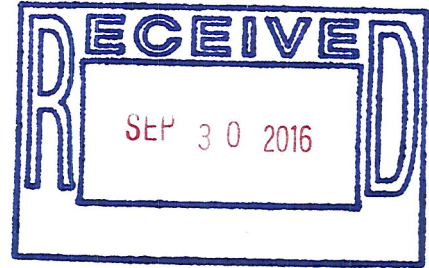


September 28, 2016

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 April 1, 2016, through September 30, 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@sctelng.com](mailto:stephanie.m@sctelng.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 September 30, 2016

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

On April 5, 2016, SCT&E LNG signed its fourth non-binding Memorandum of Understanding (MOU) with an Asian company increasing its total offtake reservations to 4.7 mtpa.

On June 7, 2016, SCT&E LNG signed a 20-year fixed price natural gas supply agreement to support its future Liquefied Natural Gas (LNG) facility.

On June 27, 2016, SCT&E LNG awarded Technip, an engineering, procurement, and construction company, a Master Services Agreement for the project.

**Date the Project is Expected to be Operational**

SCT&E LNG anticipates that, following the completion of the FERC and DOE approval process, it will begin construction of the LNG export facility and full operations of the facility will begin in 2022.

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

As stated above, SCT&E LNG has signed 4.7 mtpa in offtake reservations. Contract negotiations for long-term offtake agreements continue to progress. SCT&E LNG is in negotiations with potential counterparties for tolling capacity at its future liquefaction and export facility on Monkey Island.

**Status of Long-Term Supply Agreements**

As stated above, SCT&E LNG has signed a 20-year fixed price natural gas supply agreement to support its future Liquefied Natural Gas (LNG) facility. Contract negotiations for additional long-term supply agreements continue to progress.