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1004.11

March 31st, 2016

U.S. Department of Energy
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
Division of Natural Gas Regulatory Activities
P.O. Box 44375
Washington, D.C. 20026-4375
Attention: John Anderson, Director

Re: Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG
Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC, DOE/FE Order Nos.
3282-C, 3357-B

Dear Mr. Anderson,

Pursuant to DOE Order Nos. 3282-C and 3357-B (“**DOE Orders**”), Ordering Paragraph I (i), on behalf of Osaka Gas Trading & Export LLC (“**OGTX**”), I am hereby submitting copies of an executed long-term contract associated with the long-term export of LNG from the Freeport Terminal.

In accordance with Ordering Paragraph I (i), this transmittal contains:

(A) an unredacted copy of the LNG SALE AND PURCHASE AGREEMENT (Free-on-Board), dated as of March 1, 2016, between OGTX and Osaka Gas Co., Ltd. (“**Osaka Gas**”) (the “**Contract**”). The unredacted Contract, attached hereto as Attachment A, contains highly sensitive and confidential commercial and financial and proprietary information and is being filed with DOE under seal on a confidential basis and not for public disclosure, as authorized by Order Nos. 3282-C and 3357-B; and

(B) a summary of major provisions of the Contract (attached as Attachment B hereto), together with the Declaration of Tadashi Yamamoto (attached as Attachment C hereto). In accordance with Order Nos. 3282-C and 3357-B, Ordering Paragraph I (i), Mr. Yamamoto’s Declaration is provided in response to the requirement that the person submitting the executed long-term LNG sale and purchase agreement state why the non-disclosed information should be exempt from public disclosure.

On February 20, 2015, Osaka Gas as a Registrant submitted, under seal and pursuant to 10 C.F.R. Section 1004.11, copies of two highly sensitive and confidential executed long-term sale and purchase contracts with E.ON Global Commodities SE associated with the long-term export of LNG from the Freeport Terminal (the “**E.ON Contracts**”).¹ Osaka Gas also submitted summaries of the E.ON Contracts. Osaka Gas and its affiliates have held in confidence and not publicly disclosed that they have entered into the E.ON Contracts. Any disclosure — the customer’s identity, the quantity, or indeed even the very existence of these contracts — would cause substantial competitive harm to Osaka Gas and its affiliates. For these reasons Osaka Gas submitted both the E.ON Contracts and the summaries of their major provisions as confidential filings under seal and not for public disclosure pursuant to 10 C.F.R. 1004.11 and requested that there be no release of any of those documents.

Under the Contract that OGTX is submitting today, Osaka Gas will purchase from OGTX the LNG to serve the E.ON Contracts. Furthermore, because on August 3, 2015, Osaka Gas assigned to OGTX its rights and obligations under the long-term Liquefaction Tolling Agreement that it originally entered with FLNG Liquefaction LLC on July 31, 2012, OGTX will now have title to the LNG at the point of export from the Freeport Terminal. As Osaka Gas will not have title to the LNG at the point of export, the E.ON Contracts will be long-term contracts for the resale of LNG exported from the Freeport Terminal. While contracts for resale and transfer of LNG exported from the Freeport Terminal must contain the provisions set forth in Ordering Paragraph (J), it is not required that they be submitted in accordance with Ordering Paragraph I (i). The E.ON Contracts are highly sensitive commercial transactions for the resale of LNG exported by a Registrant from the Freeport Terminal, and FLEX (the authorization holder) is not a party to the E.ON Contracts, nor is FLEX an agent for OGTX (the Registrant)’s customer. Given the foregoing, it is respectfully requested that DOE return these highly sensitive and confidential documents that were previously filed to my attention at the address below.

Thank you for your attention in this matter. If you have any questions please do not hesitate to contact me by email or telephone as follows:

Shigeki Enomoto
2200 Post Oak Blvd., Suite 1500
Houston, Texas 77056
E-mail Address: senomoto@osakagasusa.com
Telephone: +1-713-354-9100

¹The agreements are: the Amended and Restated LNG Sale and Purchase Agreement (Free-on-Board) between Osaka Gas Co., Ltd. (Seller) and E.ON Global Commodities SE (Buyer) dated as of January 29, 2015 and the Amended and Restated LNG Sale and Purchase Agreement (Delivered Ex-ship) between Osaka Gas Co., Ltd. (Seller) and E.ON Global Commodities SE (Buyer) dated as of January 29, 2015.

Fax: +1-713-354-9101

Very truly yours,

By: 

Name: Shigeki Enomoto

Title: Vice President

Date: March 31st, 2016

ATTACHMENT B
SUMMARY OF MAJOR PROVISIONS OF THE CONTRACT

**LONG-TERM CONTRACT LNG SALE AND PURCHASE AGREEMENT
MAJOR PROVISIONS SUMMARY**

1. DOE/FE Order No(s): 3282-C & 3357-B
DOE/ FE Docket No(s): 10-161-LNG & 11-161-LNG

2. LNG Liquefaction/Export Facility and Location:

Freeport LNG facility located in and around Quintana Island, southeast of the city of Freeport in Brazoria County, Texas.

3. Describe affiliation with LNG Liquefaction Export Facility (e. g, owner, capacity holder, etc.):

Osaka Gas Co., Ltd. entered into a Liquefaction Tolling Agreement with FLNG Liquefaction, LLC, the owner of the facility, for the provision of liquefaction services. Osaka Gas Co., Ltd. subsequently assigned all of its rights, obligations and responsibilities under the Liquefaction Tolling Agreement to Osaka Gas Trading & Export LLC, which is a wholly owned indirect subsidiary of Osaka Gas Co., Ltd. Osaka Gas Co., Ltd. and Osaka Gas Trading & Export LLC are also affiliates of a partial owner of the Freeport LNG liquefaction/export facility.

4. Exact Legal Name of Parties/Counterparties to Contract:

Osaka Gas Trading & Export LLC (seller)
Osaka Gas Co., Ltd. (buyer)

5. 5a. Contract Type (e.g., Purchase and Sale Agreement; Liquefaction Tolling Agreement, etc.):

LNG purchase and sale agreement.

5b. Firm or Interruptible Contract:

Firm.

6. Date of Contract:

March 1, 2016.

7. Contract Term:

Twenty years from the date on which construction, testing and commissioning of the first liquefaction train of the Freeport facility has been completed and the Freeport facility is capable of being utilized to provide liquefaction services, subject to possible extension for the lifting of make-up volumes and subject to the validity of the export authorization.

8. *Quantity (Annual and Total, if appropriate, include +/- % flexibility):*

The agreement entitles the buyer to take up to a maximum quantity of 121,000,000 million BTUs annually subject to such quantity being delivered to the buyer in the form of a specified number of cargoes, each cargo to be within a permitted volume range. The first contract year begins on the date that the contract term begins and ends on the following March 31, and the volume for such contract year shall be adjusted to the extent it is less than a calendar year. The last contract year begins on April 1 and ends on the date that the contract term ends, and the volume for such contract year shall be adjusted to the extent it is less than a calendar year.

9. *Take or Pay (or equivalent) Provisions/Conditions (please describe):*

The buyer is obliged to take and pay, or compensate the seller if not taken, for the applicable annual contract quantity.

10. *Supplier (title holder) of Natural Gas to Liquefaction Facility (include whether long or short-term supply, or both), if appropriate. If this does not include the Purchase or Sale of Natural Gas, please mark this Section "Not Applicable":*

Not applicable.

11. *Legal Name of Entity(ies) that has(have) Title of the Natural Gas and LNG through the LNG Facility until Export (at the Flange of the Vessel):*

Osaka Gas Trading & Export LLC.

12. *Export Destination Restrictions in the Contract:*

The contract restricts exports of LNG received by the buyer from the Freeport liquefaction facility to destination countries permitted under (i) the applicable DOE/FE export authorizations and (ii) U.S. laws and policies.

13. *Resale Provisions:*

The contract includes the provision set out in Ordering Paragraph J of DOE/FE Order Nos. 3282-C and 3357-B. The seller and buyer are required to ensure that all transactions relating to LNG sold and purchased under the contract are permitted and lawful under U.S. laws and policies. The buyer is obliged to comply and to cause its representatives to comply with the corresponding requirements of the DOE/FE export authorization applicable to the buyer and its representatives as recipients and/or potential sellers of LNG exported thereunder.

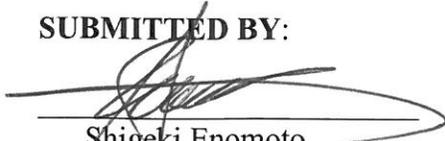
14. *Other Major Non-proprietary Provisions, if Applicable:*

None.

I affirm that the foregoing is true and accurate to the best of my knowledge.

DATED: March 31st, 2016

SUBMITTED BY:


Shigeki Enomoto

ATTACHMENT C
DECLARATION OF TADASHI YAMAMOTO

DECLARATION OF TADASHI YAMAMOTO

I, Tadashi Yamamoto, declare and state under penalty of perjury as follows:

1. I am the President of Osaka Gas Trading & Export LLC (“**OGTX**”). My business address is 2200 Post Oak Boulevard, Suite 1500, Houston, Texas, 77056.
2. OGTX is a wholly owned, indirect subsidiary of Osaka Gas Co., Ltd., a corporation incorporated under the laws of Japan (“**Osaka Gas**”). Osaka Gas entered into a long-term Liquefaction Tolling Agreement, dated as of July 31, 2012 (“**LTA**”) with FLNG Liquefaction, LLC (“**FLIQ**”) for liquefaction services, among other things, from the facilities for liquefied natural gas (“**LNG**”) export under development at Freeport, Texas (the “**Project**”) and Osaka Gas subsequently assigned the LTA to OGTX as of August 3, 2015. The Project has received Federal Energy Regulatory Commission authorization under Section 3(a) of the Natural Gas Act. In Order Nos. 3282-C and 3357-B, issued November 14, 2014, the U.S. Department of Energy (“**DOE**”) issued Final Orders authorizing the export of LNG from the Project to non-Free Trade Agreement countries up to 1.8 Bcf/d.
3. OGTX is in charge of natural gas and pipeline procurement for the liquefaction services to be provided to OGTX under the LTA. As President of OGTX, I am responsible for the procurement of natural gas supplies and pipeline for the liquefaction services to be provided under the LTA. My responsibilities include the negotiation and implementation of long-term contracts for the sale and purchase of LNG under the LTA. My LNG industry experience includes negotiation of Osaka Gas’s LNG sales and purchase agreements. I have over 24 years of experience working in domestic and international energy markets, including over 8 years in

the LNG industry. I have been President of OGTX since 2014. I have been employed with Osaka Gas or its subsidiaries since 1992.

4. As a result of my position and experience, I am familiar with competitive conditions in the natural gas industry, in general and with respect to the U.S. commercial natural gas and LNG markets and natural gas pipelines and international markets for LNG. I also have detailed personal knowledge regarding OGTX and its affiliates' confidential sales and purchase of LNG contracts and procurement policies, as well as cost, technical, financial and management information and the policies and procedures for the protection of such information.

A. Purpose of Declaration

5. Pursuant to DOE Order Nos. 3282-C and 3357-B (the “**Orders**”), all executed long-term contracts associated with the long-term export of LNG from the Project must be filed with the DOE Office of Oil and Gas Global Security within 30 days of their execution. The Orders provide that if the executed long-term contracts to be filed contain confidential or proprietary information they are to be filed “under seal” And either (i) a redacted version of the contract or (ii) a summary of major provisions of the contract may be provided for public access. Once filed “under seal”, the confidentiality of the non-redacted documents is to be preserved by DOE, with restricted access to those documents even by DOE internal employees.

6. Pursuant to the Orders, OGTX is submitting to the Office of Oil and Gas Global Security and Supply a copy of that certain LNG SALE AND PURCHASE AGREEMENT (Free-on-Board), dated as of March 1, 2016, between OGTX and Osaka Gas (the “**Contract**”) within 30 days of execution.

7. OGTX is submitting an unredacted copy of the Contract under seal, together with a summary of major provisions of the Contract for public access.

8. This declaration addresses why the non-disclosed information should be exempted from public disclosure. As further described in this declaration, the information submitted by OGTX to DOE includes highly sensitive confidential commercial, financial and technical and proprietary information, which neither OGTX nor its affiliates would release to the public, and the release of which would currently cause substantial competitive harm.

B. Competition in the Industry

9. OGTX and its affiliates (the “**Osaka Group**”) face intense competition in the LNG markets in the U.S. and globally. The competition facing the Osaka Group includes all other parties that have received or are seeking authorization from DOE to export domestically sourced LNG. The competitive market also includes entities considering filing applications for LNG exports in the future. As the LNG market is a global market, there are numerous additional international competitors, both commercial and governmental. In addition to competitors in the market for the purchase of natural gas supply for LNG exports, the Osaka Group’s competitive market includes all other purchasers or potential purchasers of natural gas

and LNG under long-term supply arrangements for industrial, commercial or institutional use. The Osaka Group regularly competes with these and other companies, each of which can and does seek to provide the LNG in both the governmental and commercial marketplaces.

10. Disclosure of highly sensitive commercial information in this long-term Contract could make apparent to the Osaka Group's competitors proprietary business policies and procedures as well as commercial strategies and trade secrets, including how purchase and sales transactions are structured. In the highly competitive LNG supply environment, such disclosure could cause competitive injury. For example, disclosure of price terms could provide insight to other LNG sellers as to the price that the Osaka Group is willing to negotiate. If the Osaka Group's sensitive confidential commercial, financial and technical information is allowed to enter the public domain, it will cause significant competitive harm to the Osaka Group and allow the Osaka Group's competitors to gain unfair competitive advantages over the Osaka Group in the national and global competitive markets for long-term contracts associated with the long-term export of LNG.

11. The Contract contains confidential information that in the hands of potential commercial counterparties could seriously disadvantage the Osaka Group in future negotiations and other activities that the Osaka Group may undertake on LNG purchase and sale agreements and other contracts and competitive situations — whether government or commercial.

C. OGTX's Proposed Major Provisions Summary

12. In response to the Orders, OGTX has carefully reviewed the Contract and identified confidential, proprietary, trade secret, commercial and financial and technical information, the release of which will cause substantial competitive harm.

13. The competitively sensitive information that OGTX identified consists of confidential commercial, financial and/or technical information that is unique to this Contract and heavily negotiated between the parties. Disclosure of this information would cause substantial competitive harm to the Osaka Group's competitive position. Disclosure of this information would put the Osaka Group at a competitive disadvantage in negotiations with other potential LNG buyers, as the information could provide those parties with insight into unique and heavily negotiated terms that the Osaka Group had previously accepted. Disclosure of this information could also cause competitive harm to the Osaka Group by disclosing competitive business strategies, in particular, strategies associated with LNG export and confidential commercial and financial information that is unique to the Osaka Group and proprietary.

14. Consistent with Order Nos. 3282-C AND 3357-B, OGTX is providing, for public access, a summary of the major provisions of the Contract.

D. Confidentiality of Information

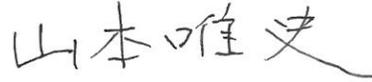
15. No member of the Osaka Group would release to the public the commercially sensitive and proprietary information in the Contract and described herein. On the

contrary, the Osaka Group has taken great care to maintain the confidentiality of this information through company policies and procedures for the safeguarding of proprietary information, trade secrets and other sensitive business information. The Osaka Group's sensitive business information is proprietary and is not disclosed to the public.

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I declare under penalty of perjury that the foregoing is true and correct.

Executed this 31th day of March 2016.



Tadashi Yamamoto
President, Osaka Gas Trading & Export LLC

