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United States of America

September 29, 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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P.O. Box 44375  
Washington, D.C. 20026-4375

Attention: Delfin LNG, LLC, FE Docket Nos. 13-129-LNG and 13-147-LNG  
Order No. 4028, Order Condition O, and Order No. 3393, Order Condition J  
Semi-annual progress report

Dear Sirs:

Delfin LNG, LLC ("Delfin") hereby submits this semi-annual progress report in compliance with ordering paragraph O of Order No. 4028 issued in FE Docket No. 13-147-LNG on June 1, 2017, as well as ordering paragraph J of Order No. 3393 issued in FE Docket No. 13-129-LNG on February 20, 2014. Order No. 4028 authorizes Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico (the "Project") to countries with which the United States does not have a Free-Trade Agreement requiring the national treatment of natural gas ("FTA"). Order No. 3393 authorizes Delfin to export LNG from the Project to countries with which the United States does have, or in the future will have, an FTA.

**a) Progress of the Project:**

- As noted in Delfin's last progress report, the Executive Director of the Maritime Administration, acting pursuant to authority delegated by the Secretary of Transportation, authorized the issuance subject to certain conditions of a License for the Port Delfin Project under the Deepwater Port Act of 1974 as amended on March 13, 2017. "Secretary's Decision on the Deepwater Port License Application of Delfin LNG, LLC," in Docket USCG-2015-0472, available at <https://www.regulations.gov/document?D=USCG-2015-0472-0120>.
- On June 1, 2017, the Office of Fossil Energy of the Department of Energy issued Delfin its requested long-term, multi-contract authorization for export of LNG to non-FTA nations. DOE/FE Order No. 4028. On July 3, 2017, intervenor-protestor Sierra Club submitted a request for rehearing of Order No. 4028. On July 28, 2017, DOE/FE granted that request for rehearing solely for purposes of further consideration, in order to afford additional time to consider the matters raised by the Sierra Club.



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- On June 21, 2017, Delfin Midstream and Golar LNG Limited announced that they had executed a joint development agreement to develop the Project, utilizing Golar's floating liquefaction technology. The agreement will facilitate the financing, marketing, construction, development, and operation of the Project.
- On September 28, 2017, the Federal Energy Regulatory Commission ("FERC") issued an order (1) granting Delfin a certificate of public convenience and necessity to construct, operate, and maintain the proposed onshore facilities for the Project and (2) authorizing High Island Offshore System, LLC ("HIOS") authority to abandon FERC-jurisdictional services on its off-shore pipeline facilities and instead use the facilities solely to transport gas for Delfin. *Delfin LNG LLC*, 160 FERC ¶ 61,130 (2017).

**b) Date the Project is expected to be operational:**

- Delfin anticipates that, subject to obtaining all necessary regulatory approvals and financing, it will begin operation of its first FLNGV in 2021. Delfin will sequence the start-up of its additional three FLNGVs in accordance with contracted customer demand.

**c) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:**

- Delfin has not yet entered into any binding contracts with customers associated with the export of LNG from its Project, but continues to make significant progress in negotiations with potential customers. Delfin will file all long-term, binding contracts for the export of LNG from its facility once executed, in accordance with the DOE/FE requirements.

We hope this update provides you with sufficient detail regarding the status of the Port Delfin Project in compliance with Order No. 3393. Please feel free to contact our counsel, Patrick Nevins of Latham & Watkins at (202) 637-3363 or [Patrick.Nevins@LW](mailto:Patrick.Nevins@LW), if you have any questions or require additional information.

Respectfully submitted,

A handwritten signature in black ink that reads "W. H. Daughdrill".

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