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U.S. Department of Energy
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Attention: Delfin LNG, LLC, FE Docket Nos. 13-129-LNG and 13-147-LNG
Order No. 3393, Order Condition J -- Semi-annual progress report

Dear Sirs:

Delfin LNG, LLC ("Delfin") hereby submits this semi-annual progress report in compliance with ordering paragraph J of Order No. 3393 issued in FE Docket No. 13-129-LNG on February 20, 2014. Order No. 3393 authorized Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico (the "Project") to countries with which the United States currently has, or in the future will have, a Free-Trade Agreement requiring the national treatment of natural gas. Delfin's application for authorization to export LNG to nations with which the United States does not have such a free trade agreement, but with which trade is not prohibited, is pending in FE Docket No. 13-147-LNG.

a) Progress of the Project:

- On May 8, 2015, Delfin submitted with the Maritime Administration ("MARAD") and the U.S. Coast Guard ("USCG") its application for all federal authorizations required for a license to own, construct, and operate its planned Deepwater Port for the export of LNG under the Deepwater Port Act of 1974 as amended. That same day, Delfin also submitted an application with the Federal Energy Regulatory Commission ("FERC") for a certificate of public convenience and necessity for the related onshore facilities for the Project. The FERC published its notice of the submission of Delfin's application to it on May 20, 2015 in its Docket No. CP15-490-000.
- After a consolidated completeness review by MARAD, USCG and other participating agencies, and further consultation by Delfin with those agencies, Delfin supplemented its Deepwater Port license application on June 22, 2015. On July 16, 2015, MARAD published in the Federal Register its notice of the filing of Delfin's Deepwater Port application and established the public docket USCCG-2015-0472 for its processing.
- On July 29, 2015, MARAD published in the Federal Register its notice of intent to prepare an environmental impact statement ("EIS") for Delfin's project, and established a 30 day scoping period to help identify and determine the scope of environmental issues to be addressed in



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the EIS. The notice also announced that two public scoping meetings would be held in connection with Delfin's application, in Lake Charles, Louisiana on August 18, 2015, and in Beaumont, Texas on August 19, 2015.

- The public meetings were held in Lake Charles and Beaumont on those dates, and the environmental scoping period ended on August 28, 2015. Comments submitted in the proceeding are available through the USCG docket.
- On August 4, 2015, Delfin and Bechtel publicly announced that Bechtel will perform front-end engineering and design for the first floating liquefied natural gas vessel ("FLNGV") for the Delfin Project.
- On September 17, 2015, Delfin submitted a filing with the USCG explaining that, as a result of maturing engineering and design efforts and further economic analysis of its proposed Project, Delfin has decided to increase the liquefaction capacity of its proposed four FLNGVs from a base design capacity of two million metric tonnes per annum (mtpa) each to three mtpa each, and to utilize new-built vessels constructed for this purpose. Other aspects of the proposed Project will remain unchanged. Delfin provided notice therein of its intent to amend its pending Deepwater Port application to reflect this change in the FLNGV design and related changes in environmental impacts. Delfin also provided contemporaneous notice to FERC of its plan to amend its FERC application to increase the horsepower of its proposed onshore compression.
- On September 18, 2015, Delfin received a letter from the USCG suspending the statutory timeline for the processing of Delfin's Deepwater Port application until USCG and MARAD receive the amended application, determine it to be complete, and provide a notice of the amendment in the Federal Register with a public comment period.

b) Date the Project is expected to be operational:

- Delfin projects that, subject to all necessary regulatory approvals, it will begin operation of its first FLNGV in 2020. Delfin will sequence the start-up of its additional three FLNGVs in accordance with contracted customer demand.

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

- Delfin has not yet entered into any binding contracts with customers for the export of LNG from its Project, but continues to make significant progress in negotiations with potential customers. Delfin will file all long-term, binding contracts associated with the export of LNG from its facility once executed, in accordance with the requirements of DOE/FE Order No. 3393.



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We hope this update provides you with sufficient detail regarding the status of the Delfin Project in compliance with Order No. 3393. Please feel free to contact our counsel, Patrick Nevins of Hogan Lovells US LLP at (202) 637-6441 or Patrick.Nevins@HoganLovells.com, if you have any questions or require additional information.

Respectfully submitted,

/s/ Dan Werner _____

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