

Received via email by DOE/FE 11/04/16

Semi-Annual Progress Report

DOE Docket/Order: FE #15-190-LNG/Order 3869

Reporting Period: Through September 30, 2016

Authorization Holder: Rio Grande LNG, LLC (RG LNG)

Order Type: Long Term Authorization (Free Trade Agreement Countries)

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Project Status (Overview):

RG LNG's May 5th application to the Federal Energy Regulatory Commission (FERC) for authorization under Section 3 of the Natural Gas Act (NGA) (FERC Docket No. CP16-454-000) remains pending, along with the associated Rio Bravo Pipeline Company, LLC application to FERC for a Section 7 NGA approval (FERC Docket No. CP16-455-000). RG LNG also has pending applications with the Texas Commission on Environmental Quality (TCEQ) and United States Army Corp of Engineers (USACE) for related permits needed to proceed with RG LNG's proposed LNG export facility. All required permits and regulatory approvals are estimated to be issued by late in the second quarter of 2017.

Anticipated Facility Operational Date:

Subject to the timing of key project milestones including amongst others, securing long term LNG sale contracts and gas supply, FERC approval and financing, we are targeting an operational start date in late 2020/early 2021.

Status of long term LNG sale contracts

While RG LNG has publicly indicated that it has 27+ Mtpa of non-binding Heads of Agreements with multiple off-takers, no firm/binding long term Sale & Purchase Agreements (SPAs) for LNG supply (or other relevant off-take agreements) have been concluded for the project.

Status of long term gas supply contracts

The project has initiated meetings with gas producers and gas marketers. No long-term gas supply contracts were under negotiation or concluded during the applicable reporting period..