

EPCILON LNG LLC

PROJECT DEVELOPMENT COMPANY

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USA
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October 1, 2022

RECEIPT REQUESTED

RECEIVED

By Docket Room at 3:46 pm, Sep 30, 2022

Via Electronic Filing: *fergas@hq.doe.gov*

Attn: Ms. Peri Ulrey
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Re: *Epsilon LNG LLC*
DOE/FE Order No. 4629
FE Docket No. 20-31-LNG
Semi-Annual Report: October 2022

Dear Ms. Ulrey:

On December 8, 2020, the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”) issued Order No. 4629 granting Epsilon LNG LCC (“Epsilon”) a long-term authorization to export natural gas to Mexico for liquefaction and re-export such natural gas as liquefied natural gas (“LNG”), from Mexico to nations with which the United States has (“FTA”), and does *not* have (“NFTA”), free trade agreements requiring national treatment in trade of natural gas. The FTA and NFTA authorizations require Epsilon to file semi-annual reports, on or before April 1 and October 1 in each year, describing the following: (1) the status of the project’s LNG facility (“the LNG Facility”), (2) the date the LNG Facility is expected to commence first exports of LNG, (3) the status of the long-term contracts associated with (a) exporting LNG from U.S.-sourced natural gas and (b) any long-term natural gas supply contracts for the LNG Facility. Epsilon hereby submits its semi-annual report covering the period April 1, 2022 through September 30, 2022.

On April 21, 2022, a detailed Memorandum of Understanding (“MOU”) has been signed with the State of Sonora for a direct land award process for a coastal land located at the industrial area of Guaymas, also known as the Rodolfo Sanchez Taboada Industrial Park, with an estimated usable area of 54 hectares, with the land allocation provided by the State of Sonora and maritime concession provided by the Secretary of Marine, Mexico, on a long-term basis exclusively to the Amigo LNG Facility. On August 2, 2022, periodic progress assessment meeting was held at the State of Sonora, Governor’s office, to evaluate the current progress and develop a fast track permitting schedule.

The LNG Facility is expected to begin exporting LNG by February 23, 2026. The following major project milestones have been completed during the last period: (1) site specific metocean studies has commenced for the proposed maritime concession area, adjacent to the new site assigned from the State of Sonora, (2) tenders have been invited for onshore and offshore

geotechnical surveys for the new project site, (3) civil works EPC contractor selection process has been completed, and it has been decided to use a local (Guaymas based) civil works EPC contractor with more than two decades of track record, and good knowledge of the local civil works rules and standards, (4) meetings held with the liquefaction modules fabrication yard in Singapore to evaluate the preliminary module sizing and associated heavy-lifting, transportation plan from Singapore to Mexico, and for the installation and assembly planning of the modules at Guaymas (5) social impact assessment processes has commenced and community engagement is ongoing for the newly assigned project site (6) a Heads of Agreement has been drafted and is currently under negotiations for the long term offtake of 3.2 MTPA, with a SE Asian national energy company. Epsilon has also initiated preliminary negotiations with potential offtakers in India, specifically the national gas import enterprises in the west coast of India and City Gas Distribution licensees across India, with respect to potential long-term agreements to effect the sale and export of LNG, and long-term natural gas supply agreements for the LNG Facility.

If you have any questions or require any additional information, please do not hesitate to contact me at (713) 240-2631 or mc@lngalliance.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Muthu Chezian", with a stylized flourish at the end.

Muthu Chezian

President for Epsilon LNG LLC