DELFIN LNG

April 1, 2014

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
fergas@hq.doe.gov
P.O. Box 44375
Washington, D.C. 20026-4375

Attention: Delfin LNG, LLC, FE Docket Nos. 13-129-LNG and 13-147-LNG
Order No. 3393, Order Condition J -- Semi-annual progress report

Dear Sirs:

Delfin LNG, LLC ("Delfin") hereby submits this semi-annual progress report in compliance with ordering paragraph J of Order No. 3393 issued in FE Docket No. 13-129-LNG on February 20, 2014. Order No. 3393 authorized Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico to countries with which the United States currently has, or in the future will have, a Free-Trade Agreement requiring the national treatment of natural gas. Delfin's application for authorization to export LNG to nations with which the United States does not have such a free trade agreement, but with which trade is not prohibited, is pending in FE Docket No. 13-147-LNG.

a) Progress of the Project:

- As explained in Delfin's applications and previous semi-annual progress reports, Delfin was wholly owned by Fairwood Peninsula Energy LLC, a Delaware limited liability company ("Fairwood Peninsula"), which in turn was owned by FWNR Energy Holdings (USA) Corporation, a Delaware corporation ("Fairwood USA"), and the Peninsula Group. For purposes of further developing and financing Delfin's project, in August 2014 Fairwood Peninsula contributed its ownership of Delfin to Delfin LNG Holdings, Inc., a Delaware corporation ("Delfin Holdings"), a wholly-owned subsidiary of Fairwood Peninsula. Thereafter, minority interests in Delfin Holdings were sold to three institutional investors (the "Initial Investors"). Each of the three Initial Investors contributed equity funding in exchange for a minority, passive ownership stake in Delfin Holdings, and has no power to direct the management or policies of Delfin Holdings or of Delfin itself. In November 2014, Fairwood USA was merged into Fairwood Peninsula, with Fairwood Peninsula as the surviving entity. Thereafter, Fairwood Peninsula was converted from a Delaware limited liability company to a Delaware corporation and renamed Fairwood Peninsula Energy Corporation ("FPE Corp"). In March 2015, minority interests in FPE Corp were sold to investors largely consisting of or controlled by management, and FPE Corp contributed the proceeds of such investment to Delfin Holdings. FPE Corp, and indirectly the majority owners of FPE Corp's direct corporate parent, Fairwood Welbeck Natural Resources Pte Ltd, a Singapore corporation, and the Peninsula Group, continue to retain the remaining ownership interest in Delfin, and continue to have the sole right to control Delfin and to direct its management and policies.

- In its applications and previous progress reports, Delfin explained that it was working with an LNG shipping operator to provide and manage the Project's floating liquefaction and storage vessels ("FLNGVs"). On February 27, 2014, Delfin publicly announced the signing of a Joint Development Agreement with Höegh LNG Ltd (Höegh LNG) to act as a co-owner, owner's engineer, and operator of the FLNGVs. Höegh LNG, along with its affiliates, provides floating energy solutions and operates world-wide with a leading position as owner and operator of floating LNG import terminals ("FSRUs"). The Company has developed low-cost solutions for floating liquefaction terminals and is one of the most experienced operators of LNG Carriers. Höegh LNG's vision is to be the leading provider of floating LNG solutions and the strategy is to continue to focus its growth plans on the FSRU and the FLNG market.

- As explained in Delfin's previous progress report, in August, 2014, Delfin entered into a definitive agreement with Enbridge Offshore (Gas Transmission) L.L.C. to purchase the entire equity interest in UTOS -- an existing 42-inch diameter, 30-mile long natural gas pipeline, extending from on-shore Cameron Parish, LA, near major interstate pipelines, to West Cameron 167 in the Gulf of Mexico. The purchase of UTOS closed on November 11, 2014. As a result of further technical development of its Project, Delfin has determined that its FLNGVs should ideally be located in deeper water. Accordingly, on February 12, 2015, Delfin entered into a letter of intent with High Island Offshore System, LLC ("HIOS") with respect the lease by Delfin of a portion of HIOS's 42-inch pipeline extending from the location of the terminus of UTOS further off-shore into the Gulf of Mexico.

- As explained in Delfin's previous progress report, Delfin has retained experienced environmental consultants, regulatory, technical and legal advisors and is actively working to prepare its Deepwater Port license application and other necessary permits and approvals. Delfin continues to make significant progress with the regulatory process.

  In November 6, 2014, Delfin met again with Staff from the Maritime Administration ("MARAD") and the U.S. Coast Guard ("USCG") concerning its planned Deepwater Port license application, and met with Staff of the Federal Energy Regulatory Commission ("FERC") concerning the filing that will be submitted for the related onshore facilities for the Project. Delfin has initiated the third party environmental contractor selection process and on March 13, 2015, distributed responses from three potential contractors to be selected and engaged by USCG in early April, in preparation for Delfin's upcoming application. On March 31, 2015, the Delfin team met with representatives from MARAD and USCG in what will likely be the final pre-application meeting for the Project.

During the first quarter of 2015, Delfin initiated early consultation with several additional federal and state agencies to introduce and discuss the Project in advance of filing applications for approval. Specifically, on March 2, 2015, Delfin distributed over 40 informal consultation letters to representatives from federal, state and local government agencies and Native American tribes. On March 11, 2015, the Delfin project team (including individuals from Höegh LNG, as well as Delfin's engineering and environmental consultants) held two agency meetings in Baton Rouge, Louisiana: (1) an inter-agency meeting with the Louisiana Department of Natural Resources Office of Coastal Management, in which staff from the Louisiana Department of Wildlife and Fisheries, the U.S. Army Corps of Engineers, the National Oceanic and Atmospheric Administration, and the Bureau of Safety and Environmental Enforcement also participated; and (2) a meeting with the Louisiana Department of Environmental Quality. On March 17, 2015, the Delfin team met with several representatives from the Environmental Protection Agency, Region 6, in Dallas, Texas.

b) Date the Project is expected to be operational:

- Delfin projects that, subject to all necessary regulatory approvals, it will begin operation of its first FLNGV in 2019. Delfin will sequence the start-up of its additional three FLNGVs in accordance with contracted customer demand.

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

- Delfin continues to negotiate memorandum of understanding ("MOUs"), term sheets and similar agreements with a number of potential LNG buyers across a number of different markets – some of whom intend to transport LNG to countries covered by Delfin's FTA authorization and some of whom will require approval of Delfin's pending non-FTA application as a condition to such LNG sales. Delfin will file all long-term contracts associated with the export of LNG from its facility and with associated gas supply, in accordance with Ordering Paragraph D of Order No. 3393, once it executes definitive, binding agreements. While it has not yet finalized definitive agreements, Delfin has publicly announced two agreements with customers.

  On March 6, 2015, Delfin announced a MOU with BTG Pactual Commodities, as its anchor customer, in relation to the tolling of all of the liquefaction capacity for the first FLNGV with the option to expand its tolling arrangement to include the liquefaction capacity of additional FLNGVs. BTG Pactual Commodities has been involved with Delfin's Project from its inception and is uniquely positioned to be a major participant in the Project.

  On February 27, 2015, Delfin announced that that it has entered into an MOU for capacity from its Project with natural gas supply and trading company LITGAS, part of the Lithuanian state controlled Lietuvos Energija energy company group. The agreement with LITGAS highlights the critical need for gas supply diversification in Europe, particularly in light of recent developments in Ukraine and the Crimea. Delfin intends to help fill the void by supplying European entities with the diversification they need in an environmentally friendly, cost competitive and efficient manner.

We hope this update provides you with sufficient detail regarding the status of the Delfin project in compliance with Order No. 3393. Please feel free to contact our counsel, Patrick Nevins of Hogan Lovells US LLP at (202) 637-6441 or Patrick.Nevins@HoganLovells.com, if you have any questions or require additional information.

Respectfully submitted,

/s/ Frederick Jones

Frederick Jones
Delfin LNG LLC
c/o Toombs, Hall & Foster, LLP
5949 Sherry Lane, Suite 950
Dallas, Texas 75225
Telephone: 214-369-5695
Email: f.jones@iegag.com