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**Via Email: [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov)**

U.S. Department of Energy (FE-34)  
Office of Fossil Energy  
Office of Natural Gas Regulatory Activities  
P.O. Box 44375  
Washington, DC 20026-4375  
Attention: Natural Gas Reports

**RE: SCT&E LNG LLC  
DOE Semi-Annual Report  
DOE/FE Order No. 3566, FE Docket No. 14-89-LNG**

Pursuant to Ordering Paragraph J of the above-referenced DOE/FE Order, please accept this progress report for SCT&E LNG, LLC ("SCT&E LNG"). This report covers the period from October 1, 2015 through March 31, 2016. Consistent with Ordering Paragraph J, SCT&E LNG will continue to file semi-annual reports with the Department.

Any questions regarding this correspondence may be directed to Stephanie Moreau at 713-893-1586 or [stephanie.m@sctlng.com](mailto:stephanie.m@sctlng.com).

Best Regards,

Greg Michaels, CEO  
SCT&E LNG, LLC

Enclosure

SCT&E LNG, LLC  
FE Docket No. 14-89-LNG  
DOE/FE Order No. 3566  
Semi-Annual Report  
Period Ending March 31, 2016

**Progress of the Proposed Monkey Island LNG Terminal**

On November 19, 2015, SCT&E LNG announced the selection of Air Products & Chemicals Inc. to provide their propane pre-cooled mixed refrigerant process and its main cryogenic heat exchangers technology, equipment, and related process license for the Monkey Island project.

In January 2016, SCT&E LNG signed a contract with an Engineering, Procurement, and Construction company to provide additional engineering studies for the project. In February 2016, SCT&E LNG selected its Owner's Engineer.

In February 2016, SCT&E LNG augmented its executive team by hiring Scott Ray as the Vice President of Engineering and Technology.

In March 2016, SCT&E LNG signed a placement agent to support its financial/equity raise.

**Status of Long-Term LNG Offtake Agreements**

On February 11, 2016, SCT&E LNG announced it has signed a third non-binding Memorandum of Understanding for the sale of 1.0 million tons per annum (mtpa) of liquefied natural gas. With this contract, SCT&E LNG has commitments for a total of 2.7 mtpa of LNG toward its total capacity of 12 mtpa. Contract negotiations for long-term offtake agreements continue to progress. SCT&E LNG will file a copy of any long-term contracts, including long-term supply contracts, within 30 days of execution in accordance with DOE/FE Orders 3566.