

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF OIL AND GAS GLOBAL SECURITY AND SUPPLY

TEXAS LNG BROWNSVILLE LLC) FE DOCKET NO. 15-62-LNG
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SEMI-ANNUAL REPORT REGARDING TEXAS LNG TERMINAL
IN BROWNSVILLE, TEXAS

DOE/FE ORDER NO. 3716

AS OF OCTOBER 1, 2015

I. BACKGROUND

On September 24, 2015 by DOE/FE Order No. 3716, Texas LNG Brownsville LLC (Texas LNG Brownsville) was authorized to export by vessel approximately 204.4 Bcf/yr of natural gas in the form of liquefied natural gas (LNG) produced from domestic sources from its proposed Texas LNG Brownsville Terminal at the Port of Brownsville, Texas (the Project) to any country with which the United States currently has, or in the future will have a free trade agreement (FTA), subject to certain conditions. Texas LNG Brownsville is required to file with the Office of Oil and Gas Global Security and Supply, on a semi-annual basis, written reports describing the progress of the proposed Texas LNG Brownsville Terminal.

II. INFORMATION ON THE PROGRESS OF THE TEXAS LNG BROWNSVILLE TERMINAL.

General. During the past six months, there has been progress on the Texas LNG Brownsville Terminal project on a variety of fronts, including financing, engineering, pipeline supply, site analysis, and offtake agreement negotiations.

Financing. Texas LNG Brownsville has appointed BNP Paribas , a major global financial institution experienced in financing LNG projects, as financial advisor to assist in the raising of equity and debt financing for the total capital requirements of the Project and to achieve a Final Investment Decision. Third Point LLC and Texas LNG LLC share ownership of Texas LNG Brownsville LLC, the project development company created to advance the Project.

Engineering. Samsung Engineering (Samsung) continues to perform a variety of project engineering work in its Seoul, South Korea and Houston, Texas offices. Front-End Engineering & Design (FEED) commenced in November 2014 with a large, full-time staff of Samsung and Texas LNG Brownsville engineers and is still ongoing. To date, over 130,000 Pre-FEED and FEED engineering man hours have been expended. Braemar Engineering continues to provide technical support for FEED and Federal Energy Regulatory Commission (FERC) permitting work. A variety of

specialized technical firms have been retained to perform discreet engineering functions. Key technology providers are Air Products (C3MR liquefaction process design), UOP (gas pretreatment), Matrix PDM (LNG storage tank), Gexcon (vapor dispersion studies), Moffatt & Nichol (marine construction), and Marin (navigation studies).

Long-term supply arrangements. Texas LNG Brownsville has been in discussion with several intrastate pipeline companies that are developing pipelines to supply the Brownsville market and Mexico. The objective of the negotiations is a long-term firm pipeline transportation agreement for the full quantity of natural gas required to supply the proposed 4 Million Tonnes per Annum (MTA) Project facilities, which will be in-service on or before the date that Texas LNG Brownsville requires natural gas for the commissioning of the facility.

Long-term LNG purchase agreements. Texas LNG Brownsville continues to have productive discussions with a variety of interested tollers of natural gas through the facility.

Site Work. The 625 acre Project site is located along the deep water Brownsville Ship Channel. Site wetland surveys have been completed along with an archeological investigation performed by Natural Resources Group. A Letter of Intent and a Preliminary Waterway Suitability Assessment has been submitted to the United States Coast Guard.

FERC Application. On March 9, 2015, Texas LNG Brownsville filed its request for FERC to commence the pre-filing process and was subsequently assigned Docket No. PF 15-14. On May 5th and 6th 2015, Texas LNG Brownville hosted open houses in Brownsville and Port Isabel, Texas. On May 14, 2015, in accordance with the FERC National Environmental Policy Act pre-filing process, Texas LNG Brownsville submitted draft resource report #1 which provides a general project description, and draft resource report #10 which describes the selection process for the Project location. Texas LNG Brownsville has also filed draft resource report #4 which describes Cultural Resources. On July 23, 2015, Texas LNG Brownsville received a Notice of Intent to prepare an Environmental Impact Statement (EIS) from FERC. The FERC process included a Public Scoping

Meeting which was held on August 11, 2015 in Port Isabel, Texas. On September 18, 2015, Texas LNG Brownsville filed its response to the scoping comments submitted to FERC. Texas LNG expects to file its remaining draft resource reports in the near future.

Estimated operations date. Texas LNG Brownsville is forecasting a commissioning of the Project in 1H 2020.

Respectfully submitted on behalf of
Texas LNG Brownsville LLC,

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