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**RE: G2 LNG LLC, FE Docket Nos. 15-44-LNG, Order No. 3682, Order Condition J —  
Semi-Annual Progress Report**

To: Office of Oil and Gas Global Security and Supply

Pursuant to paragraph J of Order No. 3682, G2 LNG LLC ("G2 LNG") submits this first semi-annual progress report describing the progress of its proposed natural gas liquefaction facilities to be built on a site in Cameron County, Louisiana, along the Calcasieu Ship Channel ("Project").

On March 19, 2015, G2 LNG filed an application for authorization to export LNG for a 30-year term to any country with which the United States currently has, or in the future will have, a free trade agreement requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy ("Application"). On July 17, 2015, DOE issued Order No. 3682, authorizing G2 LNG to export approximately 672 Bcf/yr of natural gas for a 30-year term, beginning on the earlier of the date of first export or 10 years from the date the authorization is issued ("FTA authorization").

This report constitutes G2 LNG's first semi-annual progress report under Order No. 3682.

**Progress of the Project**

Since receiving its FTA authorization, G2 LNG has devoted substantial resources to the Project and is continuing its development efforts in the areas of site acquisition, engineering, supply and marketing, among others.

In its application, G2 described the Option Agreements it had entered into for 500 acres at its Cameron Parish site. Since then, G2 LNG has entered into additional agreements on the same terms and conditions for an additional 266 acres of land contiguous with the previously described 500 acre site. The additional acreage provides increased flexibility for the design of the Project.

G2 LNG has entered into agreements with the full complement of service providers G2 anticipates it will need to complete the Project. For example, it has engaged Evans-Graves Engineers, Inc. to undertake the Project Management role. HGA Architects and Engineers and KANFA Aragon

Americas will serve as Owner Representatives for the Project. G2 LNG has engaged KPMG to develop a cost and market analysis. Contract negotiation for the Front End Engineering and Design of the Project are underway with KBR. More information on G2 LNG's project team can be found at G2 LNG's website: <http://www.g2lngllc.com/home.html>.

In July 2015, G2 LNG submitted its Foreign Trade Zone ("FTZ") application with the FTZ Board. G2 LNG has also engaged Hogan Lovells US LLP as Federal Energy Regulatory Commission ("FERC") counsel and expects to make its initial submission in the FERC Pre-Filing process within approximately thirty days. It has also commenced the state and local regulatory permitting efforts.

**The expected date for commencement of operations**

While G2 LNG has remained substantially on its planned development schedule, it now anticipates that the Project will commence operation in 2020, following the completion of the FERC and DOE approval process. This is a few months later than G2 projected in its FTA and non-FTA export authorization applications.

**Long-term LNG export arrangements**

G2 LNG principals have commenced discussions with potential off-takers in Asia, the Caribbean and Europe. To date, G2 has secured four executed letters of interest with off-takers in its target markets. G2 will timely file with the Office of Oil and Gas Security and Supply non-redacted copies of any contracts it executes for the long-term export of LNG from the Project, in accordance with paragraph D(i) of Order 3682.

**Long-term supply arrangements**

There are multiple natural gas pipelines adjacent to the Project site, and G2 LNG plans to pursue supply arrangements that leverage this proximity. Accordingly, G2 has initiated negotiations with a number of upstream gas asset owners. G2 LNG will timely file with the Office of Oil and Gas Security and Supply non-redacted copies of all executed long-term contracts associated with the long-term supply of natural gas to the Project, in accordance with paragraph D(ii) of Order 3682.

**Conclusion**

G2 believes that the foregoing summary provides the detail required under paragraph J of Order 3682 regarding the Project status. However, please contact the undersigned if any additional information is needed at this time.

Sincerely,



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