



October 11, 2013

VIA ELECTRONIC MAIL TO: [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov)

U.S. Department of Energy (FE-34)  
Office of Fossil Energy  
Office of Natural Gas Regulatory Activities  
Attn: Natural Gas Reports  
P.O. Box 44375  
Washington, D.C. 20026-4375

**SEMI-ANNUAL REPORT**  
**October 2013 Report**

Re: **Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC**  
**FE Docket No. 10-161-LNG; DOE/FE Order No. 3282**  
Freeport LNG Terminal, Quintana Island, Texas

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order No. 3282 issued May 17, 2012, Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC do hereby submit this semi-annual report as required by ordering Paragraph I describing the progress of the proposed liquefaction facility project at the Freeport LNG Terminal on Quintana Island, Texas.

Any questions concerning this filing should be addressed to the undersigned at (979) 415-8720.

Respectfully Submitted,

Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC

A handwritten signature in blue ink, appearing to read "Michael A. Johns".

By: Michael A. Johns  
Its: Director, Regulatory Affairs

**Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC**  
**FE Docket No. 10-161-LNG; DOE/FE Order No. 3282**  
**Semi-Annual Report: October 2013**

**Facility Progress Report**

On December 23, 2010, Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC (collectively, "FLEX") together with Freeport LNG Development L.P. ("FLNG") filed a request to commence the Federal Energy Regulatory Commission's ("Commission") National Environmental Policy Act ("NEPA") pre-filing process for natural gas liquefaction and export facilities to be located at and adjacent to the existing FLNG liquefied natural gas import terminal on Quintana Island, Texas (the "Liquefaction Project"). On January 5, 2011, the Director of the Commission's Office of Energy Projects issued a letter order in Docket No. PF11-2-000 granting the December 23, 2010 request. Subsequently, following completion of the pre-filing process, on August 31, 2012, FLEX, FLNG and certain other affiliates filed an application with the Commission in Docket No. CP12-509-000 for authorization under Section 3 of the Natural Gas Act ("NGA") to site, construct and operate the Liquefaction Project. FLEX will utilize the Liquefaction Project in connection with the export authorization requested in DOE/FE Docket Nos. 10-160-LNG, 10-161-LNG, 11-161-LNG and 12-06-LNG.

Commission review of the Liquefaction Project is ongoing. On May 22, 2013, the Commission issued a Notice of Schedule for Environmental Review identifying December 27, 2013 as the date for Issuance of Notice of Availability of the final Environmental Impact Statement ("FEIS") for the Liquefaction Project. FLEX anticipates that the Commission will issue an Order under NGA Section 3 approving the Liquefaction Project shortly after issuance of the FEIS. FLEX anticipates filing a request with the Commission for authorization to commence construction activities for the Liquefaction Project in late February 2014, and the Commission granting such request in March 2014.

FLEX anticipates an approximately 48-month construction period to complete commissioning and achieve full commercial operations of the initial train of the Liquefaction Project. Each subsequent liquefaction train is anticipated to commence full commercial operation at approximately six-month intervals thereafter. Once in operation, based on conservative assumptions regarding construction contractor design margin and over-build, ambient air temperatures at the liquefaction project site, the quality of feed gas supplying the project and maintenance down-time, FLEX expects that commercial LNG production available for export from each liquefaction train will be as much as 267 billion cubic feet per year.

### **Status of Long-Term LNG Export Contracts**

FLEX has executed long-term liquefaction tolling agreements with Chubu Electric Power Co., Inc., Osaka Gas Co., Ltd. and BP Energy Company, under which FLEX will export LNG as agent for those counterparties from the Quintana Island facilities. The required Summary Reports of the major provisions of each of these long-term contracts have been filed with DOE/FE and those Summary Reports have been filed in this docket, as well as in FLEX docket numbers 10-160-LNG, 10-161-LNG, 12-06-LNG, and 11-161-LNG. Discussions with various counterparties regarding additional liquefaction tolling agreements with respect to the Freeport LNG Liquefaction Project are ongoing.

### **Status of Long-Term Gas Supply Contracts**

FLEX has not entered into long-term gas supply contracts associated with this project.

### **Date Facility is expected to Be Operational**

The Freeport liquefaction facilities are expected to commence commercial operations by the first quarter of 2018.