	6.4%	43.5	3,021	2
AA-MR*	11.4	2,606	4.8%	53.3	4,675	3

*LNG Ltd process

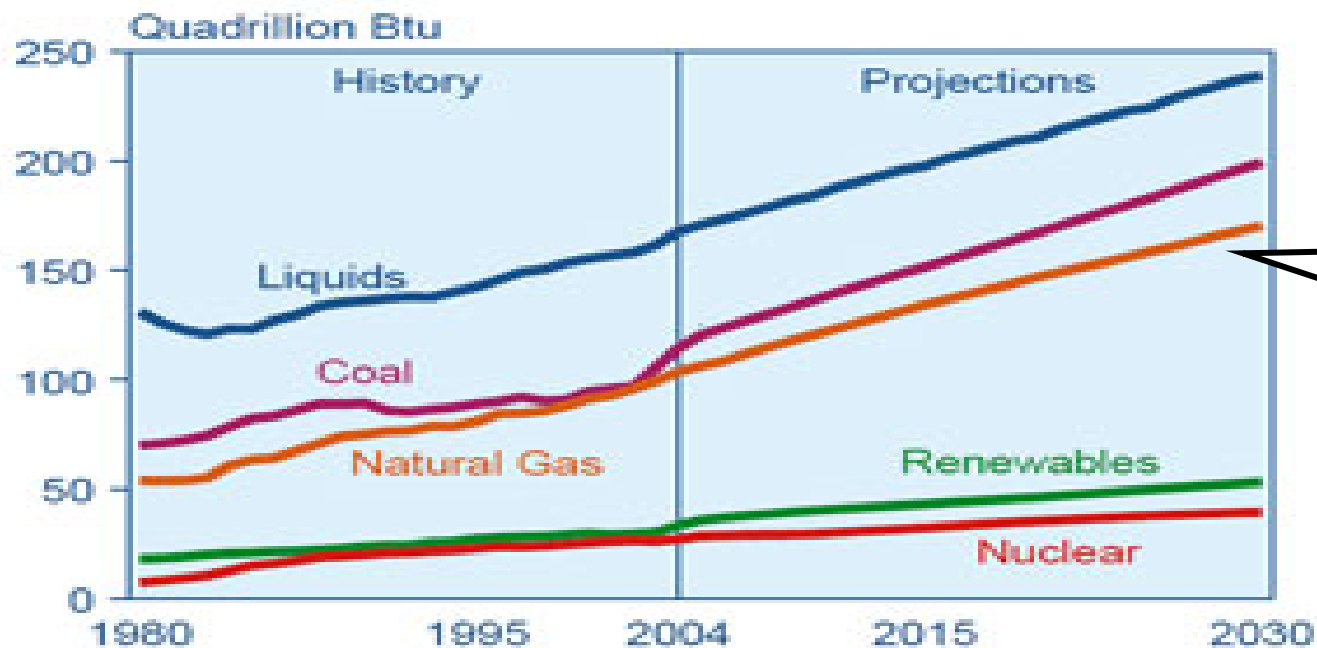
Notes:

1. Based on GE Frame 7 Gas Turbine
2. Based on RR Trent 60 DLE Gas Turbine
3. Based on RR Trent 60 DLE Gas Turbine with Ammonia Absorption cooling to 10°C

WORLD ENERGY DEMAND



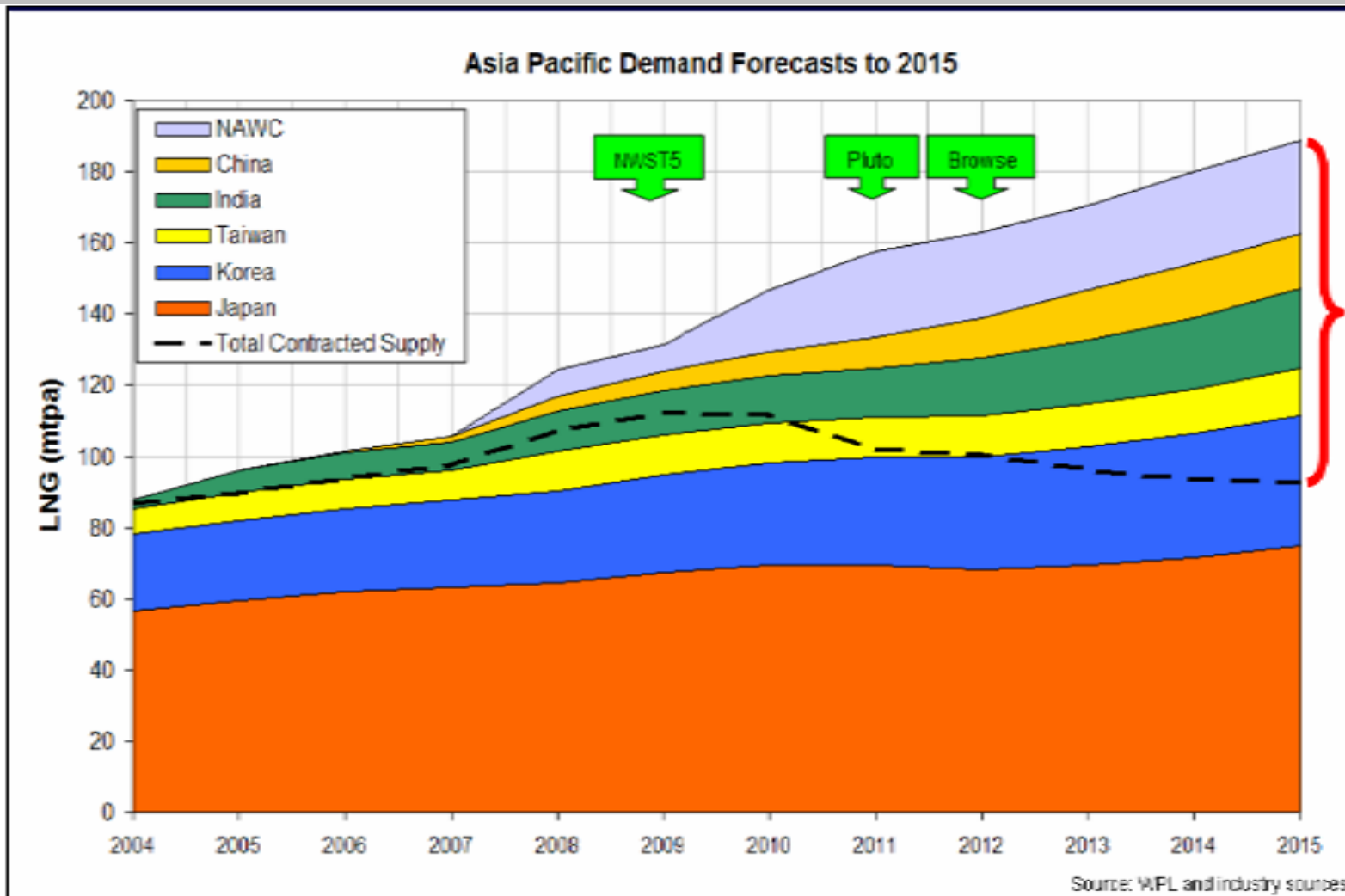
Figure 11. World Marketed Energy Use by Fuel Type, 1980-2030



Sources: **History:** Energy Information Administration (EIA), *International Energy Annual 2004* (May-July 2006), web site www.eia.doe.gov/iea. **Projections:** EIA, *System for the Analysis of Global Energy Markets* (2007).

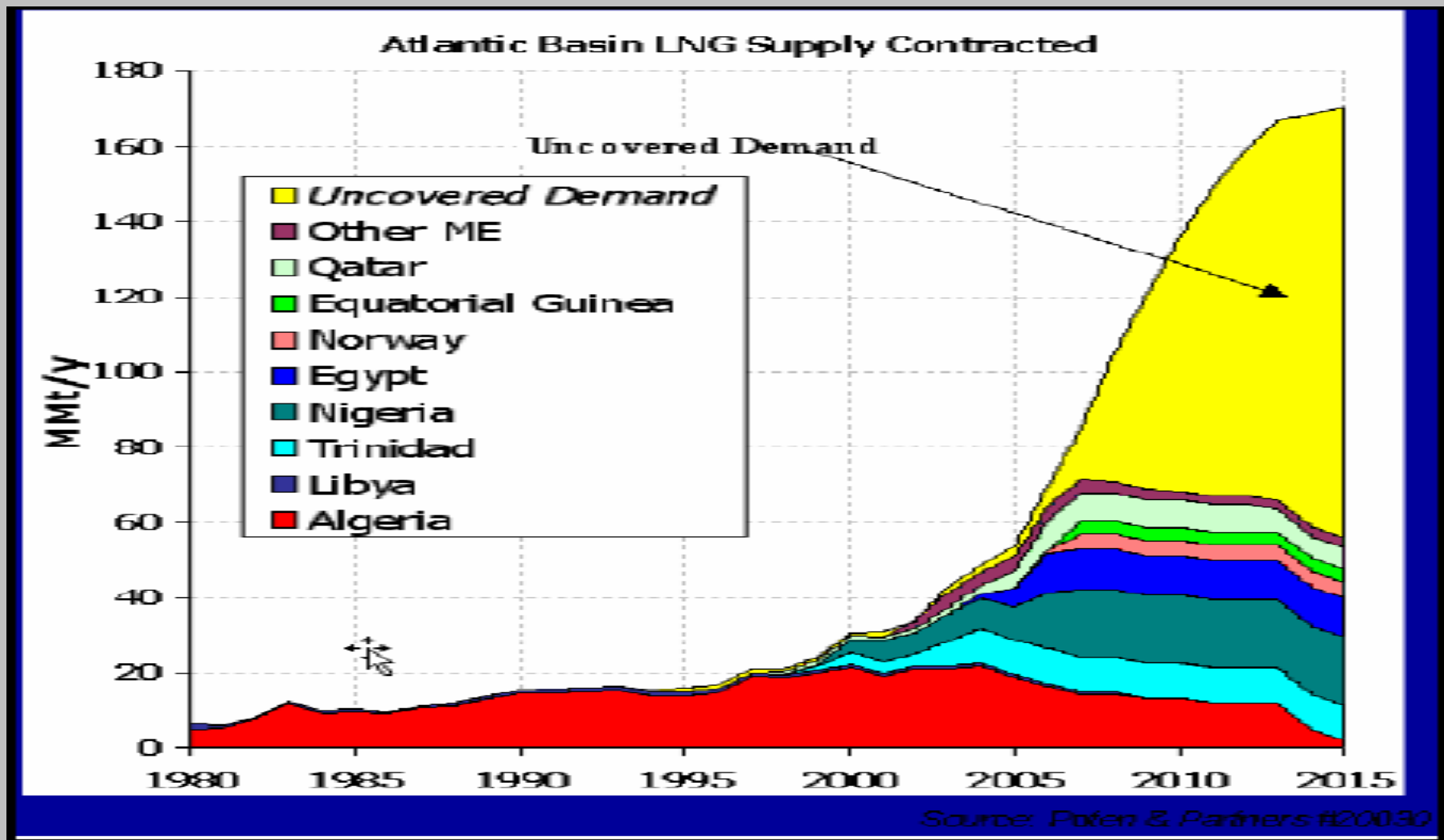
Strong growth in gas demand forecast to continue

ASIA-PACIFIC LNG DEMAND

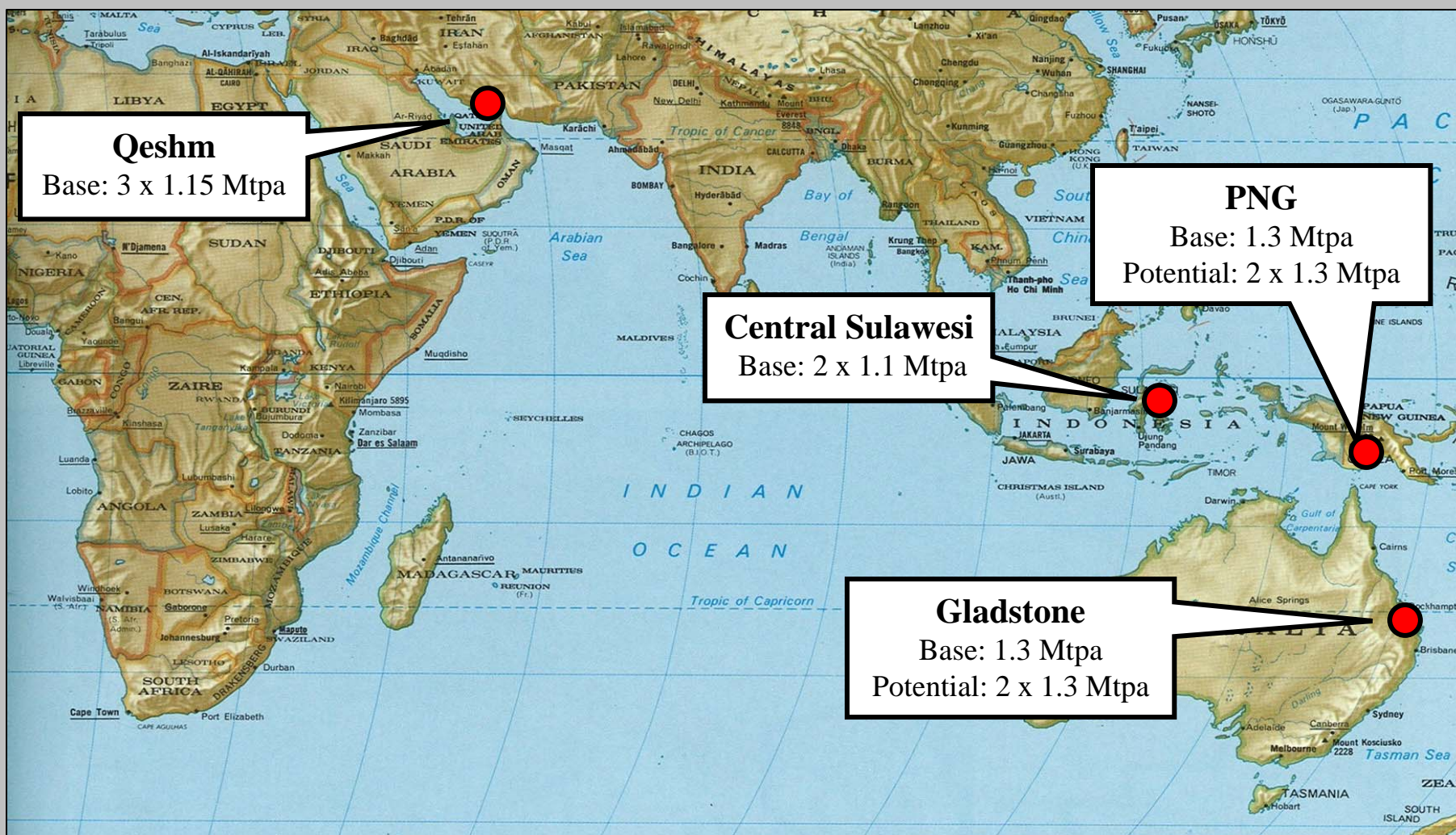


~ 100 Mtpa of uncontracted demand by 2015

ATLANTIC BASIN LNG DEMAND



PROJECT SUMMARY



Gladstone LNG Project



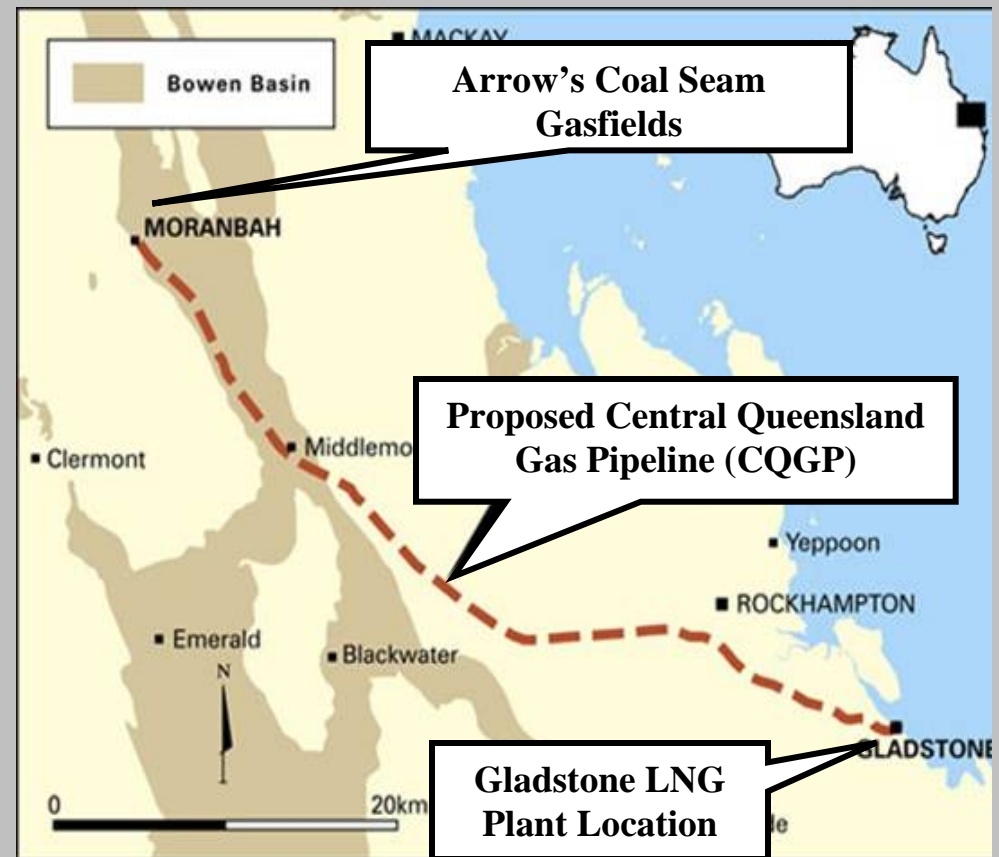
Base: 1 x 1.3 Mtpa
Potential: 2 x 1.3 Mtpa

Status

- Key Gas Terms signed with Arrow
- Arrow/AGL awarded CQGP rights
- EPA process commenced
- Confirmation letter for LNG Site
- No Federal Govt. Involvement
- Select preferred Contractor

Next Steps

- LNG Site Agreement
- Confirm Capital Costs
- Select LNG Off-taker
- Sign Gas Sales Agreement - Arrow
- Sign LNG Off-take Agreement
- Financing structure/plan
- Arrow Gas Reserve Certification
- EIS Published
- Start Soil / Site Improvement
- Financial Close



Proposed Gladstone Project Site - Fisherman's Landing



GLADSTONE CAPITAL COST 1.3Mtpa First Train



	US\$M
Equipment Supply	100
Construction / Project Management	220
Contingent	80
	<hr/>
	400

US\$307/per annual tonne production capacity

High confidence level based on "Central Sulawesi LNG Project": owner's FEED completed, over 2,000 equipment/line items costed & independent contractor review; and "Gladstone LNG Project": owner's FEED well advanced, material equipment re-costed & contractor input (LNG plant & storage tanks)

POTENTIAL LNG MARKETS



Gladstone strategically positioned for established Asian LNG markets, US West Coast and potential new markets such as New Zealand

PNG LNG Project



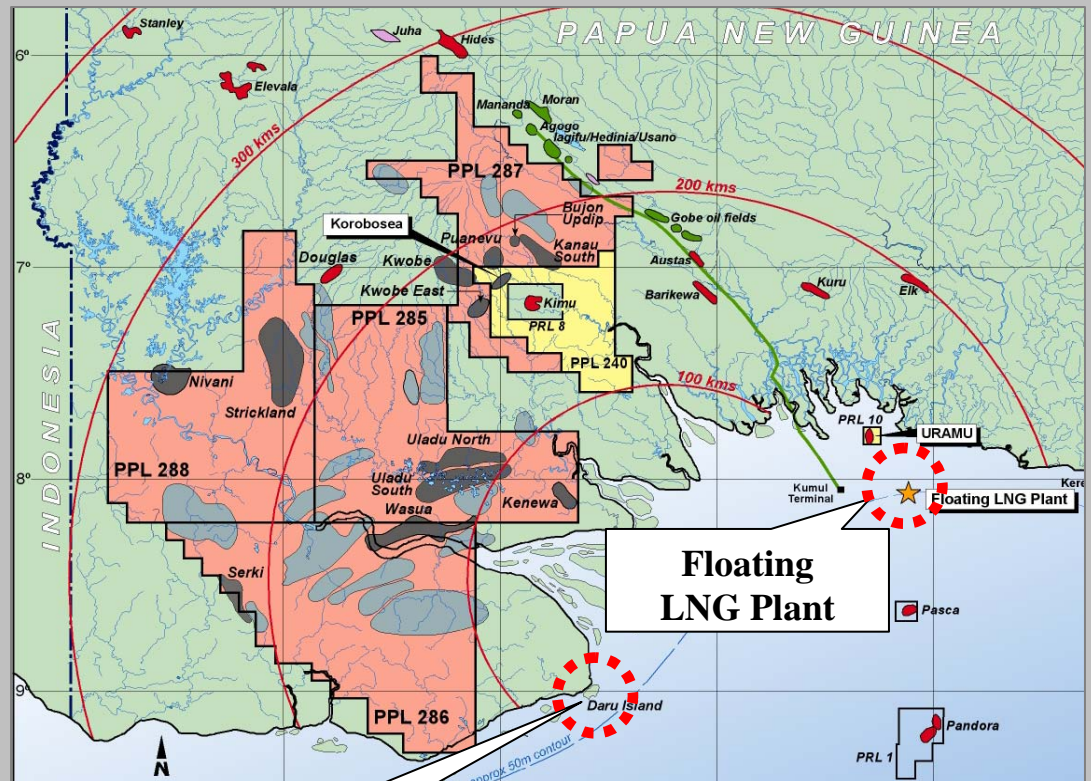
**Base: 1 x 1.3 Mtpa
Potential: 2 x 1.3 Mtpa**

Status

- Daru on-shore site selected
- Six floating LNG options reviewed, three proposals selected for further evaluation

Next Steps for Daru

- Enter into Site Agreement
- Enter into pipeline access agreement
- Enter into conditional gas supply agreements
- Select partner
- Complete Detailed Feasibility Studies by Dec 2008



Daru Island Site

Floating LNG Plant

CENTRAL SULAWESI LNG PROJECT



Base: 2 x 1.1 Mtpa

Status

- Mitsubishi (MC) selected Nov-06
- Still no definitive agreement between MC & Pertamina/Medco
- LNGI continuing to lobby GOI

Next Steps

- Agreement with Pertamina / Medco to develop LNG Plant
- Gas Sales Heads of Agreement with Pertamina and Medco
- BPMIGAS gas price approval



Qeshm Integrated LNG Project



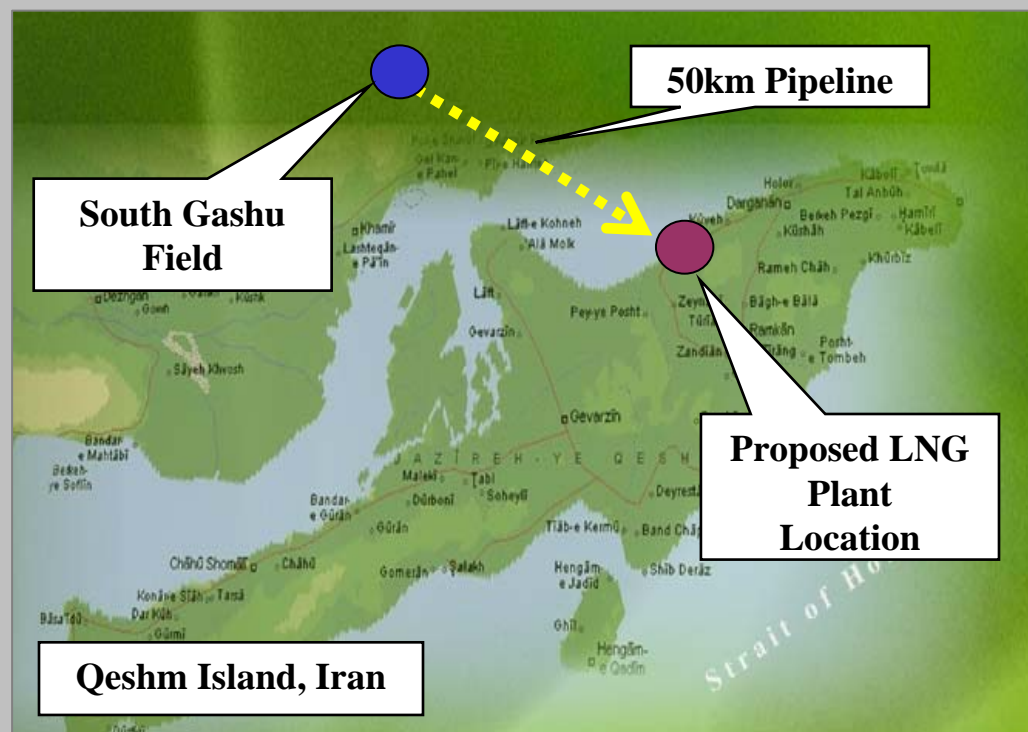
3 x 1.15 Mtpa

Status

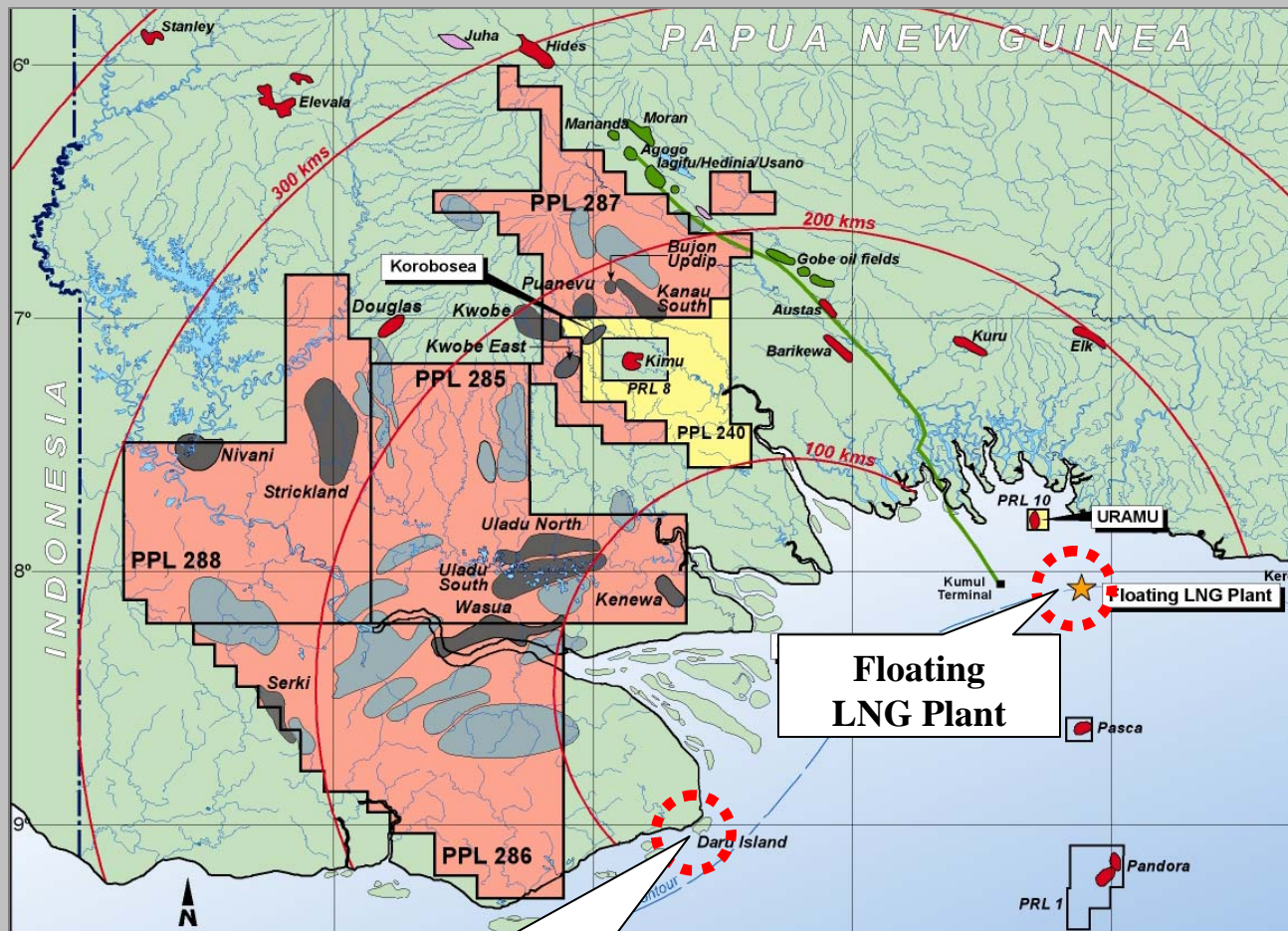
- Integrated Project - 5 TCF South Gashu field, 50km pipeline & Qeshm LNG Plant
- Meetings with NIOC for South Gashu development and delivered gas price to LNG Plant on Qeshm
- Meetings with PetroIran Development Company to jointly develop project

Next Steps

- Gas Pricing Heads of Agreement with NIOC
- Development Agreement with PetroIran
- South Gashu Development Agreement with NIOC
- Re-structuring and funding plan



GAS LINK GLOBAL LIMITED (GLG)



66.7% owned by Liquefied Natural Gas Ltd.

In turn owns:

- 100% of Gedd (PNG) Ltd (yellow acreage)
- 20% of Papua Petroleum Ltd (red acreage)

Gedd (PNG) Limited

- GLG – 100% interest in Papua New Guinea incorporated company Gedd (PNG) Limited
 - 10% interest in Petroleum Retention Licence No. 10 in Papua New Guinea
 - Existing gas discovery “best case” ~300 bcf
 - 10% interest in Petroleum Prospecting Licence No. 240 in Papua New Guinea

Papua Petroleum Limited

- GLG - 20% interest in Australian unlisted public company Papua Petroleum Limited
 - 4 Petroleum Prospecting Licences in Papua New Guinea
 - Licences 100% held and cover ~40,000 sq km in the foreland region of Papua New Guinea
 - Foreland region is relatively under explored despite a relatively high 1 in 3 success rate
 - Primary target is gas but also prospective for oil

GAS LINK GLOBAL LIMITED



- LNG Directors resolved to spin-off Gas Link Global with an “in species” distribution of LNG’s shareholding in Gas Link Global to all LNG shareholders on a pro rata basis
- Shareholders will be advised on record date and the distribution ratio following determination of corporate and tax advice
- Upon distribution, Gas Link Global will have approximately 1,800 shareholders; cash of \$4.5 million and several E&P assets
- New Opportunities under review
- Proposed application to the ASX to list Gas Link Global shares with a target date of mid 2008.



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THANK YOU