



MAGNOLIA LNG LLC
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USA

April 1, 2025

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 ("Magnolia LNG") covering the period October 1, 2024, through March 31, 2025.

Background

On December 31, 2018, Magnolia LNG submitted an application to the Department of Energy 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. Magnolia LNG's long-term authorization to export LNG to FTA countries, granted in DOE/FECM Order No. 3246 and Order No. 3406, both as amended, remain in effect.

On March 20, 2023, as amended on May 30, 2023, Magnolia LNG filed a request with DOE to extend its deadline to commence commercial operations from its facility. On November 29, 2023, Magnolia LNG 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.

On January 26, 2024, DOE issued a public 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. The 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.

Therefore, Magnolia LNG's new application for long-term authorization to export LNG to non-FTA countries is pending review and approval from the DOE.

Permitting and Regulatory Activities

On April 30, 2014, 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 15, 2016, 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. On May 4, 2017, FERC authorized Magnolia LNG to commence initial site preparation. During the last six months, there have been no FERC-related regulatory activities other than submitting FERC monthly progress reports.

On January 31, 2025, Magnolia LNG filed a request for an additional extension of time to the start of permitted activities to the Louisiana Department of Natural Resources (LDNR) for the Coastal Use Permit (CUP) and The U.S. Army Corps of Engineers (USACE) Section 10 and Section 404 permit. The LDNR reviewed and approved the request for an extension on February 3, 2025, and published the Public Notice on February 18, 2025. The USACE Section 10 and Section 404 permit extension is under review by USACE.

Commercial Developments

The selection process for the Engineering, Procurement, and Construction (EPC) contractors is on hold pending the above-mentioned authorization to export to Non-FTA countries from DOE.

Status of Long-Term LNG Offtake Agreements

A project such as this entails reaching agreements on three key commercial matters: gas supply, gas transportation, and gas offtake (i.e., purchase commitments). Gas off-take is the primary area of focus for commercial negotiations. Magnolia LNG has been engaging with main LNG buyers in Europe and Asia. By the end of 2024, Magnolia LNG had conversations with up to 10 possible offtakers with investment grade credit. During the first two months of 2025, in-person meetings were held with the referenced offtakers and received several requests for proposals. During last month, we shared with those possible offtakers drafts of Heads of Agreement with indicative pricing and basic terms of transaction that accounts for up to 8.5 MTPA.

Conclusion

As the foregoing demonstrates, over the last six months, Magnolia LNG continues to make progress across fronts that are essential to a successful LNG export project.

The undersigned requests notification of any further developments in this docket. If you have any questions regarding this semi-annual report, please contact me at (346) 359-4682 or at Oscar.lopez@aldermidstream.com.

Respectfully,

A handwritten signature in blue ink, appearing to read "Oscar J. Lopez", is written over a horizontal line.

Oscar J. Lopez, P.E.
Regulatory & Permitting Director
Magnolia LNG LLC