

EPCILON LNG LLC

PROJECT DEVELOPMENT COMPANY

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April 1, 2023

RECEIPT REQUESTED

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: April 2023

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 October 1, 2022 through March 31, 2023.

On September 30, 2022, a Cooperation Agreement 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 (SEMAR), Mexico, on a long-term basis exclusively to the Amigo LNG Facility. On the first week of January 2023, the maritime concession for the project marine area has been granted by SEMAR to ASIPONA Guaymas (port of Guaymas), for the marine facilities of Amigo LNG. On March 23, 2023, periodic progress assessment meeting was held at the State of Sonora, Governor’s office, to evaluate the current progress and follow up on the fast track permitting schedule.

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By Docket Room at 03/31/2023 8:00 a.m.

The LNG Facility is expected to begin exporting LNG by May 17, 2026. The following major project milestones have been completed during the last period: (1) engineering works for the marine facilities and preliminary front end engineering for the LNG pre-treatment and liquefaction facilities has been completed, (2) social impact assessment report has been completed and filed with the SENER, Mexico office on March 15, 2023, (3) civil works EPC contractor has initiated site surveys to assess grading and levelling the project site, for module transportation and also assessing site drainage requirements as per Mexico's local civil works rules and standards, (4) meetings held with a US based LNG liquefaction technology provider to evaluate the preliminary module sizing and associated heavy-lifting, transportation plan from Louisiana to Mexico, and for the installation and assembly planning of the modules at Guaymas (5) marine environmental impact assessment processes has commenced and is ongoing for the newly assigned project site, (6) a FSU (floating storage unit) EPC contractor has been shortlisted in China for the newbuild of a 225,000m³ FSU and design evaluation has commenced, (7) Heads of Agreement is currently under negotiations for the long term offtake of 4.2 MTPA, with an SE Asian energy company. Epsilon has also initiated preliminary negotiations with potential offtakers in Japan, China and 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 "R. Muthu" followed by a stylized flourish.

Muthu Chezian

President for Epsilon LNG LLC