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U.S. Department of Energy
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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 semi-annual progress report describing the progress of the natural gas liquefaction facilities being developed by G2 LNG in Cameron County, Louisiana ("Project").

On March 19, 2015, G2 LNG filed its 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"). DOE issued Order No. 3682 on July 17, 2015, 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 (July 17, 2025).

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

Progress of the Project

Since filing its previous progress report, G2 LNG has continued to devote substantial efforts and resources to develop the Project in the areas of site acquisition, engineering, supply and marketing, among others.

In July 2015, G2 LNG submitted its Foreign Trade Zone ("FTZ") application with the FTZ Board. A revised application was submitted in February 2016.

On December 23, 2015 the Federal Energy Regulatory Commission ("FERC") approved G2 LNG's request to initiate the FERC's National Environmental Policy Act ("NEPA") pre-filing review of the Project. As part of the pre-filing process, G2 LNG has prepared draft environmental resource

reports, engaged in stakeholder outreach and has begun conducting necessary surveys of the Project site. On January 26, 2016 G2 LNG held an open house to discuss the Project with interested stakeholders, including FERC staff who participated in the open house in order to explain FERC's role in authorizing natural gas facilities, FERC's NEPA responsibilities, and the NEPA environmental review process. The vast majority of feedback received during the open house was positive support for the Project. On March 9, 2016 G2 LNG team members met with FERC in Washington D.C. to discuss specific engineering requirements under the draft guidance for Resource Report 13. G2 LNG's monthly status reports to FERC provide additional information about the pre-filing process and are available through FERC's public records under Docket No. PF16-2.

G2 LNG has also begun consulting with various other state and local agencies involved in the permitting process for the Project, including the Louisiana Department of Natural Resources, Office of Coastal Management, U.S. Coast Guard, Louisiana Department of Wildlife and Fisheries, U.S. Army Corps of Engineers, and National Oceanic and Atmospheric Administration-Fisheries. An interagency meeting will be held with interested resource agencies at the time of the FERC scoping meeting.

In February 2016, G2 LNG renewed its an exclusive and binding five-year Real Estate Lease Option Agreement, that grants G2 all rights necessary to fully develop and operate the Project. To date, G2 LNG has obtained rights-of-entry for survey from 97% of the landowners along the source gas pipeline route.

The expected date for commencement of operations

Based on an adjustment to the anticipated engineering schedule, G2 LNG anticipates that the Project will commence operation in 2021, following the completion of the FERC and DOE approval processes.

Long-term LNG export arrangements

G2 LNG principals have continued discussions with potential off-takers in Asia, the Caribbean and Europe. To date, G2 LNG has secured four executed letters of interest with off-takers in its target markets. 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 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. G2 LNG has commenced discussions with a number of natural gas suppliers and transporters, as well as potential upstream gas asset owners. It is G2 LNG's intent to obtain gas through a mix of long-term and spot market agreements, as well as potentially through upstream gas assets. G2 LNG is also exploring opportunities to contract natural gas storage capacity. 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.

G2 LNG 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,

A handwritten signature in black ink that reads "Mary Anne Sullivan". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Mary Anne Sullivan
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