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U.S. Department of Energy
Office of Fossil Energy and Carbon Management
Office of Natural Gas Regulatory Activities
P.O. Box 44375
Washington, DC 20026-4375
Attention: Natural Gas Reports

**Re: Magnolia LNG LLC - Semi Annual Progress Report
DOE/FECM Docket Nos. 12-183-LNG and 13-131-LNG**

To: Office of Natural Gas Regulatory Activities:

Pursuant to Ordering Paragraph I of DOE/FECM Order 3245, Ordering Paragraph J of DOE/FECM Order 3406, below is the semi-annual progress report for Magnolia LNG LLC covering the period April 1, 2024, through September 30, 2024.

Background

Magnolia LNG LLC ("Magnolia LNG") filed its formal application to site, construct and operate an LNG export facility pursuant to Section 3 of the Natural Gas Act with the Federal Energy Regulatory Commission ("FERC") on April 30, 2014, after completing FERC's mandatory pre-filing process for LNG facilities. FERC issued its Order Granting Authorization Under Section 3 of the Natural Gas Act and Granting Certificates approving the Magnolia LNG project and related KMLP pipeline facilities on April 15, 2016 (the "April 15 Order"). FERC denied a request for rehearing on November 23, 2016. FERC authorized Magnolia LNG to commence initial site preparation on May 4, 2017.

Regulatory Status – FERC

Since the last semi-annual report, there are no new FERC-related regulatory developments.

Regulatory Status – DOE

Magnolia LNG submitted an application to the Department of Energy on December 31, 2018, to

amend DOE/FECM Order Numbers 3245, 3406, and 3909 to seek an increase of the authorized export volume from 8.0 MTPA to 8.8 MTPA, or approximately 1.23 billion cubic feet per day consistent with the earlier FERC approval of this increased production capacity under Docket Number CP19-19 approved June 18, 2020. DOE issued an order on March 21, 2019, authorizing the increased export volumes to free trade agreement (“FTA”) nations.

On March 20, 2023, as amended on May 30, 2023, Magnolia filed a request with DOE to extend its deadline to commence commercial operations from its facility. On November 29, 2023, Magnolia withdrew its request to extend its commencement deadline and separately submitted a new application for long-term authorization to export LNG to non-FTA countries. On December 8, 2023, DOE accepted Magnolia’s request to withdraw its extension request and issued an administrative notice of expiration of Magnolia’s previously granted non-FTA authorizations provided to Magnolia in DOE/FECM Order No. 3909 and amended in Order No. 3909-C.

The new application for long-term authorization to export LNG to non-FTA countries is pending before DOE. However, On January 26, 2024, DOE issued a statement that it is undertaking a process to update the economic and environmental analysis used to inform whether additional LNG export authorization requests to non-Free Trade (“non-FTA”) countries are in the public interest. DOE explained that it would temporarily defer its public interest determination of pending and newly filed non-FTA export applications until the update is completed.

Magnolia’s long-term authorization to export LNG to FTA counties, granted in DOE/FECM Order No. 3246 and Order No. 3406, both as amended, remain in effect.

Commercial Developments

Following the selection process for the Engineering, Procurement and Construction (EPC) contractors earlier this year, Magnolia LNG continued to liaise with the shortlisted parties, with the intention of selecting a preferred EPC contractor in the near future.

Status of Long-Term LNG Offtake Agreements

Current global energy market conditions have extended the time necessary to obtain additional binding LNG offtake agreements required to underpin the construction program. Consequently, Magnolia LNG has not commenced construction on any of its four trains at this time and Magnolia LNG does not plan to commence any construction activities until it achieves a Final Investment Decision.

Magnolia LNG is actively engaged in discussions with third parties for the offtake of LNG from the Project. Recent global events have led to a rekindling of European interest in U.S.-sourced natural gas, and Magnolia LNG is in active discussions with major European buyers as well as continuing to develop other opportunities in Latin America and Asia. Magnolia LNG believes that the increase in demand for LNG in the global market and the volume and progress of such

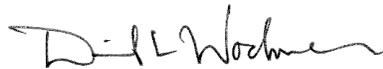
discussions with potential buyers presents a strong opportunity for Magnolia LNG to achieve Final Investment Decision. Magnolia LNG will file a copy of any long-term contracts, including long-term supply contracts, within 30 days of execution in accordance with DOE/FECM Orders 3245, 3406, and 3909.

Conclusion

As the foregoing demonstrates, over the last six months, Magnolia LNG has continued to make substantial progress towards advancing the project and reaching commercial operations. Magnolia LNG will continue to file semi-annual reports with DOE.

If you have any questions regarding this filing, please contact me at (202) 778-9014 or at david.wochner@klgates.com.

Best regards,

A handwritten signature in black ink, appearing to read "David L. Wochner". The signature is fluid and cursive, with the first name "David" being the most prominent.

David L. Wochner
Counsel for Magnolia LNG LLC