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March 30th, 2018

Department of Energy
Office of Oil and Gas Global Security and Supply
Docket Room 3E-042, FE-34
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585
United States of America

Subject: Strom, Inc., FE Docket No. 14-56-LNG
Semi-annual report for the period ending March 31st, 2018
Filed pursuant to Ordering Paragraph G of DOE/FE Order No. 3537

Pursuant to Ordering Paragraph G of Order No. 3537 ("Order") granting long-term, multi-contract authorization to export natural gas to any country that currently has, or in the future will have, the capacity to import LNG via approved ISO IM07/TV AC-ASME LNG (ISO) containers transported on ocean-going carriers, and with which the United States has a free trade agreement ("FTA") providing for national treatment for trade in natural gas, on March 30th, 2018 ("Reporting Date") in the above-referenced docket, Strom, Inc. ("Strom") submits its semi-annual report for the period ending March 31st, 2018. In particular, Ordering Paragraph G states:

"Strom shall file with the Office of Oil and Gas Global Security and Supply, on a semi-annual basis, written reports describing the progress of the proposed Project. The reports shall be filed on or by April 1st and October 1st of each year and shall include information on the progress of the Project, the date the facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts."

Facility Progress Report

On April 18th, 2014, Strom filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA) for long-term, multi-contract authorization to export liquefied natural gas (LNG) produced from domestic sources. Once in operation, based on conservative assumptions regarding EPC design, ambient air temperatures at the liquefaction project site, the quality of feed gas supplying the project and maintenance downtime, Strom expects that commercial LNG production available for export will be as much as approximately 28.21 billion cubic feet per year (Bcf/yr) of natural gas (0.08 Bcf per day).



On October 21st, 2014, Strom received authorization from DOE/FE via the Order to export domestically produced LNG by ISO containers on vessels from the proposed Project. The Project will be constructed on a property site approximately 174 acres in size, to be located at 6700 Tallahassee Road, Crystal River, Florida. Strom has reached a tentative agreement with the Port of Tampa of Tampa Florida, for long-term leases for shipping of LNG.

Due to changing conditions in the emerging market for LNG exports, and some unforeseen delays, our estimate for construction has been moved back from the originally projected fourth quarter 2017. Strom is finalizing negotiations with two large domestic USA Infrastructure Funds to provide a combination and equity and debt capital required to initiate the preconstruction process in this year with a targeted completion to operating capacity in the third quarter of 2020.

We are actively engaged in the design concept stage of the plant and intend to file construction permit applications by the end of 2018. Strom has secured certain preliminary agreements for equipment and has selected AECOM to fill the role of our EPCM for the Project. AECOM is well versed in Oil and Gas and has been involved in a myriad of FERC approved Oil and Gas projects.

Status of Long-term LNG Export Contracts

Strom's management team is actively engaged in the negotiations for the above design and financing paths and is now working to secure possible offtake customers upon completion. While Strom is still moving forward with several large-scale buyers, in September 2017 Strom's parent company Glauben Besitz, LLC (Glauben) entered into a tentative term agreement with a trading company to pursue marketing and distribution of LNG in China. In March of this year, Glauben's Board of Directors elected to terminate that agreement and pursue the other more favorable options. We expect execution of these new Offtake Agreements by the third quarter this year.

Through third-party legal counsel and other paths, Strom is in discussions with electric power suppliers in China, Latin America, and several Caribbean countries. Specifically, Strom has received specific interest from LNG users in the Bahamas, Belize, and Panama and pursuing all qualified leads. These requests received for LNG will far exceed Strom's authorized authority and we will explore our options as we execute agreements. In accordance with Ordering Paragraph D of the Order, Strom will file any such long-term contracts with the DOE/FE following their execution.

Status of Long-term Gas Supply Contracts.

Strom has had productive negotiations with Tampa Electric Co. (TECO) regarding the transportation of natural gas to the facility and has received their "draft term sheet" confirming very competitive pricing for transportation of natural gas to the proposed plant.



As of the Reporting Date, Strom has not executed any such contracts for the long-term transportation or supply of U.S.-sourced natural gas. Strom continues to discuss terms and conditions with long-term suppliers and expects to achieve favorable results. In accordance with Ordering Paragraph D of the Order, Strom will file any such contracts associated with the long-term supply of natural gas to the Project with the DOE/FE following their execution.

Date Facility is Expected to be Operational

As previously mentioned in this report, Strom’s liquefaction facilities are expected to commence commercial operations in 2020, providing market conditions remain relatively stable. Strom is continuing to negotiate with several funding/infrastructure funds and will file the required reports with the DOE in the next six months of this year.

As a direct result of recent Offtake and LNG supply requests, Strom may elect to file an amendment to our application to allow transportation of LNG by LNG tanker. All such applications will provide a complete backup and the executed agreements including all necessary documents required to achieve a successful filing.

Any questions concerning this filing should be addressed to the undersigned at (727) 230-8840 or via email at deanwallace@glaubenbesitz.com

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Dean M. Wallace".

Dean M. Wallace, PMP
President