



Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004
T +1 202 637 5600
F +1 202 637 5910
www.hoganlovells.com

April 1, 2015

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
fergas@hq.doe.gov
P.O. Box 44375
Washington, D.C. 20026-4375



Attention: Venture Global Calcasieu Pass, LLC, FE Docket Nos. 13-69-LNG and 14-88-LNG
Order Nos. 3345 and 3520, Order Condition J – Semi-annual Progress Report

Dear Sirs & Madams:

Venture Global Calcasieu Pass, LLC (“VG Calcasieu Pass”) hereby submits to the Department of Energy, Office of Fossil Energy (“DOE/FE”) this semi-annual report in compliance with ordering paragraph J of (1) Order No. 3345 issued in FE Docket No. 13-69-LNG on September 27, 2013, and (2) Order No. 3520 issued in FE Docket No. 14-88-LNG on October 10, 2014. Both orders grant long-term multi-contract authorization to export liquefied natural gas (“LNG”) to countries with which the United States currently has, or in the future will have, a Free-Trade Agreement (“FTA”) requiring the national treatment of natural gas from the proposed project being developed by VG Calcasieu Pass in Cameron Parish, Louisiana (the “Project”). VG Calcasieu Pass’s applications for authorization to export LNG from the Project to nations with which the United States does not have such a FTA, but with which trade is not prohibited, are pending in those same proceedings.

a) Progress of the Project:

- Since filing its previous update report, VG Calcasieu Pass continues to commit substantial resources to develop its LNG export project. The corporate parent of VG Calcasieu Pass publicly announced on February 11, 2015, the closing of two rounds of equity investment for an aggregate of \$125 million in new capital from institutional investors who collectively manage assets of over \$130 billion.
- During 2014, VG Calcasieu Pass significantly expanded its Project team, with officers, staff, board members, engineers, financial advisers, consultants, experts and attorneys. In addition, Calcasieu Pass has contracted with, among others, the following organizations to assist with the development of the Project: CH-IV, a Clough company, as LNG Engineering Managing Consultant and Safety and Reliability expert; Tecnicas Reunidas S.A. the Project’s Front End Engineering and Design; Natural Resource Group, LLC for Environmental Support, Permitting, and Public Outreach; and AcuTech Group, Inc. as Marine Safety consultant. Additional information concerning VG Calcasieu Pass and the Project are available at: <http://venturegloballng.com/>

- On November 26, 2014, DOE/FE granted an application reflecting a corporate reorganization making VG Calcasieu Pass the named applicant for the pending non-FTA applications in FE Docket Nos. 13-69-LNG and 14-88-LNG. On December 3, 2014, DOE/FE approved in those same dockets the effect of that corporate reorganization making VG Calcasieu Pass the holder of the two FTA export authorizations.
- On December 22, 2014, VG Calcasieu Pass submitted to DOE/FE an update and supplement to its non-FTA export applications to provide a copy of the Amended and Restated Lease Option Agreement for its approximately two hundred and three acre Project site. VG Calcasieu Pass subsequently entered into an exclusive agreement that contemplates a lease option agreement for an additional approximately sixty-one acre parcel of land adjacent to the northern border of the Project site, the terms and conditions of which are expected to be similar to the existing Lease Option Agreement. VG Calcasieu Pass will submit a supplemental filing with DOE/FE once the additional acreage is reflected in a definitive option agreement.
- On February 9, 2015, VG Calcasieu Pass submitted in FE Docket 15-125-LNG a third export application for long-term, multi-contract authority to export LNG from the Project to FTA and non-FTA nations, requesting authorization for an additional 132.8 billion cubic feet of natural gas per year. This request for incremental export volumes, in addition to the volumes requested in prior applications, reflects the expected peak liquefaction capacity of the Project as well as a potential lean gas supply scenario. DOE/FE has not yet acted on this application.
- On October 10, 2014, the Federal Energy Regulatory Commission ("FERC"), by a letter order issued in its Docket No. PF15-2, granted VG Calcasieu Pass approval to begin FERC's Pre-Filing process for the Project. VG Calcasieu Pass has since been diligently engaging in the FERC Pre-Filing process, including preparing draft environmental resource reports, engaging in stakeholder outreach, and conducting necessary surveys of the Project site and the related pipeline routes. In addition to the highlights of the FERC Pre-Filing process summarized here, additional information is available in the monthly status reports filed by VG Calcasieu Pass with FERC, on November 13 and December 19, 2014, and January 16, February 18, and March 17, 2015, which are available on-line from FERC under in its Docket No. PF15-2.
- On January 20, 2015, FERC issued in Docket No. PF15-2 its Notice of Intent to Prepare an Environmental Impact Statement for the Project and requested comments on environmental issues. In that Notice, FERC announced a public scoping meeting that was held in Cameron, Louisiana, on February 5, 2015, and stated that its scoping period would end on February 19, 2015. On March 6 and March 19, 2015, VG Calcasieu Pass filed with FERC responses to all the comments received during the Project's scoping project.
- In conjunction with the FERC process and otherwise, VG Calcasieu Pass has engaged in consultation meeting with various other agencies involved in the permitting process for the Project, including the U.S. Coast Guard, U.S. Army Corps of Engineers, the National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency, National Marine Fisheries Service, the Louisiana Department of

Environmental Quality, and the Louisiana Department of Natural Resources, Office of Coastal Management.

- VG Calcasieu Pass also continues to engage in extensive community outreach concerning the Project. In addition to holding two open houses (the second in conjunction with FERC's scoping meeting), VG Calcasieu Pass has engaged in frequent discussions with the Cameron Parish Administrator, Cameron Parish Economic Director, Cameron Parish Police Jury Members, and other Parish officials.

b) Date the Project is expected to be operational:

- VG Calcasieu Pass anticipates that, following the completion of the FERC and DOE approval process, it will begin operation of its Project in December 2019, with partial operations expected to commence earlier as explained in VG Calcasieu Pass's filings with FERC.

c) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:

- VG Calcasieu Pass has not yet entered into any binding contracts with customers for the export of LNG from the Project, but has made significant progress in negotiations with potential customers. In mid-December of 2013, VG Calcasieu Pass, through an expert international LNG consultant, issued a global tender for LNG capacity from the Project. Pursuing interest expressed in response to that tender, the principals of VG Calcasieu Pass met during 2014 and year to date 2015 with LNG procurement officers of at least 22 international oil companies, national oil companies, and global LNG commodity marketers, spanning Asia, Europe, the Middle East, and South America. These potential off-takers have engaged in due diligence on the Project and requested capacity in excess of the amount of LNG exports originally to be offered, motivating the second export application filed in Docket 14-88-LNG to double the requested export authorization. VG Calcasieu Pass is negotiating Heads of Agreement and Sales and Purchase Agreements with a number of potential off-takers, addressing both tolling and LNG sale structures. VG Calcasieu Pass will file all long-term, binding contracts associated with the export of LNG from its facility, once executed, in accordance with the requirements of Order Nos. 3345 and 3520.

We hope this update provides you with sufficient detail regarding the status of the VG Calcasieu Pass Project in compliance with Order Nos. 3345 and 3520. Please feel free to contact the undersigned if you have any questions or require additional information.

Sincerely,



J. Patrick Nevins
Hogan Lovells US LLP
Partner

Patrick.Nevins@hoganlovells.com

D (202) 637-6441