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March 30, 2012

**VIA FACSIMILE (202) 586-6050**

The Office of Fossil Energy  
Natural Gas Regulatory Activities  
U.S. Department of Energy  
Attention: Larine Moore, Docket Room Manager  
Docket Room FE-34  
P. O. Box 44375  
Washington, DC 20026-4375

RE: Sabine Pass Liquefaction, LLC  
DOE Semi-annual Report  
DOE/FE Order Nos. 2833 and 2961  
FE Docket Nos. 10-85-LNG and 10-111-LNG

Dear Ms. Moore:

Pursuant to the above-referenced Orders, please accept this as the semi-annual progress report for Sabine Pass Liquefaction, LLC describing the progress of the planned liquefaction facility project.

Development activities are in the final stages of completion and the project is preparing for final investment decision (FID) and the commencement of construction. The lump sum turn-key construction contract with Bechtel for the first phase of the project (Trains 1 and 2) was negotiated during this period and the final contract was executed in November 2011.

Four commercial contracts have been signed and have been submitted to the Office of Fossil Energy. These contracts represent sufficient commercial commitments to permit reaching FID on Trains 1 through 4, subject to final regulatory approval and financing commitments. The company is in the process of obtaining debt and equity financing commitments for the first phase of the project.

The regulatory permitting process is progressing well. The U.S. Army Corps of Engineers Section 404 Clean Water Act Permit was issued on March 14, 2012. The Air Permit for the project was issued by the Louisiana Department of Environmental Quality on December 6, 2011. The Federal Energy Regulatory Commission (FERC) issued the Environmental Assessment (EA) on December 28, 2011 with a public comment period that ended January 27, 2012. Two sets of comments were submitted to FERC on the EA. The project is awaiting issuance of an order from FERC granting authorization under

Section 3 of the Natural Gas Act (NGA). A preliminary draft implementation plan was filed with FERC on January 31, 2012 in anticipation of receipt of the NGA Section 3 authorization.

Please call me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Pat Outtrim". The signature is written in a cursive style with a long horizontal stroke at the end.

Patricia Outtrim  
VP, Government & Regulatory Affairs  
713-375-5212