

Rec'd DOE/FE via Email 04/17/2017

April 17, 2017

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
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**RE: G2 LNG LLC, FE Docket Nos. 15-44-LNG, Order No. 3682, Order Condition J —
Semi-Annual Progress Report**

To: Office of Oil and Gas Global Security and Supply

Pursuant to paragraph J of Order No. 3682, G2 LNG LLC ("G2 LNG") submits this semi-annual progress report describing the progress of the natural gas liquefaction facilities being developed by G2 LNG in Cameron County, Louisiana ("Project").

On March 19, 2015, G2 LNG filed its application for authorization to export LNG for a 30-year term to any country with which the United States currently has, or in the future will have, a free trade agreement requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy ("Application"). DOE issued Order No. 3682 on July 17, 2015, authorizing G2 LNG to export approximately 672 Bcf/yr of natural gas for a 30-year term, beginning on the earlier of the date of first export or 10 years from the date the authorization is issued (July 17, 2025).

This report constitutes G2 LNG's fourth semi-annual progress report under Order No. 3682. G2 LNG last submitted a report on September 30, 2016. We recognize that this report is two weeks late. We apologize for the inadvertent oversight.

Progress of the Project

Since filing its previous progress report, G2 LNG has continued to devote substantial efforts and resources to develop the Project in the areas of site acquisition, engineering, supply and marketing, among others. G2 LNG continues to evaluate process engineering and train configurations in consultation with major vendors who have expressed strong interest in this Project

In July 2015, G2 LNG submitted its Foreign Trade Zone ("FTZ") application with the FTZ Board. A revised application was submitted in February 2016. The application remains pending.

On December 23, 2015 the Federal Energy Regulatory Commission (“FERC”) approved G2 LNG’s request to initiate the FERC’s National Environmental Policy Act (“NEPA”) pre-filing review of the Project. As G2 LNG has advised FERC, it has temporarily put on hold the process of developing draft environmental resource reports while it completes process engineering and train configuration. G2 LNG’s monthly status reports to FERC provide additional information about the pre-filing process and are available through FERC’s public records under Docket No. PF16-2. The outcome of the engineering and economic analysis relating to train sizes and economies of scale will be reflected in G2 LNG’s future filings at FERC and in its next bi-annual report to DOE.

G2 LNG has continued to consult with various other state and local agencies involved in the permitting process for the Project, including the Louisiana Department of Natural Resources, Office of Coastal Management, U.S. Coast Guard, Louisiana Department of Wildlife and Fisheries, Louisiana Department of Environmental Quality, U.S. Army Corps of Engineers, and National Oceanic and Atmospheric Administration-Fisheries. G2 LNG believes that the Project has strong local support.

As previously reported, G2 LNG renewed its exclusive and binding five-year Real Estate Lease Option Agreement in February 2016 that grants G2 LNG all rights necessary to fully develop and operate the Project. In the last six months, it has also acquired a five-year option for an additional 500 acres on the ship channel. This will afford it greater flexibility in the development of the Project, including the potential to also develop some non-LNG facilities at the site.

The expected date for commencement of operations

G2 LNG anticipates that the Project will commence operation during second half of 2022, following the completion of the FERC and DOE approval processes.

Long-term LNG export arrangements

During the last six months, there have been intensive discussions with a number of potential off-takers in Asia, the Caribbean and Europe. Some of them have signed Heads of Terms Agreements. Others have expressed interest in undertaking further due diligence towards some innovative arrangements. G2 LNG will timely file with the Office of Oil and Gas Security and Supply non-redacted copies of all executed long-term contracts associated with the long-term export of LNG from the Project, in accordance with paragraph D(i) of Order 3682.

Long-term supply arrangements

There are multiple natural gas pipelines adjacent to the Project site and G2 LNG plans to pursue supply arrangements that leverage this proximity. It is G2 LNG’s intent to obtain gas through a mix of long-term and spot market agreements, as well as potentially through upstream gas assets. G2 LNG is also continuing to explore opportunities to contract natural gas storage capacity. G2 LNG will timely file with the Office of Oil and Gas Security and Supply non-redacted copies of any long-term contracts it executes for the long-term supply of natural gas to the Project, in accordance with paragraph D(ii) of Order 3682.

G2 LNG believes that the foregoing summary provides the detail required under paragraph J of Order 3682 regarding the Project status. However, please contact the undersigned if any additional information is needed at this time.

Sincerely,

A handwritten signature in black ink that reads "Mary Anne Sullivan". The signature is written in a cursive, flowing style.

Mary Anne Sullivan
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