

CE FLNG LLC

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Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Room 3E-042
1000 Independence Ave, S.W.
Washington, DC 20585

Dec. 10, 2014

RECEIVED

By via email at 9:27 am, Dec 10, 2014

Re: CE FLNG, LLC
Docket No. 12-123-LNG
DOE/FE Order 3193
Semi-Annual Report for the Period Ending October 1, 2014

Dear John Anderson:

On November 21, 2012, the Department of Energy Office of Fossil Energy (DOE/FE) issued an order granting CE FLNG long-term multi-contract authorization to export up to 8 million metric tons per year (mtpa) of liquefied natural gas (LNG) from its proposed LNG Terminal in Plaquemines Parish, Louisiana to Free Trade Agreement countries for a 30-year term.

Pursuant to Order 3193, CE FLNG must file with the Office of Natural Gas Regulatory Activities written reports describing the progress of the proposed liquefaction facility project including information on the proposed CE FLNG LNG Terminal in Plaquemines Parish, Louisiana, 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. CE FLNG hereby submits its semi-annual report for the period ending October 1, 2014.

Best regards,

/s/ Justin S. Mann

Justin S. Mann

Counsel for CE FLNG, LLC

Field Surveys and Engineering

CE FLNG selected the KANFA Aragon, generic Flex FLNG FEED as the primary design basis for the FLNG Vessels. CE FLNG will focus on (4) x 2.0 – 2.3 mtpa FLNG Production Vessels as the solution. CE FLNG is currently selecting an EPC contract for the FLNG Vessels.

Schedule Update

Because of delays in getting the necessary survey permissions which would allow Gulf South Research Corporation (GSRC) to complete additional field survey work, CE FLNG proposed the following updated schedule:

- Resource Reports 1-10: June 2015
- Resource Reports 11 and 13: September 2015
- Federal Energy Regulatory Commission (FERC) Application: 3Q 2015

CE FLNG proposed delaying the date of its application because of the DOE change in process on May 29 2014, which triggered a restructure of the project, which was completed in August 2014. The DOE changed its review process on May 29 for LNG export applications by limiting final national interest determinations to projects that have completed their National Environmental Policy Act compliance reviews. The move suspended its practice of issuing conditional approvals. The proposed change will ensure the process is efficient by prioritizing resources on the more commercially advanced projects, while also providing the department with more complete information. Base on this change and alignment of DOE/FERC with the Non-FTA Authorization Process, CE FLNG had to restructure its projects to more closely fit the new processes in an effort to seek protection from market power as new barriers to entry have been introduced to the U.S. LNG Export Market with regard to the license and permitting process. These concerns were addressed to DOE previously in a letter filed with the agency.

Filings with FERC

CE FLNG submitted a detailed update on CE FLNG and the restructure to FERC in September 2014.

Scope Update

Based on the DOE change, CE FLNG will be leveraging small FLNG Production Vessels and will be reducing the length of the pipeline to the proposed CE FLNG Terminal. The alternative layout is expected to significantly reduce the amount of dredging required.

Filings with FERC

Pursuant to Section 157.21(f)(9), CE FLNG filed its response to issues raised during scoping.

Other Agency Updates

CE FLNG is in the process of filing a formal ruling request with the U.S. Customs and Border Protection regarding the use of Coastwise and Non-Coastwise Vessels. An initial request was filed but requires additional clarification.

Stakeholder Activities

August 18, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for initial clarifications.

August 20, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

August 21, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

August 22, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

September 17, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

September 24, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

September 25, 2014 – Katherine Quaglieri – U.S Customs and Border Protection and U.S Coast Guard Ruling Request for clarifications.

September – CE FLNG conducted two status report update calls with the Plaquemines Parish Port Authority (Sandy Sanders).