

RECEIVED DOE/FE via Email
By DOE at 11:58 am, Mar 31, 2017



April 1, 2017

Via Email: 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, 2016, through March 31, 2017. Consistent with Ordering Paragraph J, SCT&E LNG will continue to file semi-annual reports with the Department of Energy.

Any questions regarding this correspondence may be directed to Stephanie Moreau at 713.893.1586 or 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 March 31, 2017

Progress of the Proposed Monkey Island LNG Terminal

1. The following Engineering has been completed since October 1, 2016: Progress and flow diagrams, heat and material balance, detailed project estimates, compressor /driver study, Level 1 EPC Schedule, feed gas specifications, and other pre-FEED activities.
2. In conversations with global business executives, the SCT&E LNG project is often referred to as Monkey Island LNG. As of March 8, 2017, the Company completed the Assumed Named Records process with the Harris County Clerk's office and is now formally doing business as Monkey Island LNG.
3. An MOU has been signed for an additional 1.0 mtpa toward the project's capacity of 12 mtpa.
4. SCT&E LNG continues to engage in advanced negotiations with investment grade offtakers.

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 2023/2024.

Status of Long-term Offtake Agreements

As stated above, SCT&E LNG has signed 5.7 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.