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By Docket Room at 2:44 pm, Oct 01, 2025

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October 1, 2025

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy and Carbon Management
Office of Regulation, Analysis, and Engagement
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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 Staff of the Office of Regulation, Analysis, and Engagement:

Delfin LNG, LLC (“Delfin”) hereby submits this semi-annual progress report in compliance with ordering paragraph O of Order No. 4028 issued by the Department of Energy (“DOE”) in Docket No. 13-147-LNG on June 1, 2017, as well as ordering paragraph J of Order No. 3393 issued in 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 but with which trade is not prohibited.

a) Progress of the Project:

As explained in Delfin’s prior semi-annual reports, Delfin has been diligently working for years with the Maritime Administration (“MARAD”) to satisfy the conditions for final License issuance of the Project under the Deepwater Port Act (“DWPA”) established in the “Secretary’s Decision on the Deepwater Port License Application of Delfin LNG, LLC,” issued in 2017 in Docket USCG-2015-0472 (the Record of Decision or “ROD”).

MARAD publicly announced on March 21, 2025, that it has issued a license authorizing Delfin to own, construct, operate, and eventually decommission its Deepwater Port Project,

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recognizing that it will be the first offshore LNG export project.¹ On June 15, 2025, Delfin submitted its executed DWPA license to MARAD, and the license is now fully effective. Certain environmental organizations have filed an appeal in the U.S. Court of Appeals for the Fifth Circuit challenging MARAD's issuance of Delfin's license.

On March 10, 2025, DOE issued its Order Nos. 3393-C/4028-D amending Delfin's export authorizations to provide an extension of time for its export commencement date.² That order recognized that Delfin satisfied both prongs of DOE's (since rescinded) term extension policy statement and found good cause to extend the condition requirement to commence commercial non-FTA exports until June 1, 2029, finding that to be "a necessary and reasonable period of time based on the evidence presented."³

On May 2, 2025, Delfin filed a request for a further amendment of its export authorizations to allow it to commence commercial non-FTA exports of LNG by June 1, 2031, providing an additional two-year extension of time based on updated facts about the Project and consistent with DOE's newly adopted approach to term extensions providing for "the removal of additional regulatory barriers standing in the way of unleashing U.S. liquefied natural gas (LNG) exports."⁴ In addition, Delfin requested that both its non-FTA and FTA authorizations be amended as necessary to reflect the current design of its Project in accordance with the license recently granted by MARAD. That request remains pending before DOE.

Delfin is actively engaged in negotiations with potential equity investors and lenders that will support the Final Investment Decision ("FID") on its first FLNG vessel (or "FLNGV"). Delfin expects to make that FID later this year.

b) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:

As described in previous semi-annual reports, Delfin has entered into five binding, long-term LNG Sales and Purchase Agreements ("SPAs") for a total of 3.3 mtpa of the Project's LNG export capacity, all of which have been previously filed with DOE along with public summaries of the material terms of each contract. As described in previous semi-annual reports and the

¹ See MARAD Press Release, "The Maritime Administration Issues the License for the Delfin LNG, LLC Deepwater Port Application" (March 21, 2025), available at: <https://www.maritime.dot.gov/newsroom/maritime-administration-issues-license-delfin-lng-llc-deepwater-port-application>.

² *Delfin LNG LLC*, DOE/FECM Order Nos. 3393-C/4028-D, issued in Docket Nos. 13-129-LNG and 13-147-LNG (March 10, 2025). See also DOE Press Release, "DOE Issues Extension to Delfin LNG Project," available at: <https://www.energy.gov/articles/doe-issues-extension-delfin-lng-project>.

³ See *id.* at 23.

⁴ DOE Press Release, ENERGY DEPARTMENT TAKES ACTION TO REMOVE BARRIERS FOR REQUESTS TO LNG EXPORT COMMENCEMENT DATE EXTENSIONS (Apr. 1, 2025), available at: <https://www.energy.gov/articles/energy-department-takes-action-remove-barriers-requests-lng-export-commencement-date>; Rescission of Policy Statement on Export Commencement Deadlines in Authorizations To Export Natural Gas to Non-Free Trade Agreement Countries, 90 Fed. Reg. 14411 (Apr. 2, 2025) ("Rescission of Policy").

relevant contract filings, those SPAs are with: Centrica LNG Company Limited (1.0 annum MTPA for 15 years); Vitol Inc. (0.5 MTPA for 15 years); Hartree Partners Power & Gas Company (UK) Limited (0.6 MTPA for 20 years); Gunvor Group Ltd. (0.6 MTPA for 20 years); and Expand Energy (formerly Chesapeake Energy Company) (0.6 MTPA for 20 years).

In addition, as noted in its previous semi-annual report, on March 25, 2025, Delfin executed a “heads of agreement” with the German state-owned company Securing Energy For Europe GmbH (“SEFE”) for long-term sale of LNG.⁵ In addition to continuing negotiations to finalize its SPA with SEFE, Delfin is also in active negotiation with potential customers for additional LNG offtake agreements, focusing on its second and third FLNGVs. Delfin will file with DOE the SEFE contract once the definitive agreement is executed, as well any additional long-term, binding contracts associated with the export of LNG from its facility, in accordance with the requirements of its export authorizations.

Delfin also remains in discussion regarding its gas supply strategy and contracting. Delfin has not entered into any long-term gas supply contracts to date, but will file all long-term, gas supply contracts once executed, in accordance with the requirements of its export authorizations.

c) Date the Project is expected to be operational:

As a modular project consisting of three separate FLNGVs, Delfin has the ability and long-standing plan to develop its FLNGVs sequentially. With the recent resolution of its regulatory issues and its existing off-taker contractual commitments, Delfin is on-track for FID on its first FLNGV during the fourth quarter of 2025, with FID for the second FLNGV expected to follow soon. With that expectation, Delfin expects to start of commercial operations of its first FLNGV in the second half of 2030.

We hope this update provides you with sufficient detail regarding the status of the Delfin Project in compliance with Order Nos. 4028 and 3393. Please feel free to contact the undersigned counsel for Delfin if you have any questions or require additional information.

Sincerely,

/s/ J. Patrick Nevins

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⁵ See SEFE Press Release, “Delfin to supply SEFE with 1.5 million tonnes of US LNG per year,” (March 25 2025), available at: https://www.sefe.eu/en/newsroom/press-releases/delfin-to-supply-sefe-with-1.5-million-tonnes-of-us-lng-per-year?utm_source=substack&utm_medium=email