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UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF OIL AND GAS GLOBAL SECURITY AND SUPPLY

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TEXAS LNG LLC  
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FE DOCKET NO. 13-160-LNG

SEMI-ANNUAL REPORT OF TEXAS LNG TERMINAL  
IN BROWNSVILLE, TEXAS

DOE/FE ORDER NO. 3443

AS OF OCTOBER 1, 2014

## **I. BACKGROUND**

On June 11, 2014 by DOE/FE Order No. 3443, Texas LNG LLC (Texas LNG) was authorized to export by vessel certain volumes of liquefied natural gas (LNG) produced from domestic sources from its proposed Texas LNG Terminal at the Port of Brownsville, Texas to any country with which the United States currently has, or in the future will have a free trade agreement (FTA), subject to certain conditions. Texas LNG is to 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 Texas LNG Terminal.

## **II. INFORMATION ON THE PROGRESS OF THE TEXAS LNG TERMINAL.**

**General.** There has been progress on the Texas LNG Terminal project on a variety of fronts, including financing, engineering, pipeline supply and offtake agreement negotiations.

**Financing.** Texas LNG has had discussions with a variety of lenders and/or equity investors and expects to have a financial close with one or more parties before the end of 2014.

**Engineering.** Texas LNG has retained Samsung Engineering (its Seoul, South Korea and Houston offices) to perform a variety of project engineering work. The project Conceptual Study was completed in May 2014 and approved. Pre-Front-End Engineering Design (FEED) was performed between June and October 2014 with over 13,000 man hours expended. Over 25 engineers have been involved in this work. FEED is expected to commence in November 2014.

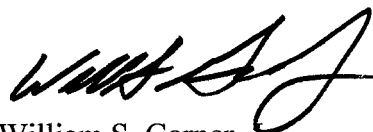
**Long-term supply arrangements.** Texas LNG has had productive discussions with several natural gas pipeline transportation companies regarding constructing an approximate 140 mile lateral from the Agua Dulce Hub, Texas to the Terminal site. No contracts have been executed yet. Simultaneously, Texas LNG LLC has had productive discussions with the Brownsville Municipal Utilities Board regarding power and water service to the site.

**Long-term LNG purchase agreements.** Texas LNG has had productive discussions with a variety of interested offtakers of LNG from the facility, but the discussions have not yet advanced to the term sheet phase.

**Estimated operations date.** Texas LNG still is forecasting a commissioning of the facility in late 2019.

Respectfully submitted on behalf of  
Texas LNG LLC,

GREENBERG TRAURIG, LLP

A handwritten signature in black ink, appearing to read 'W. S. Garner, Jr.', written in a cursive style.

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