



NOT IF, BUT WHEN

Greg Vesey

Managing Director and Chief Executive Officer

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Forward Looking Statement | All Jurisdictions

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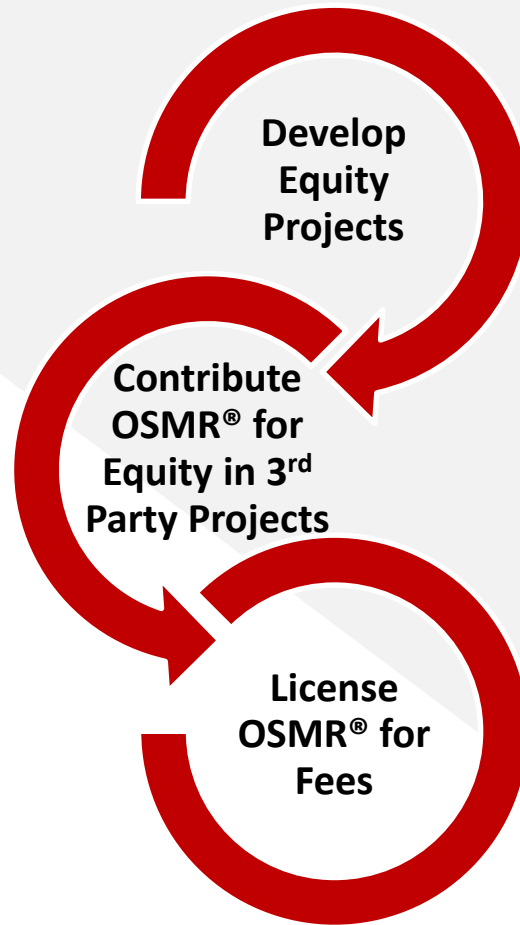
PROFILE

- **Our company**
- **Investment thesis**
- **Environmental identity**

OUR COMPANY



- Australia domiciled, Principal office in Houston, TX USA
- Developer of mid-scale LNG export terminals
- Over 20 mtpa of Atlantic Basin capacity under development
- Patented optimized single mixed refrigerant (OSMR[®]) liquefaction technology
- Environmentally conscious and attentive



- Regulatory approvals secured
- Cost certainty, equity committed
- Strategic site selection and project size
- Favorable environmental factors



- All key regulatory approvals secured
- Competitive shipping to LNG markets
- LNG export option for W Canadian gas
- Strategic site selection with expansion



- Lowest full-cycle cost technology
- Energy efficient, highly reliable
- Only 6 – 8% feed gas consumption
- Ammonia use is Greenpeace endorsed

Vision: World's premier provider of mid-scale LNG liquefaction solutions

INVESTMENT HIGHLIGHTS

- Low valuation relative to peers
- Magnolia LNG capacity extended to 8.8 mtpa
- Global LNG demand growth
 - Supply / Demand equilibrium by 2022
 - Global demand doubling by 2030
- Certainty
 - Magnolia LNG is construction ready
 - Bear Head LNG positioned to open markets to stranded resources
 - 3rd Party interest in OSMR[®] as technology solution accelerating

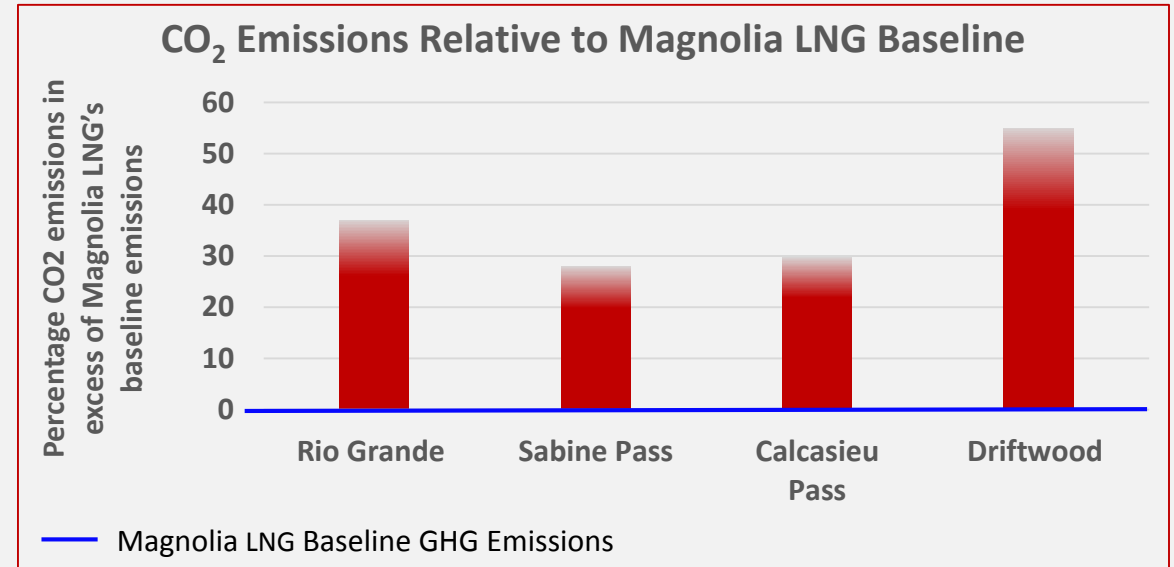
Corporate Snapshot	
ASX / US OTC ADR	LNG / LNGLY
Cash @ 30 Sept 2018	A\$46.4mm
Debt @ 30 Sept 2018	None
Market Cap @ 31 Oct 2018	A\$285mm
Shares on issue	571mm
Incentive Rights on issue	16.7mm
Total shareholders of record	8,658
Top 20 shareholders	59.8%
– Baupost Group	10.9%
– IDG Energy	9.9%
– Valinor Management	7.3%
North America shareholders	52.9%
Australia / Asia shareholders	21.0%

LNG is poised to deliver strong shareholder returns

ENVIRONMENTAL IDENTITY

- Plant efficiency generates 20% less emissions annually compared to existing projects
- Ammonia has been endorsed by Greenpeace as a zero-emission refrigerant
- Electricity provider Entergy is one of the lowest emitting US power producers
- Dredge spoils will recreate wetlands
- Magnolia LNG's smaller footprint consumes significantly less land area
- LNG reduces emissions at customer locations by displacing coal or crude for power generation
- IChemE award winner for plant efficiency

Source: U.S. EPA Greenhouse Gases Equivalencies Calculator - Calculations and References. The CO₂ emissions outlined above only represent the CO₂ resulting from fuel and not the CO₂ within the feed gas which is vented from the acid gas removal unit. Land data derived from FERC filings.



	Magnolia LNG	Rio Grande	Sabine Pass	Calcasieu Pass	Driftwood
Site acres	115	1,103	1,000+	506	790
Wetlands affected by project (acres)					
Affected	7	463	Unknown	462	455
Destroyed	7	298	Unknown	140	323
Reclaimed	~ 100	Unknown	Unknown	Unknown	1,425

Environmental friendliness and sustainability is core to LNGL and a strategic advantage for Magnolia LNG



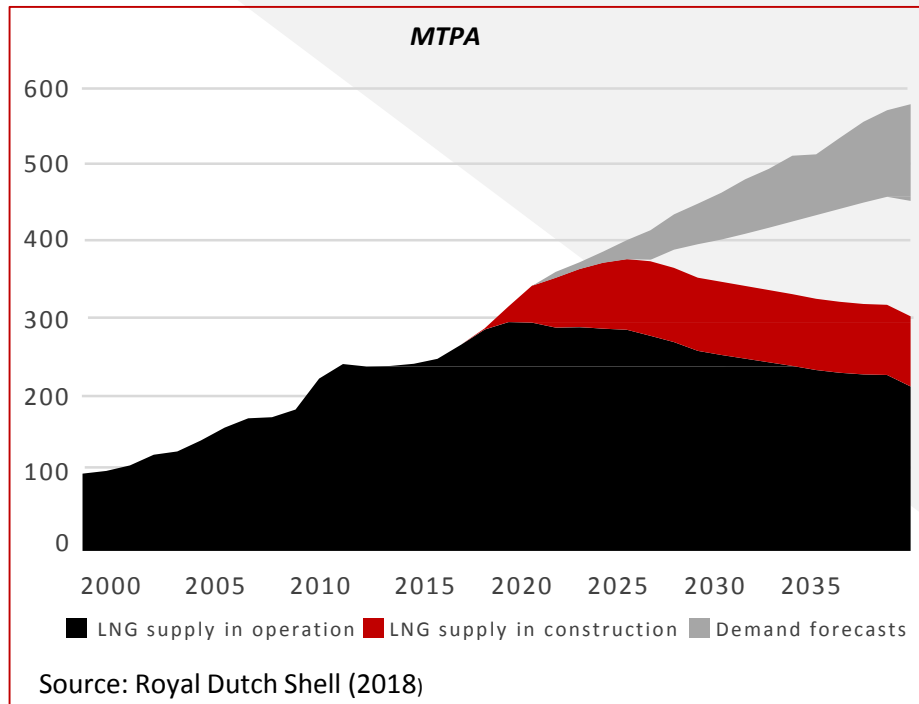
MARKETS

Strong Market Fundamentals

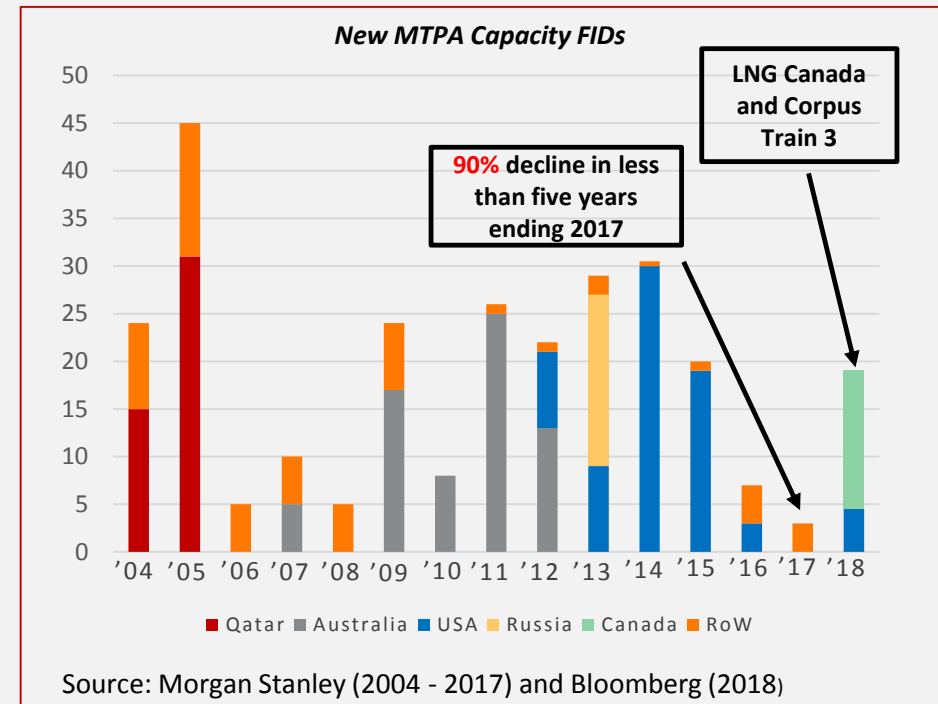
- Expansive global demand growth
- Low priced Henry Hub sustains price spreads
- Required new LNG supply lagging in progress

FUNDAMENTALS

Global LNG Supply and Demand Balance



New Liquefaction Capacity FIDs since 2004

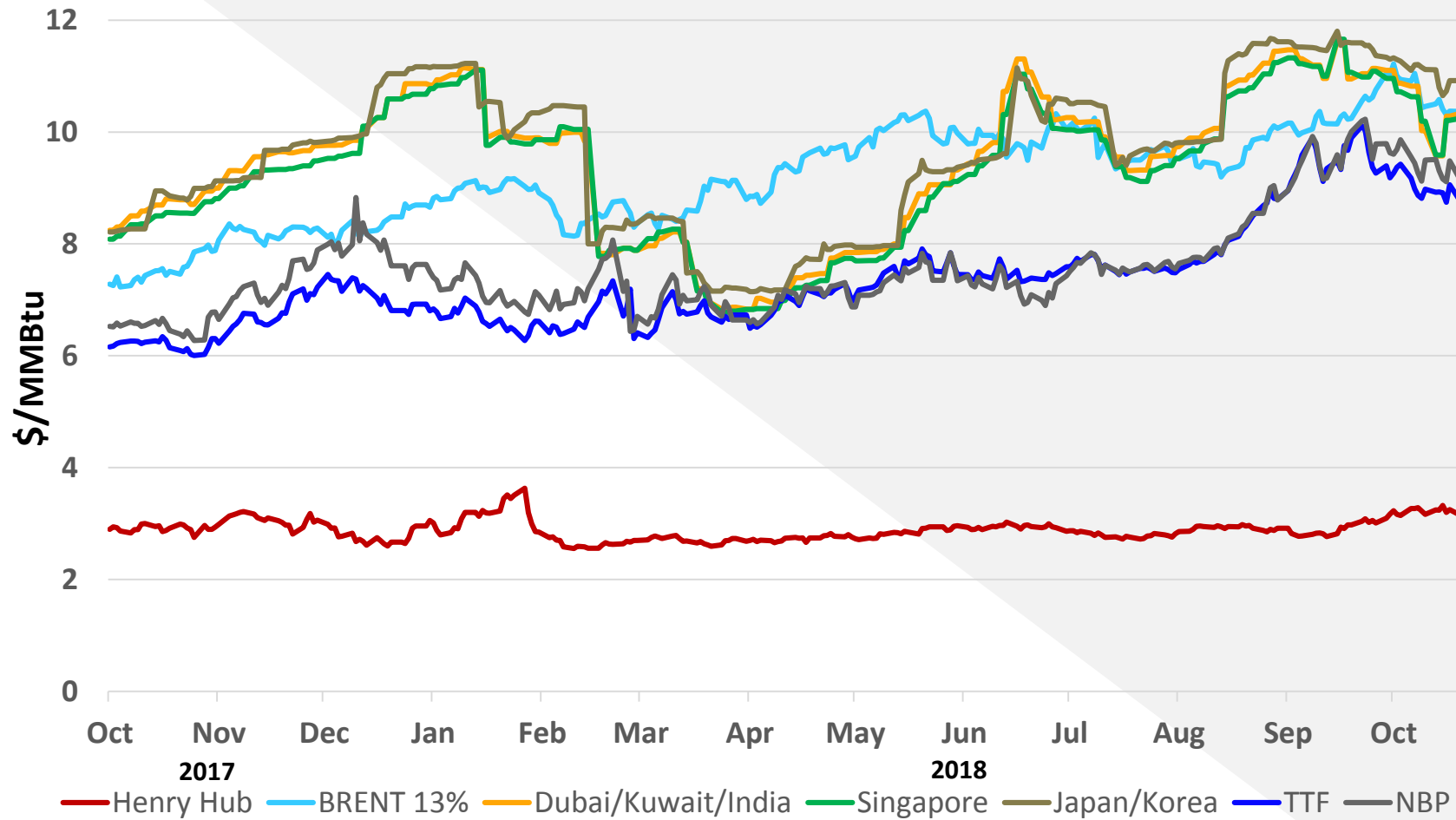


- Overall stronger commodity outlook driven by Global GDP, transport electrification & gasification, bunkering, air quality, affordably priced energy source

- LNG market rebalancing driven by increasing Asian & European demand
- Long-lead time to first LNG threatens ability to meet near-term growing demand

New supply FIDs are insufficient to meet early 2020s demand

NATURAL GAS PRICING



Sustained Favorable U.S./Global Market Price Spreads

Abundant Supply Ensures Low U.S. Gas Price Volatility

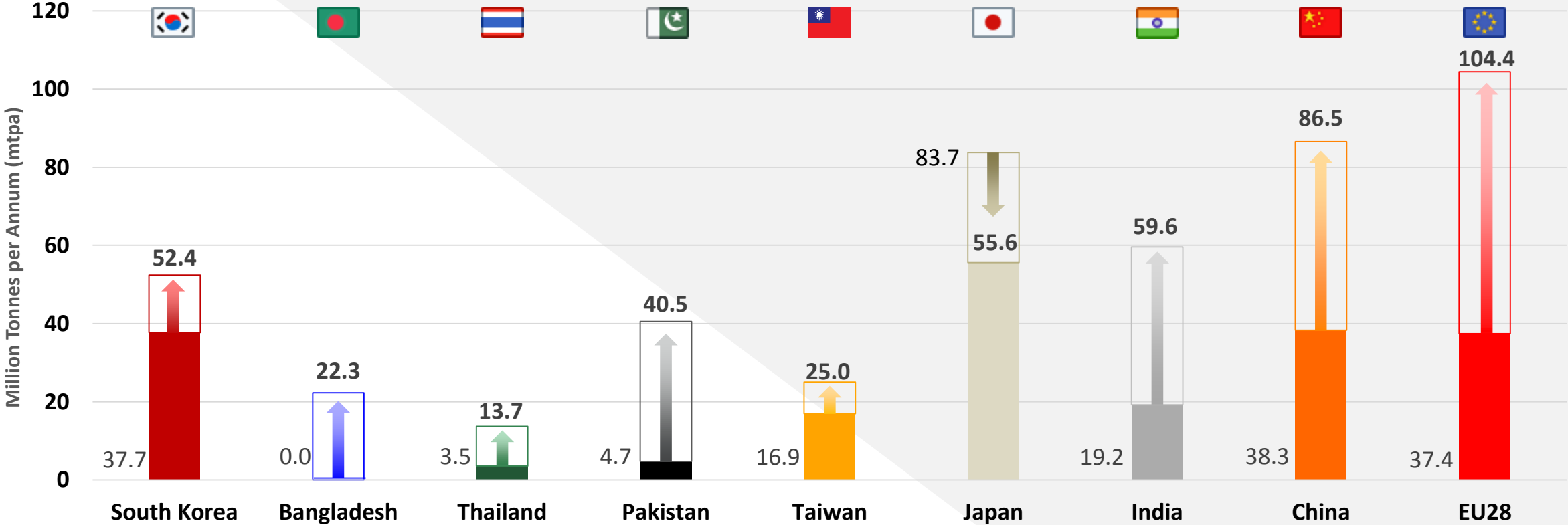
N.A. Positioned as LNG Supplier of Choice to Meet Global Demand

Source: Bloomberg New Energy Finance

Henry Hub is emerging as a global LNG benchmark

MAJOR DEMAND GROWTH AREAS

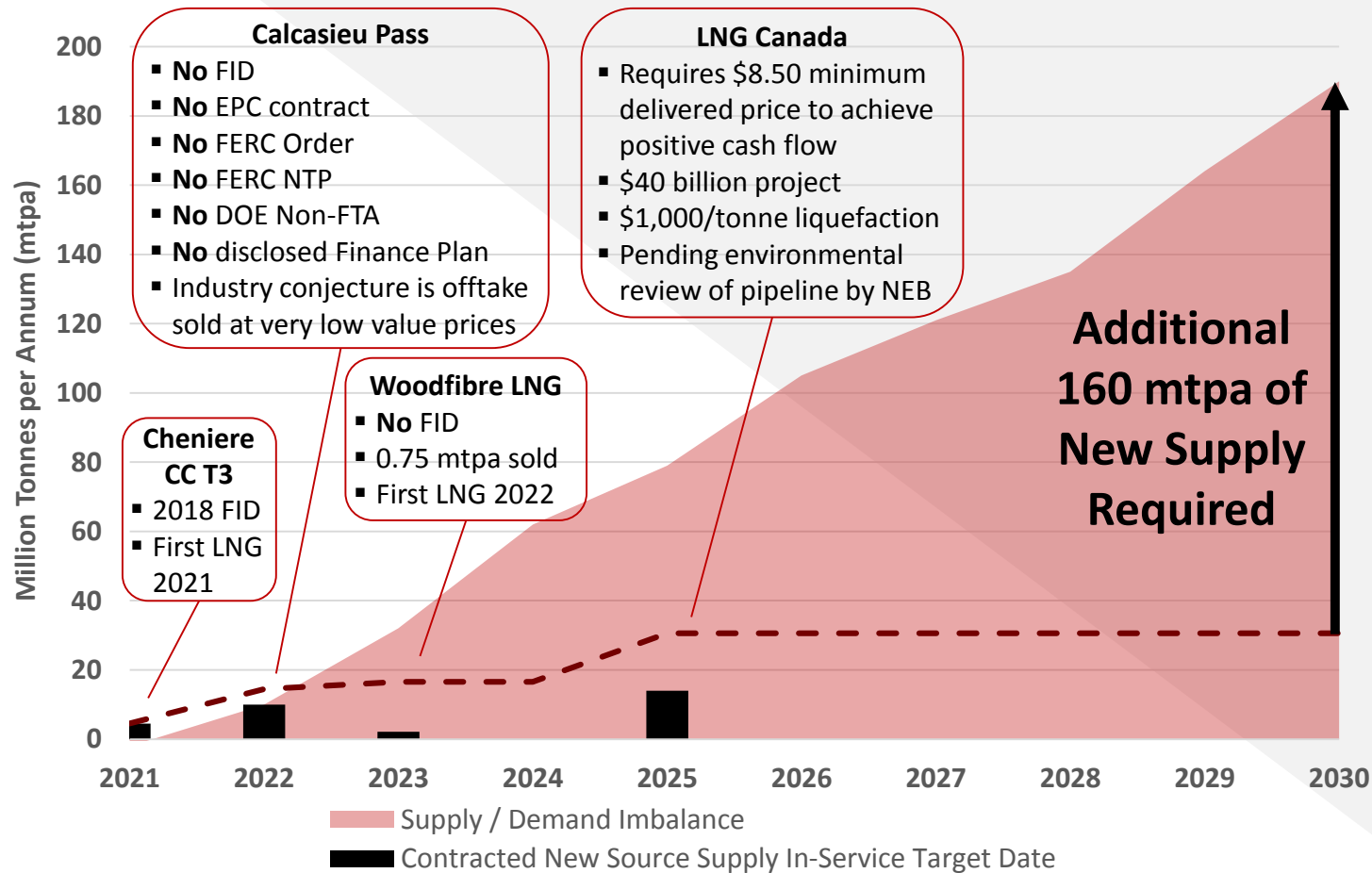
Key Market LNG Demand Growth from 2017 to 2030



Source: Bloomberg Intelligence, 2018 September

Global LNG demand growth in Asia and Europe stems from the power, transport, and shipping industries

IMPACT OF RECENT DEALS ON RESOLVING SUPPLY SHORTFALL



Other Announced Deals

- Exxon / ZPEG
 - Portfolio sale
 - 1 mtpa
 - Early 2020s
 - No new capacity
- Qatar / CNPC
 - Portfolio sale
 - 3.4 mtpa
 - 2018 start
 - No new capacity
- Mozambique
 - No FID
 - Portfolio sales
 - Potential future development

Source: Volumes: Bloomberg Intelligence, 2018 September; "Callouts" from company press releases and presentations

Recent deals have only dented forecasted Supply / Demand imbalance and still carry significant project delivery risk

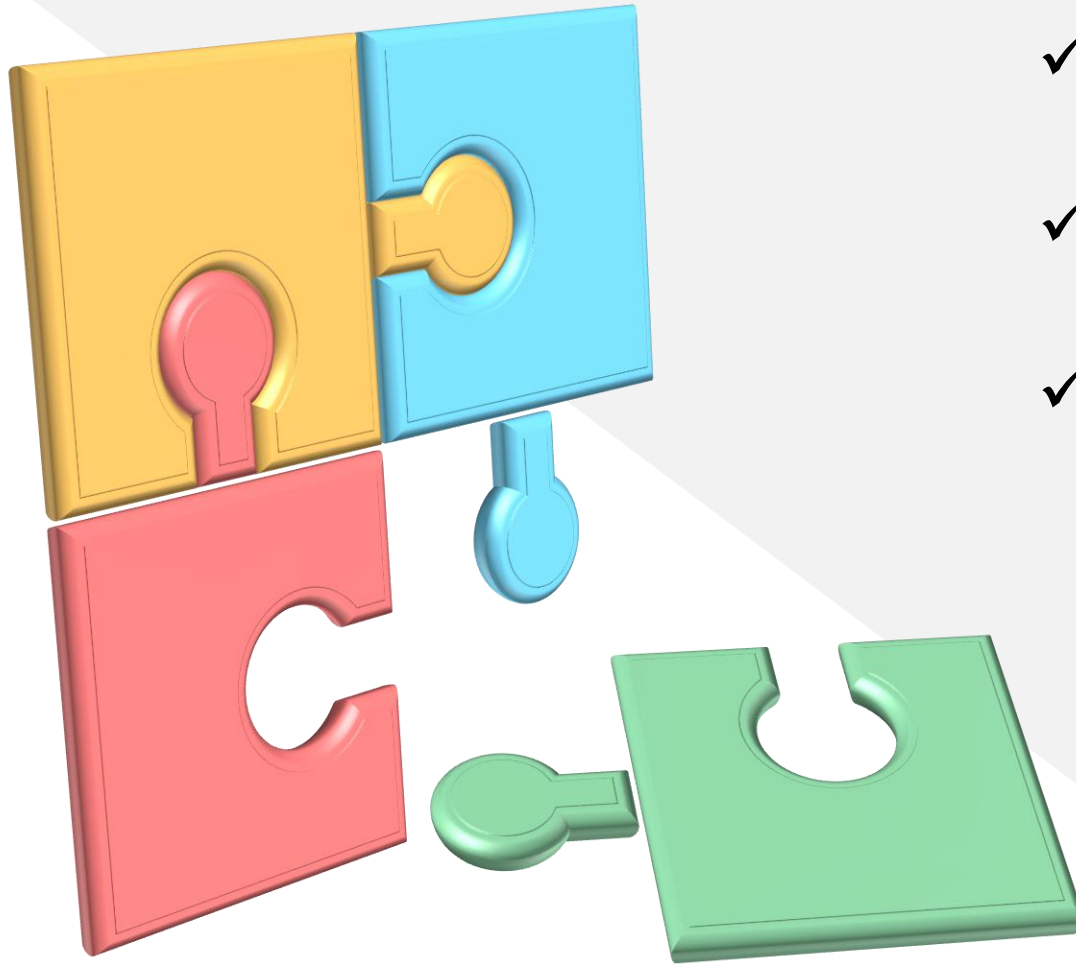


ATTRIBUTES

Competitively Advantaged

- Most advanced greenfield project
- Credentialed expertise
- Lowest full cycle cost
- Marketing to all growing LNG demand economies

FINAL INVESTMENT DECISION ROADMAP



- ✓ **Regulatory Permits**
- ✓ **EPC Contract**
- ✓ **Financing**
- Sales Contracts**

Magnolia LNG project de-risked through completion of permitting, EPC contracting, and financing phases

DELIVERY CONFIDENCE

PROJECT SIZE

- *Up to 8.8 mtpa capacity*
- *Smaller size shortens FID path*
- *Minimum launch capacity of 6 mtpa*
- *Initial offtake will be catalyst to FID*

PROJECT PROCESS

- *Standard sized equipment*
- *True modular design*
- *Meticulous 6,000 line EPC schedule*
- *Detailed project execution plan*

PROJECT STATUS

- *All regulatory approvals granted*
- *EPC contract executed with price validity*
- *Equity funding commitment contracted*
- *Third-party O&M contract executed*

COMMERCIAL APPROACH

- *Market standard terms*
- *Flexible in contract design*
- *Competitive pricing*
- *Buyer-friendly attributes*

PROJECT DESIGN

- *Highly mature design*
- *Key suppliers and sub-contractors known*
- *Purchase Orders placed for long-lead items*
- *Module fabrication yards shortlisted*

RISK MANAGEMENT

- *In-house LNG EPC expertise*
- *EPC readiness very advanced*
- *EPC is full wrap, HAZOPs performed*
- *Risk areas and mitigation plans known*

Certainty derived from combination of project size, readiness, and execution expertise

DELIVERY TEAM



John Baguley, Chief Operating Officer

- *Over 35 years of LNG EPC experience*
- *Project delivery: Malaysia Trains 1-3, Woodside NW Shelf 1-2, Qatargas Trains 1-2, Bontang Train H, Tangguh LNG Trains 1-2*
- *Design/Planning: Mozambique, Woodside Browse, and Pacific Northwest*



Richard Wheeler, Process Technology Manager

- *Over 25 years of industry experience*
- *Process engineering, project management, and process safety management work*
- *Design and engineering of QCLNG, Prince Rupert LNG, Nigeria's OKLNG, and Lake Charles LNG*



Nim Gnanendran, Ph.D, Technology Manager

- *Worked extensively in developing the OSMR® process*
- *20 years experience in the LNG and cryogenics industry*
- *Prior affiliations include Shell Technology Ventures investment in Cool Energy as Lead Process Engineer*



Rafael Hernandez, V.P. Engineering & Construction

- *Over 21 years at Bechtel and ExxonMobil*
- *Construction Director for the Sabine Pass LNG project*
- *Construction Coordinator at Equatorial Guinea LNG*
- *Chief Construction Engineer for the three-simultaneous mega LNG projects, QCLNG, GLNG, and APLNG*



Maury Hudson, V.P. Operations & Maintenance

- *Almost 30 years of operations experience*
- *OxyChem, Equistar, Enterprise Products, and Cheniere*
- *Vice President, Corpus Christi Operations after holding various technical roles in support of Sabine Pass LNG*



Lincoln Clark, Engineering & Operations Manager

- *Extensive experience on the design, construction, commissioning, and operation of LNG plants*
- *Worked extensively in developing the OSMR® process*

Unparalleled leadership experience and capability amongst US Gulf Coast LNG developers

SITE ADVANTAGES

Existing electric grid ably handles MLNG needs

Local electric prices among lowest in the U.S.

30 feet above the water line

Natural storm surge protection

Established LNG shipping channel and turning basin maintained by US Army Corps of Engineers

Regional Industrial Complex provides ready access to shared services and trained workforce

Water supply for plant operations in place

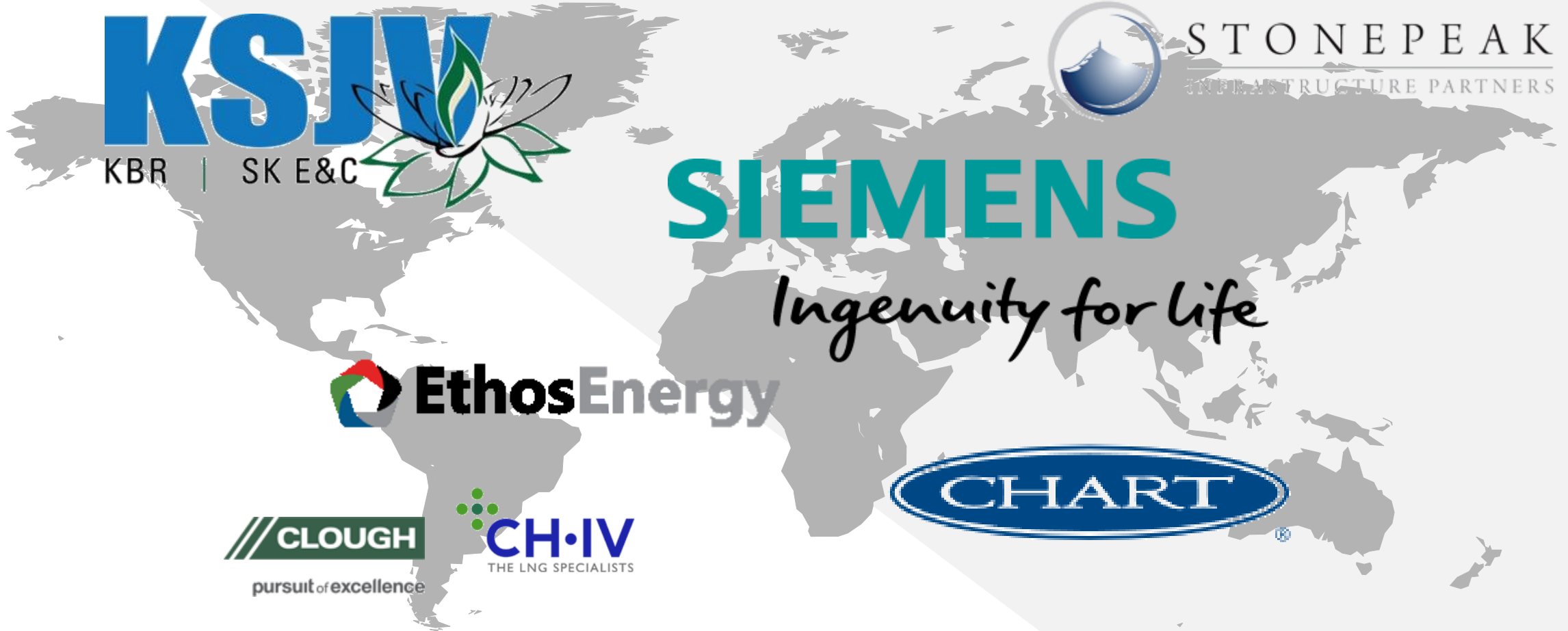
Mature design, advanced engineering, and modular construction decrease risk of delays and cost overruns

Kinder Morgan Louisiana Pipeline runs directly under the southern edge eliminating any additional pipeline construction



Site selection advantages are recognized by customers with costs and risk low relative to peers

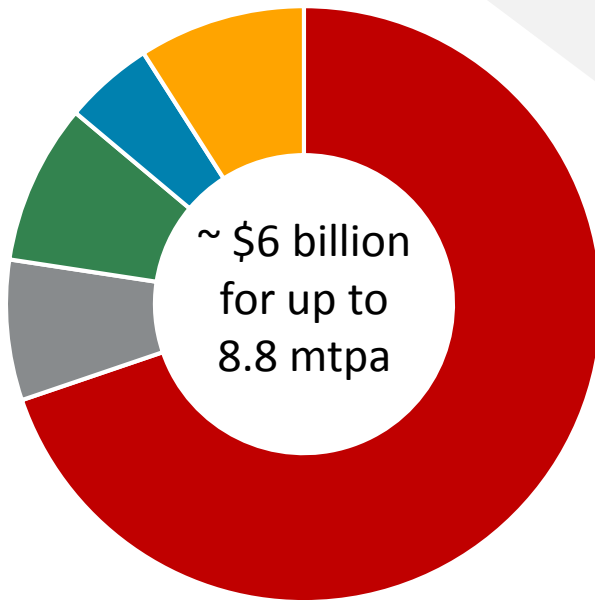
ALIGNED WITH WORLD CLASS COMPANIES



World class contractors aligned with and backing LNG's OSMR[®] technology and Magnolia LNG project

LOW COST PROVIDER – PROJECTED FULL CYCLE COST

Magnolia LNG Project CAPEX



- EPC
- Contingency
- Capitalized Interest
- Owner's Cost
- Finance Fees

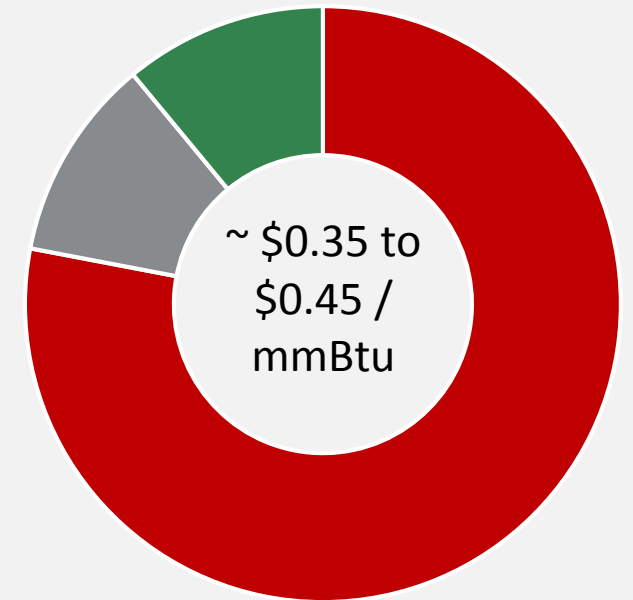
CAPEX

- LSTK EPC ~ \$500/tonne
- Total project cost ~ \$675 - \$700/tonne
- Owner's costs
 - O&M preparation
 - Commissioning
 - Owner's engineer and internal costs
- Finance fees and Capitalized Interest reflect market rates
- Contingency ~ 10% of pre-finance total CAPEX cost

OPEX

- O&M range \$0.30 - \$0.35/mmBtu
- Fees \$0.05/mmBtu
- Contingency \$0.00 - \$0.05/mmBtu

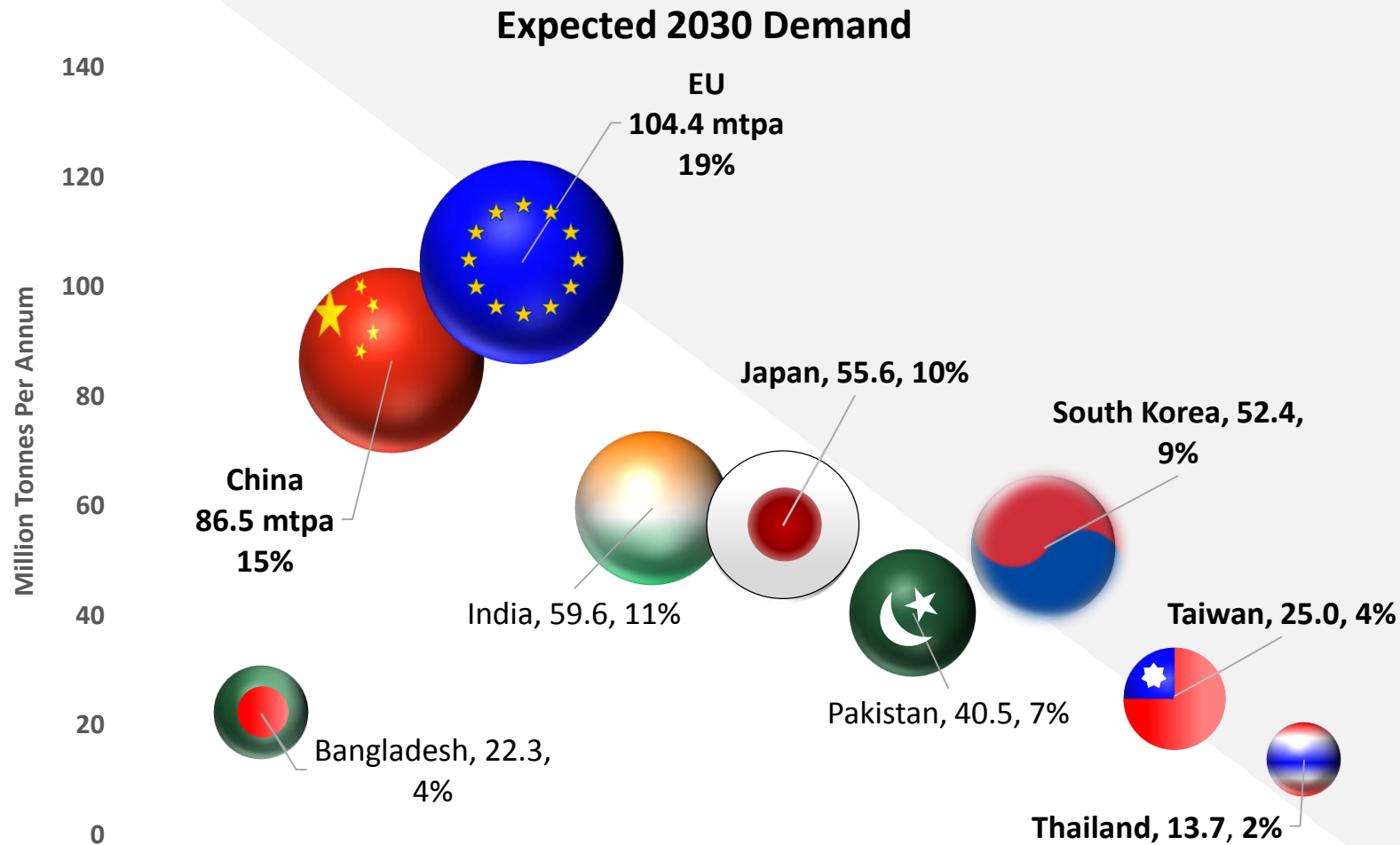
Magnolia LNG Project OPEX



- O&M Costs
- Fees
- Contingency

Industry leading retainage (inlet gas consumed in liquefaction process) of 6 – 8%

TARGET MARKETING AREAS



- Target area demand exceeds 460 mtpa
 - 82% of expected global demand
- Demand concentrated in EU, China, Japan, and South Korea
 - 53% of expected global demand
- China accounts for 15%
 - Trade war impact real but navigable

Source: Bloomberg Intelligence, 2018 September

Multi-faceted marketing strategy designed to offer transactions sculpted to individual buyer requirements



CERTAINTY

KEY MESSAGES

- Significant new LNG supply still needed to meet projected 2020s demand growth
- Robust buyer opportunities remain in spite of China / U.S. trade war
- Non-U.S. and IOC/NOC led mega projects will struggle to be low-cost LNG providers
- U.S. sourced LNG benefits from sustainably low-cost and abundant feed gas supplies
- Magnolia LNG is extremely well positioned due to competitive advantages
 - Mature regulatory and cost status
 - Project delivery expertise
 - Multi-faceted marketing strategy and contracting approach
- LNGL is focused on delivering meaningful returns to shareholders
 - Participating in “race to the bottom” in project pricing or deal structure is risky
 - Rational pricing is required to finance projects and provide shareholder returns



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