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9 August 2013

Dear Shareholder

LIQUEFIED NATURAL GAS LIMITED - SHARE PURCHASE PLAN

On 31 July 2013, Liquefied Natural Gas Limited (**LNG** or the **Company**) announced that it had successfully completed a placement of 40,000,000 million shares at A\$0.20 per share to professional and sophisticated investors to raise gross proceeds of A\$8,000,000 (**Placement**). At the same time, LNG announced that it intended to offer eligible shareholders in Australia and New Zealand the opportunity to participate in a Share Purchase Plan (**Plan**).

The Directors are pleased to offer existing shareholders the opportunity to invest in the Company at A\$0.2065 per share through the Plan, free of brokerage or commissions. The share price is based on the average closing price for the Company's shares over five trading days to 26 July 2013, less a 20% discount. The 20% discount is the maximum permissible under ASX Listing Rule 7.2 (Exception 15).

Under the Plan, eligible shareholders are being invited to subscribe for either:

Price	\$2,065	\$4,130	\$6,195	\$10,325	\$14,455
Shares	10,000	20,000	30,000	50,000	70,000

Funds raised from the Plan will primarily be applied to:

- Fund the Company's 100% owned Magnolia LNG Project, at Lake Charles, Louisiana, USA; and
- Fund the Company's general working capital requirements.

I would encourage shareholders to view a copy of our new Company Update Presentation that was released to the ASX on 24 July 2013 and can be viewed under "Latest News" on the Company's website www.lnglimited.com.au, together with other recent announcements.

LNG reserves the right to scale back applications on a pro rata basis.

Full details of the offer are set out in the enclosed Share Purchase Plan Offer (**Offer**). The Directors urge you to read the Terms and Conditions within the Offer carefully before you decide whether to participate.

Plan Key Dates*

Date	Event	
30 July 2013	Record Date	Date for determining eligibility to participate in the Plan offer.
9 August 2013	Opening Date	Plan opens.
30 August 2013	Closing Date	Plan closes. Applications must be received by 5.00pm AWST.
6 September 2013	Allotment Date	Date Plan shares are allotted.
6 September 2013	Dispatch date	Transaction confirmation dispatched to shareholders.
6 September 2013	Trading Date	Date Plan shares can commence trading

* LNG has the discretion, subject to the Listing Rules, to alter Key Dates. All times are Australian Western Standard Time (**WST**).

Participation in the Plan is entirely at your discretion. By accepting the Offer to purchase shares under the Plan, you agree to be bound by the enclosed Terms and Conditions and the constitution of LNG.

Should you wish to participate in the Plan, I encourage you to either:

- return and complete the enclosed Application Slip attached to the Plan Application Form together with your cheque, bank draft or money order, for the relevant amount as indicated on the Application Form; or
- pay the relevant amount by BPAY[®], in which case you do not need to complete or return the Acceptance Slip portion of the Plan Application Form

by the closing time of **5.00pm WST on 30 August 2013**. Please refer to the instructions on the enclosed Plan Application Form.

If you have any questions about what to do, you should consult your legal, financial or other professional adviser.

Yours sincerely



Richard Beresford
Chairman



LIQUEFIED NATURAL GAS LIMITED SHARE PURCHASE PLAN OFFER

Liquefied Natural Gas Limited ("**Company**") wishes to implement a Share Purchase Plan ("**Plan**"). The Plan offers eligible shareholders the ability to subscribe for one of the following parcels of fully paid ordinary shares in the Company ("**Shares**") at the following prices through the Plan:

Price	\$2,065	\$4,130	\$6,195	\$10,325	\$14,455
Shares	10,000	20,000	30,000	50,000	70,000

To be eligible, you are required to be registered as a holder of fully paid ordinary shares, with a registered address in Australia or New Zealand as at 5.00pm (WST) on 30 July 2013.

The Company presently intends to raise up to a maximum of \$2,065,000 through the Plan by issuing up to 10 million shares at \$0.2065 per Share. In the event of an oversubscription, clause 12 of the Terms and Conditions attached will apply.

The Plan will be administrated by the Company in conjunction with the Company's share registry Link Market Services.

The Board has structured the Plan to encourage and enable the Company's loyal shareholders to apply for, and increase their holding in the Company at a discount and at a price close to that of the Shares issued to sophisticated and institutional investors under the placement announced on 31 July 2013 ("**Placement**").

The funds raised by the Plan, together with the funds raised by the Placement, will primarily be used to fund the Company's:

- 100% owned Magnolia LNG Project, at Lake Charles, Louisiana, USA; and
- general working capital requirements.

The offer of Shares under the Plan ("**Offer**") **opens on 9 August 2013 and closes at 5pm (WST) on 30 August 2013**. No late applications will be accepted and the directors of the Company ("**Directors**") reserve the right to close the Offer early or extend the closing date. The Directors encourage shareholders that wish to participate, to participate early.

The purchase price for each Share under the Plan is \$0.2065 per Share free of brokerage or commissions. Shareholders should note that the purchase price for each Share under the Plan is based on the average closing price for the Company's Shares over the last five trading days to Friday 26 July 2013, less a 20% discount. The 20% discount is the maximum discount allowed

for Shares issued under a Share Purchase Plan in order to rely on ASX Listing Rule 7.2 (Exception 15).

The market price of Shares may rise or fall between the date of the Offer and the date that Shares are issued to you under the Offer. This means that the price at which Shares are issued to you under the Offer may be greater or less than the prevailing market price of Shares at the date of the Offer. Further, the purchase price may exceed the price at which you would be able to buy Shares on the market at the same time that Shares are issued to you under the Offer. We recommend that you seek financial advice from a suitably qualified adviser before you decide to participate in the Offer.

If you are eligible to subscribe for Shares under the Plan and you wish to participate, you must subscribe for one of the following parcels:

Price	\$2,065	\$4,130	\$6,195	\$10,325	\$14,455
Shares	10,000	20,000	30,000	50,000	70,000

No fraction of Shares will be issued. The Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer, or no Shares, and any determination by the Directors in respect of any scaling back will be final.

The number of Shares to be issued under the Plan will be a maximum 10 million Shares. In the event that applications are received in excess of the 10 million Shares under the Offer, the Directors reserve the right to scale back the amount available to be subscribed for under each subscription parcel (being either \$2,065, \$4,130, \$6,195, \$10,325 or \$14,455), starting with the highest first. That is, applications for \$14,455 will be reduced first in order to bring the total subscriptions within the maximum until such reduction reaches the next highest subscription option, being \$10,325, whereby these two upper subscription options will then be scaled downwards in equal proportions, and so forth. If a scale back occurs, the Company will refund any excess application money to eligible shareholders (without interest).

Please carefully read the Terms and Conditions relating to the Offer, as you will be bound by them.

If you have any questions in respect of the Plan, the Offer, or the Terms and Conditions please contact the Company's Company Secretary on (08) 9366 3700.

Key Dates

Date	Details
30 July 2013	Record Date 5pm (WST) The date of which the Company determines eligible shareholders.
9 August 2013	Opening Date The date on which the Plan opens.
30 August 2013	Closing Date The date on which the Plan closes. Applications and payments must be received by 5pm (WST).
6 September 2013	Allotment Date The date Shares under the Plan are allotted and any scale back is announced.
6 September 2013	Despatch Date The date on which holding statements are sent to shareholders.
6 September 2013	Share Trading Date The date on which it is expected that Shares under the Plan will commence trading on the ASX.

The Company has the discretion, subject to the Listing Rules, to alter Key Dates. All times are Australian Western Standard Time (WST).

TERMS AND CONDITIONS

The following are the terms and conditions of the Offer under the Plan ("**Terms and Conditions**"). By accepting the Offer to subscribe for Shares under the Plan, you will have agreed to be bound by these Terms and Conditions and the Company's constitution.

1. Class order 09/425 issued by the Australian Securities and Investments Commission

The Offer has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) ("**ASIC Class Order 09/425**") to enable the Company to issue Shares without a prospectus.

2. Opening and closing date of the Offer

The Offer opens on 9 August 2013.

The Offer closes at 5.00pm (WST) on 30 August 2013.

No late applications will be accepted and the Directors reserve the right to close the Offer early or extend the closing date.

3. Who is eligible to participate in the Offer?

You are eligible to apply for Shares in the Offer if:

- your registered address, as recorded in the Company's register of members, is in Australia or New Zealand; and
- you are registered as a holder of Shares as at 5.00pm (WST) on 30 July 2013.

The Offer to each eligible shareholder is made on the same Terms and Conditions.

The Offer is non-renounceable (i.e. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

4. Is the Offer voluntary?

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you do not want to.

5. How was the issue price determined?

The issue price for each Share under the Offer is \$0.2065. This price is a 20% discount to the average closing price of Shares sold on the ASX during the previous five trading days ending 26 July 2013. This is the maximum discount allowed for Shares under a Share Purchase Plan in order to rely on exception 15 of ASX Listing Rule 7.2.

6. Important Information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of

Shares may rise or fall between the date of the Offer and the date when the Shares are issued to you under the Plan. This means that the price you pay per Share under the Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to the Offer. ***In determining whether you wish to participate in the Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.***

7. How much can you invest in the Offer?

Subject to clause 9, if you are an eligible shareholder under the Plan, you can subscribe for a maximum of 70,000 Shares which will cost \$14,455. There is a minimum limit of 10,000 Shares that you can subscribe for under the Plan, which will cost \$2,065.

Please note that the maximum limit of 70,000 Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at the Record Date, you can only apply for Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

No fractions of Shares will be issued.

8. Shortfall

The Offer is not underwritten. To the extent that there is a shortfall in the subscription of Shares under the Plan by shareholders of the Company ("**Shortfall Shares**"), the Company reserves the right to place any Shortfall Shares in their absolute discretion at a price no less than the price of Shares offered under the Plan, to the extent that any such placement of Shortfall Shares can be made having regard to ASX Listing Rule 7.1.

9. Custodian Certification

If on **30 July 2013** (being the Record Date) you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 ("**Custodian**") and hold Shares on behalf of one or more persons (each a "**Participating Beneficiary**"), you may apply for up to a maximum of \$14,455 worth of Shares for each Participating Beneficiary, subject to providing a "Custodian Certificate" to the Company on application for Shares pursuant to the Offer certifying the following:

- (a) either or both of the following:
 - (i) that the Custodian holds Shares on behalf of one or more of the other Participating Beneficiaries that are not Custodians; and
 - (ii) that another Custodian ("**Downstream Custodian**") holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where clause 9(a)(i) applies – the Custodian; and
- (iv) where clause 9(a)(ii) applies – the Downstream Custodian,
to apply for Shares on their behalf under the Plan;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where clause 9(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
 - (ii) where clause 9(a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where clause 9(a)(i) applies, the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where clause 9(a)(ii) applies, the number or the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$14,455:
 - (i) the Shares applied for by the Custodian on their behalf under the Plan in accordance with the instructions in clause 9(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Plan as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Plan;
- (g) that a copy of the written Offer document was given to each Participating Beneficiary; and
- (h) where clause 9(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this clause 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purpose of ASIC Class Order 09/425, you are a Custodian if you are a registered holder of Shares that:

- (a) holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service (as these terms are defined in section 766E of the Corporations Act); or
 - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order 02/294; or
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth); or
 - (ii) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184; or
 - (iii) paragraph 911A(2)(h) of the Corporations Act; or
- (c) is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust; or
- (d) is the responsible entity of an IDPS-like scheme; or
- (e) is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in clause 7 above apply.

10. Shareholder Certification

Subject to clause 9, an eligible shareholder must, on application for Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed \$14,455:

- (a) the Shares the subject of the application under the Plan;
- (b) any other Shares issued to the eligible shareholder under the Plan or any similar arrangement in the 12 months before the application under the Plan;
- (c) any other Shares which the eligible shareholder has instructed a Custodian to acquire on their behalf under the Plan; and

- (d) any other Shares issued to a Custodian in the 12 months before the application under the Plan as a result of an instruction given by the eligible shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the Plan.

11. Costs of Participation

The only cost to you associated with the Offer is the issue price of the number of Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

12. Allotment of Shares and Variation on Number of Shares Issued

The Shares will be allotted within 10 business days after the closing date.

The Company's share registry, Link Market Services, will send to you a holding statement in due course.

The Company presently intends to raise up to \$2,065,000 through the Plan and reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer or no Shares, in the Company's discretion or if the Company believes the allotment of those Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

13. What Rights Will the Shares Carry?

Once the Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

14. Can the Company Change the Plan?

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

15. Directors' Participation

The Directors of the Company, as eligible shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders in the Company.

16. How Do You Pay for the Shares?

All amounts in the Terms and Conditions are expressed in Australian dollars. You must pay for the Shares either by:

- (a) BPAY[®] payment via internet or phone banking. You must also quote your reference number which is on the Share Purchase Plan Application Form. If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the closing date and time; or
- (b) cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Liquefied Natural Gas Limited Share Purchase Plan Account**" and ensure cheques are crossed "**Not Negotiable**".

17. Please ensure payment is for the exact amount.

If you make a BPAY[®] payment or have returned your Share Purchase Plan Application Form and cheque, bank draft or money order, and do not provide the exact amount, ie, an amount not equal to one of the set parcels, you will receive the set parcel of Shares that your application money covers and the overpayment will be refunded (without interest) at the end of the Offer.

You may only apply for one of the following parcels:

Price	\$2,065	\$4,130	\$6,195	\$10,325	\$14,455
Shares	10,000	20,000	30,000	50,000	70,000

The minimum number of Shares you may subscribe for is 10,000 Shares and the maximum number of Shares you may subscribe for is 70,000 Shares.

18. Will the Shares be quoted on the ASX?

The Company will apply for the Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

19. How is a Dispute Resolved?

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

HOW DO YOU APPLY FOR SHARES UNDER THE OFFER

1. If you want to participate in the Offer please carefully read the Terms and Conditions relating to the Offer.
2. If you make a BPAY[®] payment, please ensure you make a payment for the exact amount of the Share parcel you want to subscribe for. You will be deemed to have applied for the set parcel of Shares that your application money covers and the overpayment (if applicable) will be refunded (without interest) at the end of the Offer. You must quote your reference number which is on the Share Purchase Plan Application Form.

If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the closing date and time, being no later than 5pm (WST) on 30 August 2013. **No late applications will be accepted, although the Directors reserve the right to close the Offer early or extend the closing date.**

You do not need to return the Share Purchase Plan Application Form if you have made payment via BPAY[®].

3. If you send in your cheque, bank draft or money order, you must complete all the required details in the enclosed Share Purchase Plan Application Form, noting that all amounts are expressed in Australian dollars:
 - (i) Cross the box for the number of Shares you want to subscribe for noting the amount payable for that number of Shares.
 - (ii) Insert your name and telephone contact number and/or email address so that we may contact you if necessary.
 - (iii) You do not need to sign the Share Purchase Plan Application Form.
 - (iv) Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel you want to subscribe for, payable to "**Liquefied Natural Gas Limited Share Purchase Plan Account**" and ensure cheques are crossed "**Not Negotiable**".
 - (v) Return the completed Share Purchase Plan Application Form, together with the cheque, bank draft or money order to:

By delivery: Liquefied Natural Gas Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138	By Post: Liquefied Natural Gas Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001
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 - (vi) Ensure that your completed Share Purchase Plan Application Form and payment reach one of the abovenamed addresses by the closing date of the Offer being no

later than 5pm (WST) on 30 August 2013. **No late applications will be accepted, although the Directors reserve the right to close the Offer early or extend the closing date.**

In determining whether you wish to participate in the Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

By accepting the Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.