



**ASX/MEDIA RELEASE
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MAGNOLIA LNG EXTENDS BINDING AGREEMENT WITH MERIDIAN LNG

Liquefied Natural Gas Ltd (**LNGL** or **Company**) is pleased to advise that its 100% owned project company, Magnolia LNG, LLC (**Magnolia**) and Meridian LNG Holdings Corp (**Meridian LNG**) have agreed to extend the financial close date condition precedent for Magnolia LNG from 30 June 2016 to 31 December 2016.

On 23 July 2015, the company announced the signing of a legally binding agreement with Meridian LNG for firm capacity rights for up to 2 million tonnes per annum (**mtpa**) at Magnolia LNG, located on the Calcasieu shipping channel in the Lake Charles District, State of Louisiana, USA. Under the liquefaction tolling agreement (**LTA**) Magnolia will provide liquefaction services to Meridian LNG over the term of the contract in return for monthly capacity payments. Meridian LNG is responsible for procurement and delivery of feed gas to the liquefaction plant and for arranging all LNG shipping required to transport the LNG from the liquefaction plant to its customers.

Key terms of the LTA include:

- Initial term of 20 years, with option to extend by a further 5 years;
- Firm annual capacity of 1.7 mtpa with a further 0.3 mtpa to be offered at Magnolia's discretion.

Meridian LNG plans to deliver the LNG to Port Meridian (www.portmeridian.com), its Höegh LNG (www.hoeghlng.com) operated floating re-gasification terminal in the UK with the gas delivered to E.ON Global Commodities (**EGC**) (www.eon.com) under the 20-year gas sales agreement (**GSA**) executed and announced by Meridian LNG on 23 April 2015. The EGC contract with Meridian LNG is for 750 million standard cubic feet a day (~5.3 mtpa) for 20 years.

LNGL Managing Director/CEO and President of Magnolia LNG, Maurice Brand, said that "financial close date for the Magnolia LNG project is dependent on the execution of further binding offtake agreements the timing of which is uncertain due to current market conditions. The extension of time with Meridian LNG provides additional time for Magnolia LNG to finalise additional offtake agreements and allows for a typical timeline to conclude both project equity and debt following the execution of offtake agreements."

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Disclaimer

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