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December 23, 2016

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SUBMITTED ELECTRONICALLY TO FERGAS@HQ.DOE.GOV

Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Forrestal Building - Docket Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Lloyds Energy Group LLC
Application for Long-Term Authorization to Export Liquefied Natural Gas
to Free Trade Agreement Countries

Docket No. 17- 04 - LNG

Dear Mr. Anderson:


Lloyds Energy Group LLC (the “Applicant”) hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy, its application for long-term authorization to export liquefied natural gas (“LNG”). In this application, Applicant is seeking multi-contract authorization to engage in exports of up to 9 million metric tons per annum (“MTPA”) (equivalent to approximately 1.25 billion cubic feet of natural gas per day or 468 million mmBtu per year) of LNG produced from domestic sources. The requested authorization would permit the Applicant to export LNG to any country with which the U.S. has, or in future may have, a free trade agreement requiring national treatment for trade in natural gas and LNG.

The Applicant is electronically transmitting a PDF of the application materials and, on the same day, is mailing the application materials provided electronically. The submission will include a paper copy of the original application, three additional paper copies of the application, and a check in the amount of \$50.00 in payment of the applicable filing fee, as required by 10 C.F.R. § 590.207.

Additionally, pursuant to 10 C.F.R. § 590.103(b), a Verification statement is included in the Appendix A, and pursuant to 10 C.F.R. § 590.202(c), an Opinion of Counsel letter is included in Appendix B.

Please contact me if you have any questions regarding this application.

Respectfully,



Thomas E. Holmberg
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Washington, DC 20004-2400
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Phone: 202-639-7965
Fax: 202-585-1016

Representative for Lloyds Energy Group LLC

TH
Enclosures

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the matter of:)	17-04-LNG
)	Docket No. 16-__-LNG
Lloyds Energy Group LLC)	
"Point Comfort LNG")	

**APPLICATION OF LLOYDS ENERGY GROUP LLC
FOR LONG-TERM AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act ("NGA")¹ and Part 590 of the regulations of the U.S. Department of Energy ("DOE"),² Lloyds Energy Group LLC (the "Applicant" or "Lloyds Energy") submits this application ("Application") to the DOE Office of Fossil Energy for a long-term, multi-contract authorization to export up to 9 million metric tons per annum ("MTPA") (equivalent to approximately 1.25 billion cubic feet of natural gas per day ("BCF/d") or 468 million mmBtu per year)³ of liquefied natural gas ("LNG") produced from domestic sources. Lloyds Energy seeks this authorization for a 25-year period commencing on the earlier of the date of first export (projected in 2022), or 10 years from the date the requested authorization is granted.

In this Application, Lloyds Energy seeks authorization to export domestically-produced LNG from new facilities that it intends to build, own, and operate near Point Comfort, Texas on submerged lands currently owned by the Calhoun Port Authority ("Lloyds Energy Terminal") to

¹ 15 U.S.C. § 717b.

² 10 C.F.R. Part 590 (2016).

³ The proposed maximum export quantity of 9 MTPA, or approximately 468 million mmBtu per year, equates to a daily maximum export rate of approximately 1.25 BCF/d.

any country with which the U.S. has, or in the future may have, a Free Trade Agreement (“FTA”) requiring national treatment for trade in natural gas.⁴ Lloyds Energy is requesting this authorization both on its own behalf and as agent for other parties who themselves hold title to the LNG at the time of export. To the best knowledge of the undersigned, neither DOE nor any other Federal agency or department is currently considering this application or any related matter.

This Application is the first part of Lloyds Energy’s planned two-part export authorization request. Lloyds Energy will subsequently file a separate application with the DOE for long-term authorization to export LNG to those countries with which the U.S. does not have an FTA and with which trade is not prohibited by U.S. law or policy.

This Application requests authority to export LNG only to countries with which the U.S. has, or in the future may have, an FTA requiring national treatment for trade in natural gas. Accordingly, it is subject to review under the standard established in Section 201 of the Energy Policy Act of 1992,⁵ which amended Section 3(c) of the NGA. As amended, Section 3(c) of the NGA provides that applications, such as this one, that seek authorization to export LNG to FTA countries are “deemed to be consistent with the public interest.”⁶ Section 3(c) further requires that applications of this type “shall be granted without modification or delay.”⁷

In support of the Application, Lloyds Energy respectfully states the following:

⁴ The countries that have such FTAs requiring national treatment for trade in natural gas with the U.S. include: Australia, Bahrain, Canada, Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

⁵ Pub.L. 102-486.

⁶ 15 U.S.C. § 717b(c)

⁷ *Id.*

I. COMMUNICATION AND CORRESPONDENCE

All communications and correspondence regarding this Application should be directed to the following, and those designated with an (*) should be designated as the agents for service for the Applicant:

Claire Kerwood*
VP Corporate Services
Lloyds Energy Group LLC
Corporation Trust Centre
1209 Orange Street
Wilmington, Delaware 19801
Email: ck@lloyds-energy.com
Phone: +971 52 975 0181

Mark B. Graham
EVP: Projects
Lloyds Energy Group LLC
Corporation Trust Centre
1209 Orange Street
Wilmington, Delaware 19801
Email: mbg@lloyds-energy.com
Phone: +971 52 561 1839

Thomas E. Holmberg*
Baker Botts L.L.P.
1299 Pennsylvania Ave., NW
Washington, DC 20004-2400
thomas.holmberg@bakerbotts.com
Phone: 202-639-7965
Fax: 202-585-1016

II. DESCRIPTION OF THE APPLICANT

The exact legal name of the Applicant is Lloyds Energy Group LLC. The Applicant is a limited liability company organized under the laws of Delaware. The business address of Applicant is Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801. The project will be commonly known as **Point Comfort LNG**. Applicant is a wholly-owned, indirect subsidiary of LE Group Holdings Pte. Ltd., a Singapore Limited Exempt Private Company, which is registered at 2 Marina Boulevard, #36-06, The Sail @ Marina Bay, Singapore (018987).

III. DESCRIPTION OF THE APPLICANT'S TERMINAL

Lloyds Energy requests long-term authorization to export domestically produced LNG from the Lloyds Energy Terminal to be constructed pursuant to Section 3 of the NGA. Lloyds Energy is in the process of finalizing the design of the gas processing and liquefaction facilities to receive and liquefy domestic natural gas at the Lloyds Energy Terminal ("Project"). The Project facilities will consist of two floating liquefaction, storage, and offloading ("FLNG") units, each capable of producing up to 4.5 MTPA for total capacity of 9 MTPA of LNG. Each FLNG unit will have an estimated storage capacity of approximately 200,000 cubic meters. Appendix D provides an illustration of the Project's layout, including the orientation of the two FLNG units with respect to the proposed loading berth, central jetty, and service barge.

The Project will be located offshore of Point Comfort, Texas, within Cox Bay, at a site over submerged lands owned by Calhoun Port Authority. To support the Project, Lloyds Energy has executed a Memorandum of Understanding ("MOU") with the Calhoun Port Authority to negotiate a lease of the submerged lands, which are anticipated to be within the area identified in Appendix C. The MOU provides for a negotiation period (through June 30, 2017), during which the Calhoun Port Authority shall negotiate exclusively with Lloyds Energy the terms of a lease of such submerged lands that is consistent with the Applicant's timeline to plan, construct, and operate the Lloyds Energy Terminal. Therefore, under the terms of the MOU, the Calhoun Port Authority shall not negotiate with any other persons or entities regarding a lease for or access to the submerged lands during the negotiation period. A copy of the MOU is attached as Appendix E.

IV. DESCRIPTION OF EXPORT PROPOSAL

Lloyds Energy submits this Application for long-term, multi-contract authorization to export up to 9 MTPA (equivalent to approximately 1.25 BCF/d of natural gas or 468 million mmBtu per year) of LNG produced from domestic sources. Lloyds Energy seeks this authorization for a 25-year period commencing on the earlier of the date of first export (projected to occur in 2022) or 10 years from the date the requested authorization is granted.

The Project facilities would allow natural gas to be received via pipeline at the Lloyds Energy Terminal, liquefied, and loaded from the FLNG units' storage tanks onto LNG carriers berthed at the Lloyds Energy Terminal. The long-term authorization requested in this Application is vital to allowing Lloyds Energy to incur the substantial capital and other costs of developing the Project, and to provide the certainty necessary to secure customer contracts. Terms for the use of the Project facilities will be set forth in agreements with customers of the Project. These agreements are expected to be long-term agreements, with options to extend, and will be consistent with the term of the Applicant's export authorization. Lloyds Energy has not yet finalized and executed such agreements, but it is working toward doing so.

V. EXPORT SOURCES

Lloyds Energy seeks authorization to export natural gas available from the U.S. natural gas supply and transmission network. As a result of the Lloyds Energy Terminal's potential to access nine (9) major natural gas pipelines, and with indirect access to the entire national gas pipeline grid, the Project's customers will have a wide variety of stable and economical supply options from which to choose. Natural gas resources accessible to the Project will include the significant supplies available from Gulf Coast producing regions, as well as conventional and

unconventional gas reserves throughout the U.S. Consequently, the Project's customers will have a diverse and reliable choice of gas supplies.

VI. REQUESTED AUTHORIZATION

Lloyds Energy requests long-term authorization to export up to 9 MTPA of domestically produced LNG from the Lloyds Energy Terminal. This authorization is requested for a 25-year term commencing on the earlier of the date of the first export (projected to occur in 2022) or 10 years from the date on which authorization is granted by the DOE. Lloyds Energy seeks authorization to export LNG to any country with which the U.S. has, or in the future may have, an FTA that requires national treatment for trade in natural gas.

Lloyds Energy requests authorization to export LNG on its own behalf (by holding title to the LNG at the time of export) or by acting as an agent for others. To ensure that all exports are permitted and lawful under U.S. laws and policies, Lloyds Energy will comply with all DOE requirements for an exporter or agent. In Order No. 2986,⁸ DOE approved a proposal to register each LNG title holder for whom the applicant sought to export LNG as agent. The applicant in that proceeding also proposed that this registration include a written statement by the title holder acknowledging and agreeing to comply with all applicable requirements included in its export authorization and to include those requirements in any subsequent purchase or sale agreement entered into by that title holder. The applicant in that proceeding further stated that it would file under seal with DOE any relevant long-term commercial agreements that it reached with the LNG title holders on whose behalf the exports were performed.

⁸ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2986, FE Docket No. 11-51-LNG (2011).

DOE found that this proposal was an acceptable alternative to the non-binding policy previously adopted in Order No. 2859,⁹ which provided that title to all LNG authorized for export must be held by the authorization holder at the point of export. In approving the alternative approach, DOE required the authorization holder to register the other entity with DOE.¹⁰

Therefore, when acting as agent, Lloyds Energy will register with the DOE each LNG title holder for whom Lloyds Energy seeks to export as agent, and will provide DOE with a written statement by the title holder acknowledging and agreeing (i) to comply with all requirements in Lloyds Energy's long-term export authorization, and (ii) to include those requirements in any subsequent purchase or sale agreement entered into by the title holder. Lloyds Energy will also file under seal with DOE any relevant long-term commercial agreements it enters into with the LNG title holders on whose behalf the exports are performed.

DOE regulations also require applicants to submit information regarding the terms of transactions, including long-term supply agreements and long-term export agreements.¹¹ Applicant has not yet entered into these agreements. In prior orders granting long-term authorization to export LNG to FTA countries, the DOE has found that applicants need only submit transaction-specific information as required in Section 590.202(b) of DOE's regulations, "when practicable."¹² Accordingly, DOE has previously permitted applicants to submit such

⁹ *Dow Chemical Company*, DOE/FE Order No. 2859, FE Docket No. 10-57-LNG (2010).

¹⁰ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 at 7-8 (Feb. 10, 2011).

¹¹ 10 C.F.R. § 590.202(b)(4).

¹² *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 at 5-6 (Sept. 7, 2010). *See also, e.g., Waller LNG Services, LLC d/b/a Waller Point LNG*, DOE/FE Order No. 3211, FE Docket No. 12-152-LNG (2012) (discussing the "to the extent practicable" standard from 10 C.F.R. § 590.202(b) as requiring that agreements be submitted within a fixed period after their having been executed if not available at the time of application filing).

information if and when such agreements are executed.¹³ Lloyds Energy requests that the DOE make the same finding in this case to enable Lloyds Energy to proceed with securing customer agreements and developing the required Project facilities.

VII. STANDARD OF REVIEW

Section 3(c) of the NGA, as amended by the Energy Policy Act of 1992, requires that applications for authorization to export natural gas, including LNG, to any nation “with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest” and “shall be granted without modification or delay.”¹⁴ This Application, which seeks authorization to export natural gas, in the form of LNG, to any nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, falls squarely within the scope of Section 3(c), and should be deemed consistent with the public interest and granted without modification or delay.

VIII. REVIEW OF ENVIRONMENTAL IMPACTS

Following DOE issuance of the long-term export authorization requested in this Application, Lloyds Energy will initiate the pre-filing review process at the Federal Energy Regulatory Commission (“FERC”) for the proposed Project facilities. This will be the initial step in a complete environmental review of the Project by FERC. Lloyds Energy anticipates that, consistent with the requirements of the National Environmental Policy Act (“NEPA”) and Section 15 of the NGA,¹⁵ FERC will act as the lead agency for environmental review, with DOE acting as a cooperating agency. As required by NEPA and the FERC’s regulations, Lloyds

¹³ See, e.g., *G2 LNG LLC*, DOE/FE Order No. 3682, FE Docket No. 15-44-LNG (2015); *SCT&E LNG, LLC*, DOE/FE Order No. 3566, FE Docket No. 14-89-LNG (2014); *Freeport LNG Expansion, L.P. & FLNG Liquefaction LLC*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (2011); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833, FE Docket No. 10-85-LNG (2010).

¹⁴ 15 U.S.C. § 717b(c).

¹⁵ 15 U.S.C. § 717n.

Energy will design the Project facilities to minimize or mitigate any adverse environmental impacts.

In accordance with the foregoing, Lloyds Energy respectfully requests that DOE issue an order approving the Application.

IX. APPENDICES

The following appendices are included with this Application:

Appendix A	Verification
Appendix B	Opinion of Counsel
Appendix C	Location Map
Appendix D	Project Layout
Appendix E	Memorandum of Understanding

X. CONCLUSION

For the reasons set forth above, Lloyds Energy respectfully requests that DOE issue an order granting Lloyds Energy authorization to export, for a period of 25 years, up to 1.25 BCF/d (equivalent to 9 MTPA or 468 million mmBtu per year) of domestically-produced LNG to any country with which the U.S. has, or in the future may have, an FTA requiring national treatment for trade in natural gas.

Respectfully submitted,



Thomas E. Holmberg

Representative for Lloyds Energy Group LLC

Appendix A

Verification

VERIFICATION
AND
CERTIFIED STATEMENT

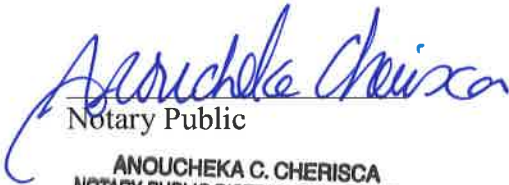
I, Thomas E. Holmberg, being duly sworn on his oath, do hereby affirm that I am a duly authorized representative of Lloyds Energy Group LLC; that I am familiar with the contents of this application; and that the matters set forth therein are true and correct to the best of my knowledge, information, and belief.



Thomas E. Holmberg



Sworn to and subscribed before me, a Notary Public, in and for the December, this 22 day of December, 2016.



Notary Public

ANOUCHEKA C. CHERISCA
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires March 14, 2020

OPINION OF COUNSEL

December 23, 2016

Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Forrestal Building — Docket Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, D.C. 20585

RE: Lloyds Energy Group LLC Application for Long-Term Authorization to
Export Liquefied Natural Gas to Free Trade Agreement Countries

Dear Mr. Anderson:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the United States Department of Energy, 10 C.F.R. § 590.202(c) (2016). I am counsel to Lloyds Energy Group LLC (“Lloyds Energy”). I have reviewed the organizational and internal governance documents of Lloyds Energy, and it is my opinion that the proposed long-term export of liquefied natural gas as described in the application filed by Lloyds Energy, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of Lloyds Energy.

Respectfully submitted,



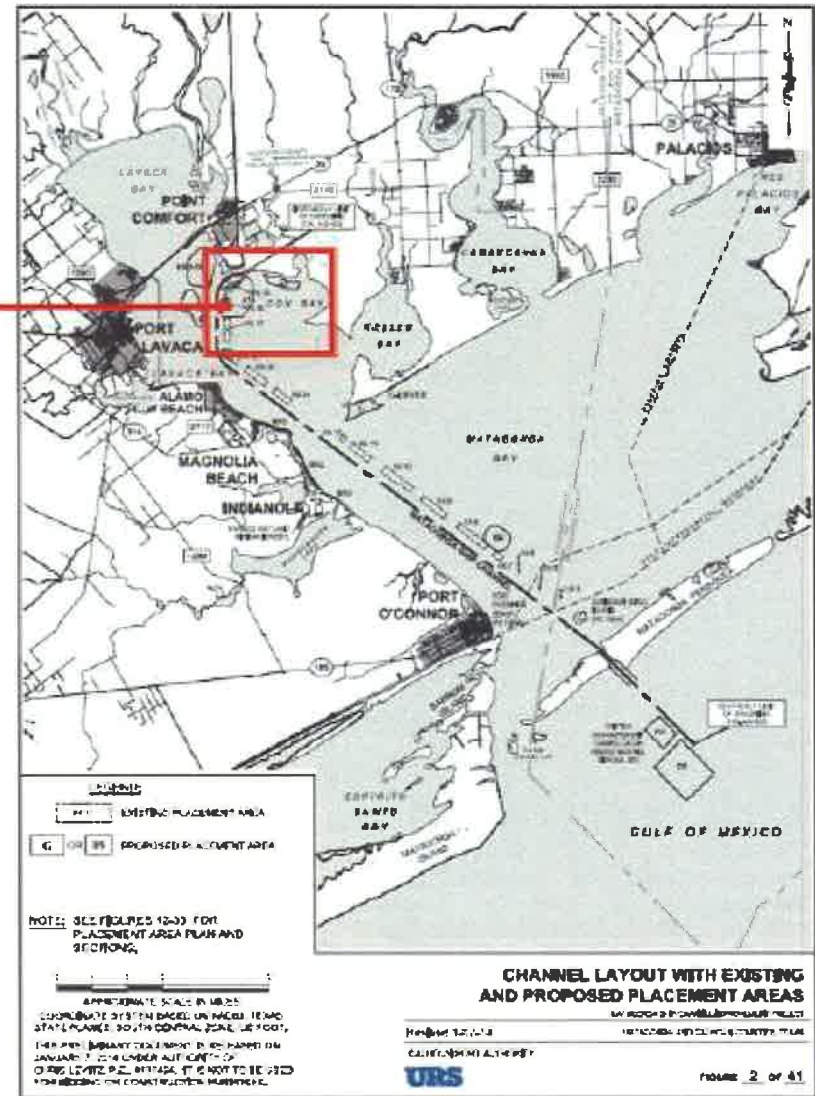
Tom Holmberg
Counsel to Lloyds Energy Group LLC

Location Map

Location

Point Comfort, Texas, USA

Calhoun Port Authority

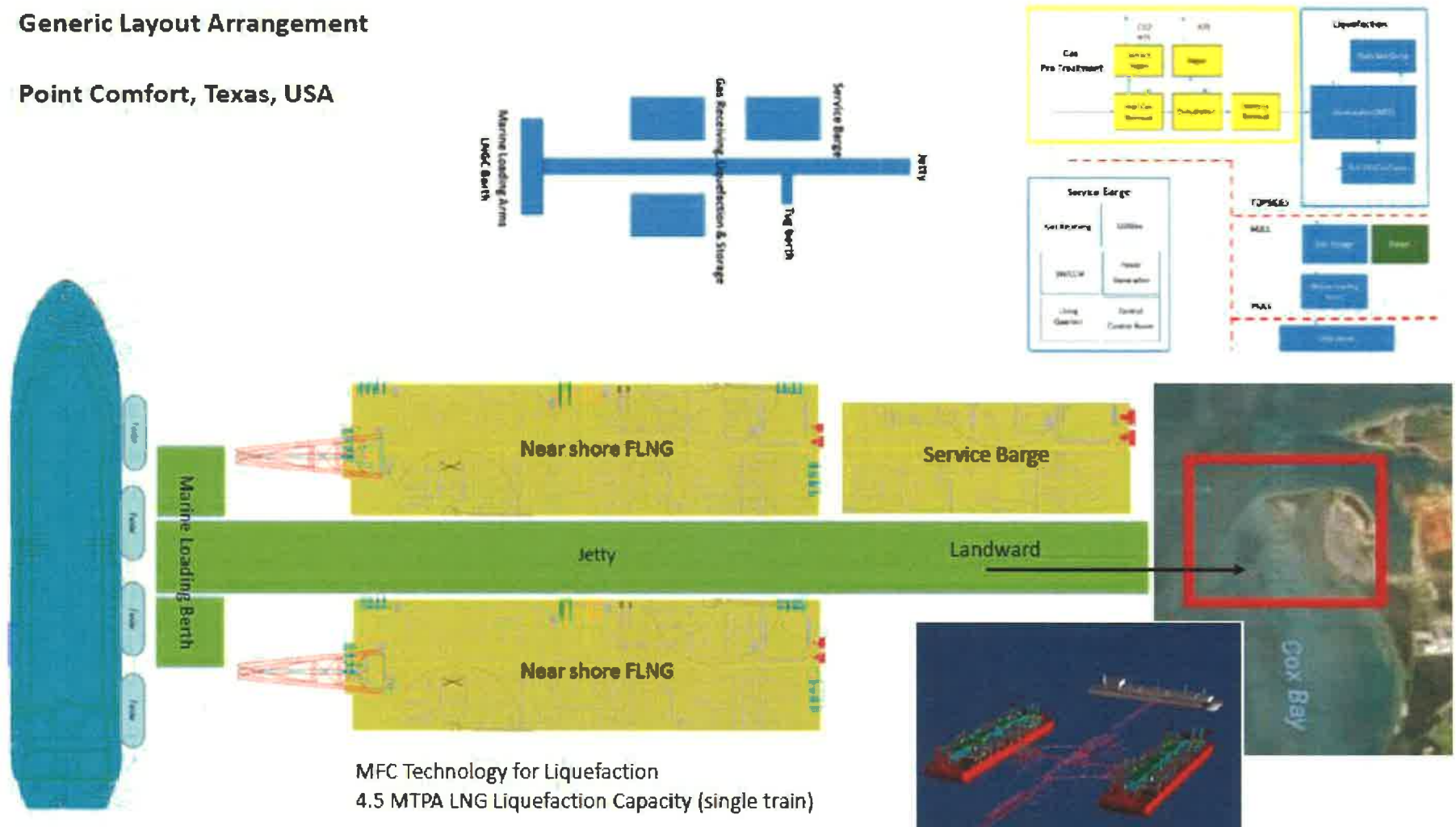


Appendix D

Project Layout

Generic Layout Arrangement

Point Comfort, Texas, USA



Appendix E

Amended and Restated Memorandum of Understanding Between

Calhoun Port Authority and Lloyds Energy Group LLC USA

This Amended and Restated Memorandum of Understanding ("MOU") is made and entered into on this 14th day of December, 2016 ("Effective Date"), which amends and restates the Original MOU (as defined below) in its entirety, by and between:

- (i) **Calhoun Port Authority**, a body politic and a governmental subdivision of the State of Texas, with its business address at 2313 FM 1593 South, Point Comfort, Texas 77978 ("Port");

and

- (ii) **Lloyds Energy Group LLC USA**, a company registered in the State of Delaware with its registered offices at 108 West 13th Street, Wilmington, Delaware (Registration NO: 19801) ("Lloyds Energy").

Port and Lloyds Energy may be referred to herein collectively as the Parties and each individually as a Party.

WHEREAS, this is a non-exclusive "MOU" between the PARTIES, leasing the Submerged Lands to Lloyds Energy, and Lloyds Energy desires to lease the Submerged Lands from Port, and Port and Lloyds Energy are interested in negotiating in a collaborative nature such lease agreement for the Submerged Lands (as defined in Exhibit A attached hereto) (the "Lease");

WHEREAS, the Parties may also negotiate various additional scope of work provisions, all of which will be by separate agreement(s), such as:

- (i) the provision of Port Tug and shipping facilities;
- (ii) the provision of operational services at Port's facilities; and
- (iii) a formula/methodology in respect of certain expenses incurred by, and reimbursements paid to, Port as set forth in Section 6(i) below;

WHEREAS, both Parties desire to enter into this MOU to set forth certain (i) binding agreements between the Parties with respect to their activities during the Negotiation Period (as defined below) and (ii) certain non-binding understandings between the Parties in respect of the potential terms and conditions to be included in a Lease for Submerged Lands;

WHEREAS, the Parties entered into that certain Memorandum of Understanding ("MOU") dated June 8, 2016 (the "Original MOU");

WHEREAS, Port and Lloyds Energy desire to amend the Original MOU in its entirety, as set forth herein; and

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, and intending to be legally bound hereby (except as set forth in Section 4 below), the Parties agree as follows:

1. Actions during the Negotiation Period.

During the Negotiation Period, each Party will conduct itself in good faith and in a commercially reasonable manner, and will commit sufficient resources to evaluate and potentially negotiate a transaction encompassing the following arrangements:

- (a) this MOU and a subsequent Lease for Submerged Lands between the Parties incorporating the commercial terms specified in Exhibit A attached hereto and such other detailed terms and conditions as may be agreed by the Parties during the course of the negotiations with respect to the Lease, along with other long-term agreements; and
- (b) taking any other actions which the Parties determine are necessary or desirable in connection with the arrangements described in subsection (a) above.

2. Term.

This MOU shall be effective from the Effective Date and shall continue in full force and effect until the earliest of:

- (a) the date on which a "Lease" has been executed; and
- (b) June 30, 2017 or such later date as may be agreed to in a writing executed by the Parties,

(such period of effectiveness, the "Negotiation Period"). Upon termination of this MOU, neither Party shall have any continuing obligation or liability to the other Party with respect to this MOU, except for those obligations contained in Sections 3 (*Confidentiality*), 4 (*Non-Binding or Binding Nature of this MOU*), 5 (*Exclusivity*), and 6 (*Miscellaneous*), which shall survive termination of this MOU.

3. Confidentiality.

The Parties agree that the existence and substance of any discussions or negotiations and the terms of any draft of this MOU (including Exhibit A attached hereto), as well as any information exchanged pursuant to this MOU and information previously exchanged between the Parties that relates to the subject matter of this MOU, are subject to the terms and conditions of the Non-Disclosure Agreement between the Parties dated 15TH December 2015 (the "NDA"),¹ and nothing herein is intended to affect the legality, validity or enforceability of the NDA. Except as required by law or permitted by the NDA, neither Party may make a public disclosure or announcement, including a press or media release, regarding the nature or existence of this MOU without the other Party's prior written consent and approval for such disclosure. Lloyds Energy acknowledges that Port is a governmental entity subject to certain open records disclosures.

¹ Note: To confirm that NDA extends beyond the term of the Original MOU.

4. Non-Binding or Binding Nature of this MOU.
- (a) From and after the Effective Date, Section 1 through Section 6 of this MOU shall constitute the legally binding and enforceable agreement of Port and Lloyd's Energy.
 - (b) The Parties agree that neither the non-binding understandings in Exhibit A attached hereto, nor any prior or subsequent course of conduct or dealing between the Parties is intended to (i) create or constitute any legally binding obligation between them in respect of the Lease for Submerged Lands or any activities in relation thereto, (ii) oblige either Party to enter into any definitive agreements concerning the Submerged Lands, including the Lease, or any other agreements related thereto, or (iii) enter into any other agreement or arrangement. The Parties further agree that the execution by a Party of a Lease, or any other agreement, will be subject to such Party receiving all required internal and other approvals in the sole discretion of such Party.
 - (c) Neither Party shall be justified in relying on any of the terms and conditions set forth in Exhibit A attached hereto, or any negotiations or discussions in relation thereto, in incurring any costs, expenses, or liabilities, or in entering into any other agreements or arrangements in respect of a proposed Lease for the Submerged Lands or additional agreement(s). All drafts, term sheets, memoranda, correspondence, financial models, and all other communications prepared or exchanged in the course of discussions regarding the Lease shall be considered confidential, preliminary, and shall have no legal effect unless they are incorporated into definitive agreements duly executed by the Parties.
5. Exclusivity. During the Negotiation Period, Port shall not negotiate with any other persons or entities regarding the lease of or the granting of access to the Submerged Lands.
6. Miscellaneous.
- (a) Relationship of Parties. This MOU does not create a partnership, joint venture or relationship of trust or agency between the Parties. Neither Party shall be authorised to act on behalf of the other, or to make representations or commitments of any kind on behalf of the other Party.
 - (b) Assignment. This MOU may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
 - (c) Amendment. This MOU may not be altered, changed or amended, except by an instrument in writing executed by the Parties.
 - (d) Governing Law/Arbitration. This MOU and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) is governed by and construed in accordance with the laws of the State of Texas, with venue being in the State District Courts of Calhoun County, Texas, without regard to the conflicts of law principles; provided, however, that any dispute arising between the Parties under this MOU shall first be submitted to mediation, and if the Parties cannot resolve the dispute

within thirty (30) days by mediation, in Calhoun County, Texas at a mutually agreeable site.

- (e) Captions and Headings; Interpretation. The numbering and heading of any particular provision of this MOU are for the purpose of convenience only, and shall not be construed as having any substantive effect on the terms of this MOU. The word "including" shall be construed without limitation.
- (f) Entirety. This MOU, together with Exhibit A attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior correspondence, memoranda, agreements or understandings (written or oral) with respect to the proposed Lease are superseded and replaced by this MOU.
- (g) Notices. All notices and other communications required under this MOU shall be in writing and shall be addressed to the receiving Party at the address, fax number, or email of such Party set forth below, or to such other address, fax number, or email such Party specifies to the other by written notice:

- (i) If to Port: Calhoun Port Authority
PO Box 397
Point Comfort
Texas 77978
Attention: Charles Hausmann

Phone: 361.987.2813
Fax: 361.987.2214
Email: crh@calhounport.com

With copy to: Wanda Roberts
Attorney at Law
P. O. Box 9
Port Lavaca, Texas 77979
Email: wanda@portlavacalaw.com

- (ii) If to Lloyds Energy:

Unit 1304, JBC5, Cluster W
Jumeirah Lake Towers
P.O Box 103805
Dubai, UAE

Attention: Mark B. Graham – EVP Projects (Global)

Phone: +971 (0)4 55 192 11
Fax:
Email: mbg@lloyds-energy.com

With copy to: Claire Kerwood – VP Corporate Services
Email: ck@lloyds-energy.com

A notice shall be effective and deemed properly given: (i) if delivered during normal business hours on a business day, in each case, in the location of the receiving Party, then at the time and date of delivery; or (ii) if delivered other than during normal business hours on a business day, then at 10:00 A.M. (in the location of the receiving Party) on the next business day after delivery. Delivery by fax shall occur when the sending fax machine has registered delivery of the fax and the receiving fax machine has printed a legible version of the fax. Delivery by email shall occur when the sender receives confirmation of the receiving Party's receipt of such email.


- (h) Severability. If any binding provision of this MOU (or part thereof) is or becomes illegal, invalid or unenforceable, the legality, validity, and enforceability of any other part of that provision or any other binding provision of this MOU shall not be affected or impaired in any way, but shall continue in full force and effect. If any such binding provision of this MOU (or part thereof) shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be divisible from this MOU and the validity, legality and enforceability of the remaining provisions of this MOU shall not be adversely affected or impaired in any way.
- (i) Costs and Expenses. Lloyds Energy shall be responsible for its own costs and expenses in connection with the activities contemplated by this MOU. Lloyds Energy shall also be responsible for the cost incurred by Port for legal and engineering expenses in assisting Lloyds Energy in preparation of filing its FERC Application up to and including FERC EIS issue/approval. All such expenses to be submitted with relevant and necessary supporting documentation. Lloyds Energy has already paid a deposit of \$25,000 to be used for expenses incurred by Port. Both Parties have determined a formula/methodology for calculating additional expenses and reimbursements and the methodology for replenishing the deposit account as needed. From and after the Effective Date, no later than the fifteenth (15th) calendar day of each calendar month, Port shall deliver to Lloyds Energy a statement containing the remaining balance in such deposit account and any additional expenses and reimbursements reasonably anticipated by Port. Upon expiration or earlier termination of this MOU, any positive balance of such deposit account not allocated to expenses actually incurred by Port shall be refunded to Lloyds Energy. In addition to the fund for fees incurred by the Port relating to the FERC application, a one time administrative fee for the preparation and execution of this MOU of \$5,000.00 shall be due and payable by Lloyds Energy upon execution of the same.
- (j) Waiver. No failure to exercise, or delay in exercising, any right or remedy arising under or in connection with this MOU shall operate or be construed as a waiver thereof. A waiver of any term, provision or condition of this MOU shall be effective only if made by written instrument and signed by the waiving Party, and no single or partial exercise of any right or remedy arising under or in connection with this MOU, or discontinuance of steps to enforce such right or remedy, shall preclude any other or future exercise thereof.
- (k) Counterparts. This MOU may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one

and the same instrument, and this has the same effect as if the signatures on each counterpart were on a single copy hereof. This MOU shall not be effective until each Party has executed at least one counterpart.

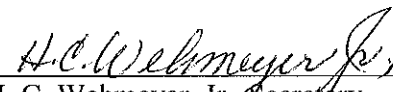
- Signature Page to follow -

IN WITNESS WHEREOF, the Parties have executed this MOU on the date and year first written above.


CALHOUN PORT AUTHORITY

 12/20/16
Randy L. Boyd, Board President

ATTEST:


H. C. Wehmeyer, Jr., Secretary

LLOYDS ENERGY GROUP LLC USA

By: 
Name: Mark Graham
Title: EVP Projects

IN WITNESS WHEREOF, the Parties have executed this MOU on the date and year first written above.

CALHOUN PORT AUTHORITY

Randy L. Boyd, Board President

ATTEST:

H. C. Wehmeyer, Jr., Secretary

LLOYDS ENERGY GROUP LLC USA

By: Mark Graham
Name: Mark Graham
Title: EVP Projects

Exhibit A

Non-Binding Term Sheet of Essential Commercial Terms and Conditions.

This Non-Binding Term Sheet of Essential Commercial Terms and Conditions for a Lease Submerged Lands ("Term Sheet") is intended to summarise briefly some of the essential commercial terms that may be negotiated between the Parties, but each Party agrees that (a) neither the terms and conditions set forth in this Term Sheet nor any prior or subsequent course of conduct or dealing between the Parties is intended to create or constitute any legally binding obligation between them, as described in Section 4(b) of the main body of this MOU, and (b) the Parties may agree to revised or different terms for ultimate inclusion in the Lease for Submerged Lands or any other definitive agreements. Capitalised terms not otherwise defined in this Exhibit A shall have the meanings set forth in the main body of this MOU.

1. The Parties Names and Contact Provisions	Calhoun Port Authority (or one of its affiliates) ("Port") and Lloyds Energy Group, LLC (" <u>Lloyds Energy</u> ")
2. Submerged Lands	<p>a) Address of the Lease Premises : _____</p> <p>---- all or part of Texas GLO Blocks _____</p> <p>b) The area of the facility is; TBD</p> <p>c) Term of Lease is; 25 years</p> <p>d) Lease Amount</p> <p>e) Access to shipping documents</p>
3. Property Use	Processed Gas will be delivered to the Submerged Lands for the use of the property for an LNG Facility Port
4. Permits	Assistance in acquisition of relevant Environmental and Dredging permits and FERC approval and other related permits. [TBD] at the FLNG Location.
5. FERC Application	Lloyds Energy recognize that Port will incur legal and engineering expenses in assisting Lloyds Energy in preparation of filing its FERC Application up to and including FERC EIS issue/approval and confirm that all such expenses in doing so will be reimbursed at cost.
6. Lease cost / Price	<p>\$ per Sq. m = TBD</p> <p>Payment milestones : TBD:</p> <p>Insurance</p> <p>Align with Project schedule and Project planned FID (the project schedule to be agreed within the "negotiating period"</p> <p>Tariffs, land</p>

7. Lease Signing Bonus	At Final Investment Decision (FID), Lloyds Energy would execute a formal long term lease and pay Port a significant one time "Lease Signing Bonus" and commence monthly lease payments at a negotiated lease rate during the construction phase and increasing to the full lease payment at the beginning of LNG production with an expected annual escalation as time goes forward.
8. Price Review	Lloyds Energy should offer a Price Review and discuss conceptually the principle of price Review.
9. Rule of Law + Dispute Resolution	Venue shall be in the State District Courts of Calhoun County, Texas with mediation/Arbitration to take place in Harris County Texas.
10. Parent Company Guarantees	Parent Company Guarantees will be required from Lloyds Energy to reflect the potential liabilities. These will be uncapped and potentially extend to the whole value of the capex.
11. Extension of Term	The Parties may extend the Basic Term on the same terms and conditions as provided in the Lease, provided that any such extension will require the mutual agreement of the Parties and with specific approval by the Port Authority Board.
12. Liabilities	<p>Notwithstanding any other provisions of the Lease, neither Party will be liable to the other Party for or in respect of:</p> <p>(a) Any consequential loss or damage, including loss of profits or business interruption; or</p> <p>(b) Any exemplary or punitive damages, in each case, suffered or incurred by the other Party or any person or entity resulting from breach of or failure to perform under the Lease or the breach of any representation or warranty under the Lease</p>
13. Force Majeure	<p>Neither Party will be in breach of its obligations under the Lease or liable to the other Party for any failure to perform, or for any delay in performing, any of its obligations under the Lease, except the obligation to pay money when due, if and to the extent that such Party's performance is prevented, interfered with, or delayed (in whole or in part) as a result of an act, event, or circumstance not reasonably within the control of the Party affected, such Party acting and having acted as a reasonable and prudent person (such event being referred to as "Force Majeure"). The Parties will agree in the Lease a non-exhaustive list of examples of events and circumstances that will, subject to satisfaction of the foregoing conditions, be considered to constitute Force Majeure.</p> <p>The Parties will agree in the Lease a list of specific events or circumstances that will not constitute Force Majeure.</p>

14. Termination	<p>The Lease will specify events giving rise to the right for either or both of the Parties (as applicable) to terminate the Lease , including:</p> <ul style="list-style-type: none"> (a) Bankruptcy or insolvency of the other Party; (b) Failure by the other Party to make timely payment of an amount in excess of agreed payment failure thresholds applicable to Port and Lloyds Energy, respectively; (c) Extended Force Majeure; (d) Actions of the other Party that result in the terminating Party being in violation of applicable laws governing anti-bribery and corruption. (e) Notice Provision
15. Assignment	<p>Except with respect to assignments to affiliates and lenders (each under procedures and requirements to be specified in the Lease), neither Party may assign or transfer all or any of its rights or obligations under the Lease without the prior written consent of the other Party, such consent not to be unreasonably withheld.</p>
16. Conditions Precedent	<p>As a minimum, there should be a number of Conditions Precedent that are agreed as part of the LEASE</p> <ul style="list-style-type: none"> 1) Export License granted by DOE for the export of LNG to Non FTA countries and FERC approval. 2) Board approvals from Port and Lloyds Energy 3) LNG Offtake Agreements 4) Lloyds Energy or its affiliate receiving all regulatory and governmental permits, consents and approvals required to construct and operate Port's Facilities (not including any such permits, consents and approvals that will not be issued until after construction of the Lloyds's Facilities are completed) <p>Lloyds or its relevant affiliate receiving all permits, consents and approvals required to export LNG from Port's Facilities (Local, State and Federal Governments approvals as needed).</p>