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March 30, 2018

**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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**By DOE/FE at 12:37 pm, Mar 30, 2018**

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 prior reports, 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. Delfin continues to work to satisfy the conditions for a License set forth in that Decision.
- As noted in Delfin's last report, the Federal Energy Regulatory Commission ("FERC") on September 28, 2017, 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). On October 30, 2017, three interruptible transportation shippers of HIOS requested rehearing of that

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order, focusing on the HIOS abandonment. FERC granted rehearing solely for purposes of further consideration on November 29, 2017, and the request for rehearing remains pending.

- As noted in Delfin's last report, Delfin Midstream and Golar LNG Limited announced on June 21, 2017, that they had executed a joint development agreement to develop the Project, utilizing Golar's floating liquefaction technology. Delfin is continuing to work with Golar LNG in developing the Front End Engineering Design for the project's first Floating LNG Vessel.
- Delfin was selected by the U.S. Department of Commerce to accompany President Trump as part of the trade delegation to China in November 2017. During this historic trip, Delfin signed two Memorandum of Understanding with Chinese companies concerning potential off-take agreements. More generally, Delfin continues to hold productive discussions with energy companies based in China, India, Korea, and Japan concerning offtake of LNG from the Delfin project and the potential for direct investment in the project.

**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 2022. 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 sufficient detail regarding the status of the Project in compliance with Order No. 3393. Please 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,



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