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STROM INC.

May 6, 2015

Larine A. Moore
U.S. Department of Energy
FE-34
P.O. Box 44375
Washington DC 20026-4375

15-78-LNG

Re: Strom, Inc. request to withdraw FE Docket No. 14-57-LNG and 14-58-LNG Applications for Long-Term Authorization to Export Liquefied Natural Gas To Non-Free Trade Agreement Countries and replace with a new application to be Docketed as No. 15 - ___ - LNG.

Dear Mr. Anderson:

Strom would like to request that the DOE/FE withdraw our two separate but mutually exclusive applications for long term export to NFTA countries docketed FE Docket No. 14-57-LNG and Docket No. 14-58-LNG and replace them with our new single application to all NFTA countries to be docketed 15 - ___ - LNG.

As indicated in the above referenced dockets, Strom, Inc. ("Strom") is developing a project to liquefy domestic produced natural gas ("NG") in the State of Florida, U.S.A. The NG will be liquefied at our proposed 15 acres site located in Crystal River, Florida ("CRFL") utilizing modular, scalable, and portable LNG systems ("MLNG") such as those marketed by companies like General Electric's "LNG in a Box," Cryostar, Hamworthy, Chart, Linde, Air-Products, Siemens, Stirling Cryogenics, and/or other similar systems. Natural gas supply for these units will be supplied through a Florida state regulated intrastate lateral pipeline operated outside the Federal Energy Regulatory Commission's ("FERC") jurisdiction.

This new application to the DOE/FE, Strom requests for itself or as agent for others a total export volume not to exceed a total of 56.42 Billion Standard Cubic Feet ("BSCF") per year of natural gas with an average energy content of 1,021 BTU per cubic foot in the form of LNG over a twenty-five year period. We further request that Strom's authorization begin either on the date of first export or five years after authorization is granted, whichever occurs first.

Such long-term authorization should permit Strom to export LNG to Non-Free Trade Agreement Countries ("NFTA") which have, or in the future, will develop the capacity to import LNG via approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers, and with which trade is not otherwise prohibited by United States law or policy. These NFTA countries have not currently been party to the Free Trade Agreement ("FTA") with the United States but may develop a FTA in the future.

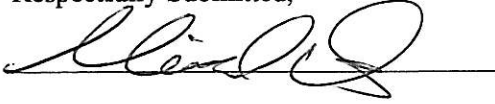
In regard to Strom's compliance with the National Environmental Policy Act ("NEPA"), Strom respectfully request's that the DOE evaluate our compliance with NEPA directly or designate the proper agency since Strom contends that our operation will not be subject to FERC jurisdiction pursuant to FERC's Emera and Pivotal rulings.¹

Such long-term authorization should permit us to export LNG, which will be liquefied utilizing MLNG at Strom's proposed SFLCRFL facility, to Non-Free Trade Agreement Countries ("NFTA") which have, or in the future, will develop the capacity to import LNG via approved ISO IM07/TVAC-ASME LNG

¹ See FERC's order on the Pivotal's request for Declaratory Order Docket No. RP15-259-000 dated April 2, 2015

containers transported on ocean-going carriers, and with which trade is not otherwise prohibited by United States law or policy. These ONFTA countries do not currently have FTA with the United States but may develop FTA in the future. We have previously submitted the application filing fee of \$50.00. Please acknowledge receipt of this application by date stamping it and returning an electronic receipt of its filing to Strom at the email address indicated.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Lokey", written over a horizontal line.

Michael Lokey, CEO, Strom Inc.

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

STROM, INC.

Docket No.15 - ____ - LNG

**APPLICATION OF STROM, INC.
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO
NON-FREE TRADE AGREEMENT COUNTRIES (“NFTA”)**

Communications regarding this application should be addressed to:

Mr. Michael Lokey, CEO
Strom, Inc.
1228 East 7th Ave., Suite 200
Tampa, FL 33605
Contact: 727-230-8840
mlokey@stromlng.com

May 6, 2015

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Strom, Inc.

Docket No.15 - ____ - LNG

**LNG APPLICATION OF STROM, INC.,
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS
TO NON-FREE TRADE AGREEMENT COUNTRIES**

In accordance with Section 3 of the Natural Gas Act² ("NGA") and Part 590 of the regulations of the Department of Energy ("DOE")³ Strom, Inc. ("Strom") formally remits this application ("Application") to the DOE Office of Fossil Energy ("DOE/FE") for long-term, multi-contract authorization for itself or as agent for others to export up to a total of 56.42 BSCF per annum⁴ of natural gas as liquefied natural gas ("LNG") for a 25-year period, commencing on the earlier of the date of first export or five years from the date the requested authorization is granted. This application will replace or supersede FE Docket No. 14-57-LNG and FE Docket No. 14-58-LNG which Strom has previously submitted to the DOE/FE relating to the proposed export of LNG to NFTA Countries.

Strom requests that such authorization allow it to export LNG from its proposed liquefaction location in Crystal River, Florida ("CRFL") utilizing modular, scalable, and portable LNG systems ("MLNG") such as systems marketed by General Electric ("GE") "LNG in a Box," Cryostar, Hamworthy, Chart, Linde, Air-Products, Siemens, Stirling Cryogenics, and/or other similar systems of which some can be mobilized in "less than three months" and can produce from "5,000 to 450,000 gallons of LNG per day". Strom intends to begin production with two small scale MLNG units producing 90,000 gallons of LNG per day total with 300,000 gallons of modular LNG storage in three tanks or similar configuration dependent on compliance constraints to quick start our operation. Additional MLNG units with daily liquefaction capacity of 450,000 gallons per day will follow the initial "micro" LNG units producing an additional 1.5 million gallons per day with requisite LNG storage of 3 million gallon total capacity. As demand increases more units will be added in the

² 15 U.S.C. § 717b (2011).

³ 10 C.F.R. § 590 (2011).

⁴ Approximately 56.42 billion standard cubic feet ("bscf") per year with an average energy content of 1,021 BTU per cubic foot. This represents the maximum total of LNG that Strom expects to export in any year during the period of authorization to NFTA countries.

same fashion until our full FTA and NFTA license capacity is met.

Strom additionally requests that this permit grants the authorization to export to Non-Free Trade Agreement Countries (“NFTA”), which have or in the future, will develop the capacity to import LNG via approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers, and with which trade is not otherwise prohibited by United States law or policy. These NFTA Countries do not currently have Free Trade Agreements (“FTA”) with the United States but may develop FTA in the future.⁵ Strom currently plans to load containers of LNG onto ocean-going carriers at Port Tampa Bay for export but would like authorization to export from any port which can best service international demand as market expands and logistics change.

Natural gas supply for the CRFL and MLNG’s will be supplied by the robust and liquid United States natural gas market, which now includes NG produced from shale deposits and delivered by intrastate lateral pipeline subject to regulation by the State of Florida and not in the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). LNG manufactured at CRFL for export will be exported via ISO IM07/TVAC-ASME LNG container as an end product and will not displace natural gas otherwise transmitted by interstate pipeline. LNG from the CRFL MLNG will also be delivered and consumed by the United States domestic transportation market to improve emissions and energy security within US domestic borders. Therefore it is Strom’s opinion that our project will not be required to file an application with the FERC in advance of assembly. Due to these facts, Strom respectfully requests that the DOE evaluate our project compliance with the National Environmental Protection Act (“NEPA”), pursuant to FERC’s ruling on Emera and Pivotal, as is required for action on this application without delay.

This application shall be reviewed with respect to Section 3(a) of the NGA, which "creates a rebuttable presumption that a proposed export of natural gas is in the public interest." Under this standard, the DOE/FE "must grant [an export] application unless those who oppose the application overcome that presumption."

Strom understands that DOE/FE will perform a public interest analysis and review before it grants Strom's NFTA authorization."⁶

⁵ The United States currently has FTA requiring national treatment for trade in natural gas and LNG with Australia, Bahrain, Canada, Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Nicaragua, Oman, Peru, Panama, and Singapore. The FTA with Costa Rica does not require national treatment for trade in natural gas.

⁶ The NGA provides that the DOE shall issue such authorization to export LNG “providing it is consistent with the public interest”

In support of this Application, Strom respectfully states the following:

**I.
DESCRIPTION OF APPLICANT
AND FACILITY**

The exact legal name of the applicant is Strom, Inc. Strom is a Corporation organized under the laws of the State of Florida. The principal place of business of Strom is located at 1228 East 7th Ave., Tampa, FL 33605. Strom's MLNG will be located at 6700 N. Tallahassee Rd., Crystal River, Florida 34428 on a 15 acre parcel with option to expand to an additional 163+/- acres.

In previous applications filed and docketed, FE Docket Nos. 14-57-LNG and 14-58-LNG, Strom indicated its ownership was held equally by Mr. Michael Lokey, Mr. Dean Wallace and Atlantic Development, LLC. In 2015, ownership in Strom was transferred to Glauben Besitz, LLC ("Glauben"), which is organized under the laws of the state of Wyoming. Glauben is 99% controlled and owned by the same founders of Strom, Inc. Shares of Glauben are held in revocable family Trust's, filed in the State of Florida, benefitting the founders as follows: Michael Lokey via the "Low Key Trust" representing 33% of shares, Dean Wallace via "the Wallace Family Trust" representing 33% of shares, and The Gerauer Family via the Gerauer Family Trust representing 33% of shares. Each of the beneficiaries are also Trustees of their trust and are either U.S. Citizens or permanent residents of the United States. Strom has submitted a separate letter for your approval of Strom's new ownership structure under separate cover along with this revised application.

Principal Place of Business for Glauben Besitz, LLC and shareholder Trusts

- Glauben Besitz, LLC., 1228 East 7th Ave., Tampa, Fl, 33605
- The Low Key Trust, 300 Turner St, Clearwater, FL 33756
- The Wallace Family Trust, 9441 Kingfisher Pl, Sebring, FL, 33875
- The Gerauer Family Trust, 1228 East 7th Ave., Tampa, Fl, 33605

Strom's has acquired a contract from its previous subsidiary Atlantic Renewable Resources, Inc, which has since been dissolved, to provide firm LNG supply in the Caribbean and an LOI for long term supply of LNG to 700 Islands Energy Ltd. an energy and technology company located in Nassau, Bahamas, exhibited in Appendix D. Strom continues to develop relationships with a large portfolio of commercial entities in Latin America and the Caribbean to provide LNG for transportation, power generation and other purposes.

Additionally Strom's subsidiary: American Natural Gas Technologies, LLC has proprietary technology that converts certain vehicles to operate on LNG and Diesel without major modification and is working with the EPA and other LNG injection technology companies to launch the systems domestic and internationally. ANGT has been in advanced discussions with major U.S. and foreign city governments regarding our LNG injection technology and simultaneous supply of LNG from Strom. The principles of Strom have in excess of 25 years in alternative and renewable energy experience. For export business, Strom's primary geographic focus is Central America, South America, and the Caribbean ("Locations"), regions where the use of high sulfur diesel, coal and heavy fuel oils which impact air quality more negatively than natural gas are the primary source of energy and access to natural gas is limited or not otherwise available. Strom maintains a large network of affiliates throughout these Locations and Strom was one of the first companies to acquire a long term agreement with a major commercial client in the Caribbean for firm natural gas supply to power their facility.

Strom has entered into a purchase option agreement for its CRFL, which is its NG liquefaction and container loading location, as described earlier. This 15+/- acres with optional 163 acres+/- acre parcel for expansion, as described in Appendix C, provides Strom an ideal location for liquefaction of NG utilizing MLNG technology and for expansion.

Strom will source natural gas from the abundant natural gas supply in the domestic US, the NG will travel via interstate then to an intrastate lateral pipeline where it shall be regulated by the Florida State Public Service Commission to our CRFL; there, MLNG technology will produce LNG for both the domestic U.S. and export markets. LNG manufactured at our CRFL for export will be loaded into ISO/ASME 40' containers and sent by highway or rail to Port Tampa Bay or other ports that will require little or no modification to export by ocean going vessel or in bulk containers or tankers for end use as a transportation fuel or peak fuel solution but in any event, at no time will this natural gas re-enter the interstate pipeline system or displace natural gas that would have otherwise been delivered by it.

Strom's CRFL as proposed above will not be subject to FERC jurisdiction by the Natural Gas Act ("NGA") because the CRFL "share(s) the same underlying relevant characteristics" as the facilities and proposed activities that Emera and Pivotal LNG, Inc.'s Petition for Declaratory Order to which FERC granted exemption.^{7 8} Strom also "shares the same underlying relevant characteristics" with Emera CNG, LLC and

⁷ *Pivotal LNG, INC*, 148 FERC 61,164, at P 26 (2014) ("*Pivotal*")

Pivotal for which their export by container operation was found by the FERC to not be subject to the Commission's jurisdiction under the NGA in Emera CNG, LLC's⁹ and Pivotal's Petition for Declaratory Order.

In the orders for Pivotal and Emera, the FERC Commissioners noted in their interpretation of the NGA where their jurisdiction's specific limits exist in regard to Section 3 and Section 7 of the NGA over facilities. Strom's CRFL facility clearly does not fit the description of facilities defined and sited below for which the FERC claims jurisdiction.

A. In regard to FERC Section 3 Jurisdiction: FERC determined that it may claim jurisdiction over facilities that are (a.) newly constructed facilities at border crossings or are considered to be "LNG terminals".

a. FERC defined over border facilities as limited to "(1) Pipelines that transport natural gas to or from the United States' International borders; and (2) coastal LNG terminals that are accessible to ocean-going LNG tankers and connected to pipelines that deliver gas to or take gas away from the terminal."¹⁰ Strom is located inland and has no direct access to "ocean-going LNG tankers" nor does it sit on an international border. Therefore this jurisdiction case does not fit Strom's CRFL. Similar to both Pivotal LNG and Emera CNG, Strom will take natural gas via a state regulated "Hinshaw pipeline" and load into containers for export at our CRFL. This is the identical behavior that Emera proposes to the FERC in their declaratory order and for which they received confirmation from the FERC that they would not be subject to the Commission's jurisdiction.

b. Additional examples of companies which draw natural gas from pipelines, liquefy, then export via container or tanker by truck include Applied Technologies USA, LLC which exports from Arizona to Mexico by truck and Prometheus Energy Group which exports LNG to Canada by truck. None of which are regulated by FERC.

B. In regard to FERC Section 7 Jurisdiction: Strom intends to manufacture LNG at its CRFL for the US domestic transportation market which is expressly exempt from regulation by the NGA. In addition, Strom plans to export some of that LNG which will be used as an end product by users

⁸ *Pivotal LNG, INC*, 148 FERC 61,164, at P 1 (2014) ("*Pivotal*")

⁹ *Emera, CNG LLC*, 148 FERC 61,219, at P 1 (2014) ("*Emera*")

¹⁰ *Pivotal LNG, INC*, 148 FERC 61,164, at P 13 (2014) ("*Pivotal*")

outside the United States, but not displacing natural gas that would otherwise be available through an interstate pipeline. In both these use cases, the FERC has previously deemed such activities as outside the scope of their Section 7 Jurisdiction so long as the natural gas being sold as an end product is not displacing natural gas. Specifically the FERC stated that when liquefaction “transform [s] it into what is in effect, an end product” that will not re-enter a pipeline, the liquefaction and the facilities are not subject to FERC’s Section 7 jurisdiction¹¹

Strom will transport LNG produced at the CRFL within the United States over highways, rail, or barge to port Tampa Bay or other ports as international demand requires in approved ISO IM07/TVAC-ASME LNG containers where they will be loaded and transported on ocean-going carriers for export. Containers and carriers used for transportation within the United States will comply with all Federal Railroad Administration, Association of American Railroads, United States Coast Guard, and United State Department of Transportation regulations and conform to best practices. Third party contractors with which Strom will be contracting to handle logistics will comply with all hazardous material and special handling best practices, regulations and/or requirements relevant for their mode of travel. Strom will inspect third party employee training procedures as well as federal, and state permits required for transportation of LNG.

Strom’s ISO containers will be equipped with secured GPS devices and will be monitored 24/7/365. Additionally, Strom will develop specific routes for transporting its containers and any deviations will be alerted at our 24/7/365 operations center. Our operations center located at our CRFL and will have 24/7/365 monitoring and security. Each employee of Strom will undergo background checks to ensure compliance with federal laws and regulations to ensure no prohibited individuals have access to our equipment, material or supplies. These background checks will continue on a regular basis to ensure continued compliance.

Utilizing quick assembling MLNG at our CRFL location, less than two miles from two separate natural gas trunk lines with reserve transmission capacity, and LOIs with 700 Islands Energy Ltd. in the Bahamas et. al., Strom is in a position to export LNG to NAFTA countries as soon as 18 months, pending action from the DOE/FE. The DOE/FE has previously found that this commitment conforms to the requirements of 10 C.F.R. § 590.202(b), which calls upon applicants to supply transaction-specific

¹¹ Air Products and Chemicals, Inc., 58 FERC 61,199 (1992) (“Air Products”); see also, Pivotal LNG Inc., 148 FERC 61,164 P18 (2014) (“Pivotal”)

information "to the extent practicable."¹² As noted above, Strom is currently involved in negotiations with NG buyers, and will file all executed long-term contracts with the DOE/FE under seal within 30 days of their execution. Strom intends to begin exporting LNG from its CRFL in 2016, at the earliest.

¹² *Sabine Pass Liquefaction, LLC*, FE Docket No. 10-85-LNG, Order No. 2833 (Sept. 7, 2010). 10 C.F.R. 590.202(b) requests certain information, "to the extent applicable," and "supported to the extent practicable by necessary data or documents," regarding the source and security of the natural gas supply proposed for export, including contract volume and a description of the specific gas reserves supporting the project during the time of the requested export authorization; see also, *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE Docket No. 10-160-LNG, Order No. 2913 (February 10, 2011).

II.

COMMUNICATIONS

Communications regarding this application should be directed to the following:

Michael Lokey, CEO
Strom, Inc.
1228 East 7th Ave. Suite 200
Tampa, FL 33605
Contact: 727-230-8840
mlokey@stromlng.com

III.

AUTHORIZATION REQUESTED

Strom requests long-term, multi-contract authorization for both itself and as agent for others who may as part of a long-term sales and purchase agreement with Strom hold title to the LNG at the time of export, to export up to a total of 56.42 BSCF per annum of domestically produced natural gas with an average energy content of 1,021 BTU per cubic foot as liquefied natural gas ("LNG") for a period of 25 years beginning the earlier of the dates of first export, or the fifth anniversary of the date authorization is granted by DOE/FE. Strom requests that such long-term authorization provide for export from its CRFL to NAFTA countries that have, or in the future will have, the capacity to import LNG via approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers, and with which the United States does not currently have, but in the future may have, an FTA requiring the national treatment for trade in natural gas and LNG. Strom will not export LNG to any country where it is prohibited by United States law or policy.

The long-term authorization requested by Strom is also compatible with the principles established by DOE/FE's Policy Guidelines,¹⁴ which promote free and open trade by minimizing federal control and involvement in energy markets, and DOE Delegation Order No. 0204-111, which requires "consideration of the domestic need for the gas to be exported."

With sales and purchase agreements where Strom acts as agent, Strom will register with the DOE/FE each LNG title holder consistent with the terms established by the DOE/FE in Freeport LNG Development, LP, FE 11-51-LNG, DOE/FE Order No. 2986 (July 19, 2011). These terms include a written statement by the title holder acknowledging and agreeing to comply with all applicable requirements included in Strom's authorization. Such requirements will also be included in any subsequent sales and purchase agreements to that same entity. In addition, Strom will observe all DOE/FE requirements for reporting export activities as instructed. Any new long term contracts entered into will be submitted to the DOE within 30 days under seal along with either a redacted copy of the contract or major provisions of the

¹⁴ Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

contract, for public posting.¹⁵

With sales and purchase agreements where Strom does not act as agent, Strom will supply transaction-specific factual information “to the extent practicable”.¹⁶ To that end Strom will file or cause to be filed with DOE/FE any relevant long-term commercial agreements or contracts, including LOIs, pursuant to which Strom exports LNG within 30 days of their execution using the procedures described in 590.202(b). To protect commercially sensitive information in such long-term agreements or contracts, Strom intends to file long-term LNG export contracts under seal and a redacted copy of each long-term contract with sensitive information redacted, or a summary of all major provisions of the contract(s) including, but not limited to, the parties to each contract, contract term, quantity, any take or pay provisions/conditions, destinations, re-sale provisions, and other relevant provisions. In addition Strom will demonstrate why the redacted information should be exempted from public disclosure.¹⁷

As DOE/FE recently has recognized, United States consumers currently have access to substantial quantities of natural gas, as a result of, among other things, technological advances that have allowed for development of previously undeveloped reserves of domestic shale gas.¹⁸

¹⁵ See, e.g., *Dominion Cove Point LNG, LP*, DOE/FE Order No.3331 (Sept. 11, 2013); see also *Freeport LNG Development, L.P.*, FE11-51-LNG, DOE Opinion and Order Nos. 2986 at pages 7-8 (July 19, 2011); see also *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE10-160-LNG, DOE Opinion and Order Nos. 2913 at pages 7-8 (July 19, 2011).

¹⁶ 10 C.F.R. 590.202(b)

¹⁷ *Carib Energy, LLC*, DOE/FE Order No.3487 at pages 17-18 (Sept. 10, 2014)

¹⁸ *Cheniere Marketing, LLC*, FE Docket No. I 0-31-LNG, Order No. 2795 (June 1, 2010)

IV.

FEEDSTOCK GAS SOURCES

The NG to be liquefied will come from the robust and liquid United States natural gas market, which now includes NG produced from shale deposits. Strom is currently engage in negotiations for long term natural gas supply as well as transmission to our facility via pipeline to Strom's CRFL.

Strom's CRFL is located within less than two miles of two major natural gas trunk lines which currently have the reserve capacity for transmission of natural gas to support Strom's combined domestic and export liquefaction activities. These two pipelines are named and operated by Florida Gas Transmission and Sabal Trail¹⁹, respectively.

Florida Gas Transmission ("FGT") is a natural gas pipeline which brings gas from Texas, Louisiana, Mississippi, and Alabama into Florida. It is owned 50% by Energy Transfer Partners (Owner/Operator) and 50% by Kinder Morgan Partnership each respectively representing units in Citros Corporation.

Sabal Trail Transmission, LLC ("Sabal Trail") is a joint venture of Spectra Energy Corp and NextEra Energy, Inc. They are proposing to design, construct and operate a nearly 500-mile interstate natural gas pipeline to provide transportation services for power generation needs to Florida Power and Light ("FPL") and Duke Energy of Florida ("DEF") beginning in May 2017.

There are also at least two regulated Local Distribution Companies ("LDC") with laterals or proposed lateral pipelines near the CRFL who can provide a state regulated lateral pipeline connection to the CRFL. Strom is currently negotiating for such services.

¹⁹ Sabal Trail is pending FERC final approval.

V.

PUBLIC INTEREST

Section 3(a) of the NGA creates a rebuttable presumption that an application for export of LNG is in the public interest, and the DOE/FE will grant such application unless the presumption of public interest is overcome by an applicant's opponents. When evaluating applications for natural gas exports, the DOE/FE seeks to "minimize federal control and involvement in energy markets and promote a balanced and mixed energy resource system." The focus of the DOE/FE's public interest evaluation is on the domestic need for the LNG proposed to be exported. In addition, the DOE/FE considers any threat to the security of domestic natural gas supplies potentially created by the proposed export, as well as "any other issue determined to be appropriate, including whether the arrangement is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements," and environmental effects of the proposed export.

Compared to other DOE/FE approved and pending NFTA applications whose projects will require multiple years of construction to begin, this authorization will provide a smaller but immediate positive impact on America's ability to export natural gas to NFTA countries and create 100s of immediate jobs in a U.S. City void of employment opportunities. This would allow companies like Strom to operate MLNG liquefaction of natural gas closer to the "area of need", and begin production sooner subject to the appropriate local and federal approvals.

These NFTA countries rely almost exclusively on diesel as a source for power generation, industrial, commercial and transportation. Granting this request will reduce global carbon emissions, promote American products, create jobs, and promote democracy and our social values in each of the NFTA countries.

Should this application be approved and Strom is successfully in its ongoing discussions with companies in each NFTA as outlined in this request, the United States will have the ability to promote improved environmental and economic policies as the NFTA benefits from low cost LNG from the United States. As such, this application is consistent with the "public interest" standards. Strom further contends that the need for natural gas exports, United States Energy Policy and global effects, along with additional

benefits are satisfied by this application pursuant to DOE/FE rules and regulations. Strom is not aware of any other DOE/FE rules that would prohibit DOE/FE from granting this authorization.

Additionally, Strom will produce LNG at its CRFL for export and domestic consumption in transportation et. al. These quantities are relatively small when compared to those included in recent export applications received by the DOE/FE. DOE/FE's approval of this Application will benefit small to medium size companies, in addition to supporting President Obama's National Export Initiative signed in 2010.²⁰

A. Need for Natural Gas Export.

In accordance with the AEO2014 Early Release Overview (“AEO2014”), “cumulative production of dry natural gas from 2012 to 2040 in the AEO2014 Reference case is about 11% higher than in AEO2013 primarily reflecting continued growth in shale gas production resulting from the dual application of horizontal drilling and hydraulic fracturing. Cumulative production levels for tight gas and on shore associated-dissolved gas from oil formations exceed those in AEO2013 through 2040 by 9% and 36%, respectively, making material contributions to the overall increase in production. In the AEO2014 Reference case, the United States becomes a net exporter of LNG in 2016, and it becomes an overall net exporter of natural gas in 2018, two years earlier than in AEO2013. U.S. exports of LNG from new liquefaction capacity are expected to surpass 2 TCF by 2020 and increase to 3.5 TCF in 2029. Large volumes of domestic shale gas reserves and its development and extraction, as well as continued low production costs, will enable the United States to develop significant quantities of natural gas and LNG. This will enable the United States to meet domestic demand for decades to come, and, as a result, will also provide an over-capacity of natural gas and LNG that would be available for export. The decrease in natural gas prices from 2008 to 2010 provides evidence of such over-capacity. Ongoing improvements in advanced technologies for crude oil and natural gas production continue to lift domestic supply and reshape the U.S. energy economy. Domestic production of crude oil (including lease condensate) increases sharply in the

²⁰ Exec. Order No. 13534, 75 Fed. Reg. 12433 (March 11, 2010).

AEO2014 Reference case, with annual growth averaging 0.8 million barrels per day (MMbbl/d) through 2016, when it totals 9.5 MMbbl/d.... While domestic crude oil production is expected to level off and then slowly decline after 2020 in the Reference case, natural gas production grows steadily, with a 56% increase between 2012 and 2040, when production reaches 37.6 TCF. As outlined in AEO 2014, natural gas supply continues to exceed projections.

As the DOE/FE expressly noted in the Sabine authorization, "natural gas production associated with exports will result in increased production that could be used for domestic requirements, if market conditions warrant such use."²¹ Since Sabine's and the other authorizations, it is safe to say that there is a need to export domestic gas and this application serves the public interest even more that it did at the time of the Sarbanes and other approvals.

Considering the small volume of LNG Strom is requesting to export compared to the increased production and export outlook in the AOE2014 and the authorized authority already granted and pending before DOE/FE and the current "oversupply" of oil and gas which has impacted the markets, Strom's request to export LNG to these NFTA would have an insignificant impact on LNG supply for the domestic market. If the projections are revised downwards, the larger authorized or pending export suppliers such as the authority granted in Sabine and others should be considered for amendment(s) due to the extremely large volume granted. Energy Policy and Global affects are outlined, below.

B. United States Energy Policy and Global Affects

The AOE2014 provides quantified analysis that U.S. has and will have ample supply of liquefied natural gas to meet domestic demands to 2040. As such, and even if those projections are adjusted downwards, the minimal amount in Strom's request will have little to no impact on domestic energy security. Conversely, the impact related to these NFTA will provide greater energy security in the U.S. By purchasing LNG from the U.S., these NFTA will be less likely to rely on countries with which the U.S. may have an antagonistic relationship or no diplomatic ties.

²¹ See DOE/FE Order No. 2961 at 34-35 (2011).

By fostering better relationships with these NFTA through Strom's application, Americans will enjoy greater security within the NFTA countries, and recognized for its export of a key fuel source that affects the daily lives of people living in the NFTA countries.

Another tangential benefit to authorizing this application is in mitigating the impact of global warming, a role in which every nation must do its part. As such, through Strom's proposed operations, these NFTA will burn cleaner fuel, instead of high sulfur diesel, coal, or heavy fuel oils which will result in reduced global warming and create American jobs. Due to the inability of these NFTA countries to produce natural gas, they will be forced to find alternative LNG supply countries, or continue burning diesel or bunker fuel. Each of these actions are contrary to the United States clean energy goals and foreign policy initiatives. As such, by authorizing this application, Americans, both domestic and afar, will benefit from cleaner air and job opportunities both in the NFTA countries and the United States. This would also support President Obama's National Export Initiative signed in 2010. The DOE/FE noted this important criterion in its first order.

C. Additional Benefits

The United States has been instrumental in providing capital to countries near and far through lending and economic aid and assistance. As these NFTA countries gain access to lower fuel costs; savings in energy production could be passed on to local consumers who could in turn invest in manufacturing and other industries. As a result, the U.S. could benefit from lower cost of imports of certain goods and services from the NFTA countries.

Additionally, we would benefit from having to supply less economic and military aid/assistance to these NFTA countries. These NFTA countries often turn to the United States in times of economic hardship or military needs, by providing them with low cost LNG, they would rely less on the United States in the future as their economy stabilizes and they have a constant and reliable source of cleaner and less expensive fuel. The dynamic created would be mutually beneficial to the United States and the NFTA countries.

Finally, it is important to note that a significant amount of business in the NFTA countries such as

the hospitality industry, industrial, power generation, manufacturing and transportation are owned by American firms. So, by providing low cost LNG to these NFTA countries, American business will benefit, directly and indirectly. This would lead to more secure employment for Americans employed in the U.S. that provide goods and services to these NFTA countries.

VI.

ENVIRONMENTAL IMPACT

Strom's CRFL is bordered by the Duke nuclear and coal fired power plant complex 2.8 miles to the West, on the north the CRFL is bordered by a several hundred acre limestone and aggregate mine, and the proposed site for the CRFL lies on 15 acres of improved industrial zoned property with future expansion on a contiguous 163 acres which is one of the few remaining parcels zoned for extractive (mining) purposes but not yet mined. Without Strom siting on this combined 178 acres, it is likely that approximately 92% of that land would be mined for limestone. According to research completed by Strom utilizing reviews by: the Florida Department of Environment Protection, the Citrus County Comprehensive Master Plan, and the NEPA review of the neighboring Nuclear, Coal, and Natural Gas power plant facilities, Strom is confident its operations will improve the overall environmental impact in the area by our operation or otherwise present no significant impact to the environment.

Strom intends to work closely with the DOE, Environmental Protection Agency, Department of Transportation, the Florida Department of Environmental Protection, Florida State Department of Transportation, Southwest Florida Water Management District, Citrus County utilities and commissioners, and Citrus county Fire Marshall to assure each aspect of environmental and safety considerations are reviewed and executed to proper code.

In addition, Strom intends to minimize environmental impact by utilizing MLNG technology and placing MLNG units on existing improved grounds at our CRFL. Originally, the 15 acre CRFL

location was selected because it was developed and improved previously to construct the large cooling towers for the neighboring coal fired power plant. These improvements, which still remain, create an ideal site for placement of both MLNG and modular LNG storage tanks. These preexisting concrete foundations, footers, and prepared surfaces will allow for MLNG systems and storage tanks to be constructed off site, delivered by rail or barge, and installed with minimal change to the location or impact to the surrounding environment. The design and specification of these MLNG systems and storage tanks will meet all local and federal environmental permitting requirements and are permitted by the appropriate governing agencies by the manufacturer.

Many of the MLNG systems will be connected directly to the lateral pipeline and able to demobilize in a “moment’s notice.” These MLNG are often referred in the industry as “plug and play”. They are modular systems designed to be assembled, installed and operated in months rather than years, and they provide for efficient and expeditious demobilization and relocation.

Since Strom contends that our project will not be required to file an application with the FERC in advance of assembly, Strom respectfully requests that the DOE evaluate our project compliance with the National Environmental Protection Act (“NEPA”) as is required for action on this application without delay.

In addition, DOE regulations²² and precedent²³ support issuance of a conditional order approving Strom’s export authorization pending satisfactory completion of the environmental review with NEPA. Therefore, Strom respectfully requests that the DOE/FE issue a conditional order authorizing export of LNG, conditioned on completion of the environmental review by the DOE/FE, National Energy Technology Laboratory, or other DOE/FE approved organization.

²² 10 C.F.R. 590.402 (authorizing the Assistant Secretary to “issue a conditional order at any time during a proceeding prior to issuance of a final opinion and order”)

²³ See, e.g., *Sabine Pass*, Order No. 2961, at pages 40-41, 43 (Ordering Paragraph F); *Freeport LNG*, Order No. 3282, at pages 120-21, 123 (Ordering Paragraph F); and *Lake Charles Exports*, Order No. 3324 at 15-16, 135-36 (Ordering Paragraph F).

V.

CONCLUSION

WHEREFORE, for the reasons set forth above, Strom respectfully requests that DOE/FE issue an order, subject to Strom providing an Environmental Assessment ("EA") for review and approval by DOE/FE and Florida Environmental Protection Agency and other Florida states jurisdictional authority, granting Strom itself or as agent for others a long-term, multi-contract authorization to export up to a total of 56.42 Bcf per annum of domestically produced natural gas with an average energy content of 1,021 BTU per cubic foot as liquefied natural gas ("LNG") for a period of 25 years beginning the earlier of the dates of first export, or the fifth anniversary of the date authorization is granted by DOE/FE. Strom requests that such long-term authorization provide for export from its CRFL to NAFTA countries that have, or in the future will have, the capacity to import LNG via approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers, and with which the United States does not currently have, but in the future may have, an FTA requiring the national treatment for trade in natural gas and LNG requested herein.

Respectfully submitted,



Mr. Michael Lokey, CEO

Strom, Inc.
1228 East 7th Ave., Suite 200
Tampa, FL 33605
Contact: 727-230-8840
mlokey@stromlng.com

State of Florida
County of Pinellas

Signed before me this 8th day of May 2015.

Stephanie K. Voutsinas




APPENDIX A

VERIFICATION
and
CERTIFIED STATEMENT

County of Pinellas

State of Florida

I, Michael Lokey, being duly sworn on his oath, do hereby affirm that I am President of STROM, INC.; that I am familiar with the contents of this Application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.


Michael Lokey

Sworn to and subscribed before me, a Notary Public, in and for the State of Florida, this 8
day of ~~July, 2013.~~
May 2015



_____, Notary Public



APPENDIX B

OPINION OF COUNSEL

LARRY L. DILLAHUNTY, P.A.

LARRY L. DILLAHUNTY, ESQUIRE
ATTORNEY AT LAW

May 4, 2015

Mr. John A. Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: **Strom, Inc.**
Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

This opinion is submitted pursuant to 10 C.F.R. 590.202(c) of the Department of Energy administrative procedures. I have acted as counsel to Strom, Inc., a Florida Corporation (the "Company") in connection with a review of the Company's Articles of Incorporation to ensure compliance with 10 C.F.R. 590.202(c).

In rendering this opinion, I have reviewed and relied upon originals or copies of the Articles of Incorporation of the Company, as filed on July 25, 2013 with the Florida Secretary of State and dated July 25, 2013, along with the above-referenced Application to the U.S. Department of Energy (the "Application").

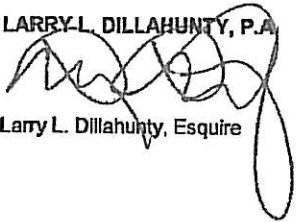
The opinion set forth below is limited to the Florida Act as in effect on this date. I express no opinion as to the applicability or effect of any other laws of such jurisdiction or the laws of any other jurisdiction.

Based on the foregoing, I am of the opinion that the proposed export of natural gas, as described in the Application, is within the powers of the Company.

Thank you for your courtesy and attention in this matter.

Sincerely,

LARRY L. DILLAHUNTY, P.A.


Larry L. Dillahunty, Esquire

LLD/chd

APPENDIX C

LIQUIFACTION PROPERTY LOCATION & AGREEMENT

Commercial Contract



1° 1. PARTIES AND PROPERTY: Strom, Inc. and/or assigns ("Buyer")
 2° agrees to buy and Parcel 1 - Lamb Investors LLC and Parcel 2 Nature Coast Dev. LLC ("Seller")
 3° agrees to sell the property as: Street Address: Parcel 1 - Alt. Key 2239344, 6700 N. Tallahassee
 4° Road, Crystal River and Parcel 2 - Alt. Key 2239905, N. Suncoast Blvd., Crystal River
 5° Legal Description: See attached legal descriptions for Parcel 1 and Parcel 2.
 6° _____
 7° and the following Personal Property: None
 8° _____

9 (all collectively referred to as the "Property") on the terms and conditions set forth below.

10° 2. PURCHASE PRICE: ⁴⁰⁰ Deposit to be paid on _____ \$ _____
 11° (a) Deposit held in escrow by Land Title of Citrus County, Inc. \$ _____ ^{LLC}
 12° ("Escrow Agent") (checks are subject to actual and final collection)
 13° Escrow Agent's address: 3899 S. Suncoast Blvd., Homosassa, FL 34448. Phone: 352-628-5191
 14° (b) Additional deposit to be made to Escrow Agent at due diligence \$ _____
 See additional terms
 15° (c) Additional deposit to be made to Escrow Agent within _____ days after Effective Date \$ _____
 16° (d) Total financing (see Paragraph 5) \$ _____
 17° (e) Other _____ \$ _____
 18° (f) All deposits will be credited to the purchase price at closing. Balance to close, subject
 19° to adjustments and prorations, to be paid with locally drawn cashier's or official bank \$ _____
 20° check(s) or wire transfer.

21° 3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by Seller
 22° and Buyer and an executed copy delivered to all parties on or before ^{5/06/15} ~~05/06/15~~ ^{LLC}, this offer will be
 23° withdrawn and the Buyer's deposit, if any, will be returned. The time for acceptance of any counter offer will be 3
 24° days from the date the counter offer is delivered. The "Effective Date" of this Contract is the date on which the
 25° last one of the Seller and Buyer has signed or initialed and delivered this offer or the final counter offer.
 26° Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5
 27° days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending
 28° on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. Time is of the
 29° essence in this Contract.

30° 4. CLOSING DATE AND LOCATION: ^{8/06/15} ~~07/29/15~~ ^{LLC}
 31° (a) Closing Date: This transaction will be closed on 07/29/15 (Closing Date), unless specifically
 32° extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but
 33° not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended on Closing
 34° Date and Buyer is unable to obtain property insurance, Buyer may postpone closing up to 5 days after the
 35° insurance underwriting suspension is lifted.

36° Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is Page 1 of 8 Pages.

37 (b) Location: Closing will take place in Citrus County County, Florida. (If left blank, closing
38 will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

39 **5. THIRD PARTY FINANCING:** N/A

40 **BUYER'S OBLIGATION:** Within _____ days (5 days if left blank) after Effective Date, Buyer will apply for third party
41 financing in an amount not to exceed _____ % of the purchase price or \$ _____, with a fixed interest rate
42 not to exceed _____ % per year with an initial variable interest rate not to exceed _____ %, with points or commitment
43 or loan fees not to exceed _____ % of the principal amount, for a term of _____ years, and amortized over _____
44 years, with additional terms as follows:

45
46 Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any
47 lender. Buyer will use good faith and reasonable diligence to (i) obtain Loan Approval within _____ days (45 days if
48 left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and
49 (iii) close the loan. Buyer will keep Seller and Broker fully informed about loan application status and authorizes the
50 mortgage broker and lender to disclose all such information to Seller and Broker. Buyer will notify Seller immediately
51 upon obtaining financing or being rejected by a lender. **CANCELLATION:** If Buyer, after using good faith and
52 reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, Buyer may within _____ days (3 days if left
53 blank) deliver written notice to Seller stating Buyer either waives this financing contingency or cancels this Contract.
54 If Buyer does neither, then Seller may cancel this Contract by delivering written notice to Buyer at any time
55 thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the
56 satisfaction, by closing, of those conditions of Loan Approval related to the Property. **DEPOSIT(S)** (for purposes
57 of Paragraph 6 only): If Buyer has used good faith and reasonable diligence but does not obtain Loan
58 Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the
59 lender fails or refuses to close on or before the Closing Date without fault on Buyer's part, the Deposit(s) shall be
60 returned to Buyer, whereupon both parties will be released from all further obligations under this Contract, except for
61 obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract
62 as set forth above or Buyer fails to use good faith or reasonable diligence as set forth above, Seller will be entitled to
63 retain the Deposit(s) if the transaction does not close. NAU

64 **6. TITLE:** Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty.
65 deed other _____, free of liens, easements and encumbrances of record or
66 known to Seller, but subject to property taxes for the year of closing; covenants, restrictions and public utility
67 easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be
68 subject) Parcel 1 - Industrial Parcel 2 - Extractive (mining)

69
70 provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the
71 Property as Industrial List of acceptable title issues attached for Parcel 1 and Parcel 2

72 (a) Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent
73 and pay for the title search and closing services. Seller will, at (check one) Seller's Buyer's expense and
74 within _____ days after Effective Date or at least _____ days before Closing Date deliver to Buyer (check one)
75 (i.) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be
76 discharged by Seller at or before Closing and, upon Buyer recording the deed, an owner's policy in the amount
77 of the purchase price for fee simple title subject only to exceptions stated above. If Buyer is paying for the
78 evidence of title and Seller has an owner's policy, Seller will deliver a copy to Buyer within 15 days after
79 Effective Date.

80 (ii.) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an
81 existing firm. However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable
82 to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies
83 of all policy exceptions and an update in a format acceptable to Buyer from the policy effective date and
84 certified to Buyer or Buyer's closing agent together with copies of all documents recited in the prior policy and
85 in the update. If such an abstract or prior policy is not available to Seller then (i.) above will be the evidence of
86 title.

87 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller
88 of title defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or

89 Buyer ([Signature]) and Seller ([Signature]) acknowledge receipt of a copy of this page, which is Page 2 of 8 Pages.

90* (2) Buyer delivers proper written notice and Seller cures the defects within ___ days from receipt of the notice
91 ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt
92 by Buyer of notice of such curing. Seller may elect not to cure defects if Seller reasonably believes any defect
93 cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, Buyer will have
94 10 days from receipt of notice of Seller's inability to cure the defects to elect whether to terminate this Contract or
95 accept title subject to existing defects and close the transaction without reduction in purchase price.

96 (c) Survey: (check applicable provisions below)

97* (i.) Seller will, within ___ days from Effective Date, deliver to Buyer copies of prior surveys, plans,
98 specifications, and engineering documents, if any, and the following documents relevant to this transaction:

99* _____
100 prepared for Seller or in Seller's possession, which show all currently existing structures. In the event this
101 transaction does not close, all documents provided by Seller will be returned to Seller within 10 days from the
102 date this Contract is terminated.

103* Buyer will, at Seller's Buyer's expense and within the time period allowed to deliver and examine title
104 evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals
105 encroachments on the Property or that the improvements encroach on the lands of another, Buyer will
106 accept the Property with existing encroachments such encroachments will constitute a title defect to be
107 cured within the Curative Period.

108 (d) Ingress and Egress: Seller warrants that the Property presently has Ingress and egress.

109 7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is"
110 condition, ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition.
111 Seller makes no warranties other than marketability of title. In the event that the condition of the Property has
112 materially changed since the expiration of the Due Diligence Period, Buyer may elect to terminate this Contract and
113 receive a refund of any and all deposits paid, plus interest, if applicable. By accepting the Property "as is", Buyer
114 waives all claims against Seller for any defects in the Property. (Check (a) or (b))

115* (a) As Is: Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is"
116 condition.

117* (b) Due Diligence Period: Buyer will, at Buyer's expense and within 60 days from Effective Date ("Due
118 Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion, for Buyer's
119 Intended use and development of the Property as specified in Paragraph 6. During the Due Diligence Period,
120 Buyer may conduct any tests, analyses, surveys and investigations ("Inspections") which Buyer deems necessary
121 to determine to Buyer's satisfaction the Property's engineering, architectural, environmental properties; zoning and
122 zoning restrictions; flood zone designation and restrictions; subdivision regulations; soil and grade; availability of
123 access to public roads, water, and other utilities; consistency with local, state and regional growth management and
124 comprehensive land use plans; availability of permits, government approvals and licenses; compliance with
125 American with Disabilities Act; absence of asbestos, soil and ground water contamination; and other inspections
126 that Buyer deems appropriate to determine the suitability of the Property for Buyer's intended use and
127 development. Buyer will deliver written notice to Seller prior to the expiration of the Due Diligence Period of
128 Buyer's determination of whether or not the Property is acceptable. Buyer's failure to comply with this notice
129 requirement will constitute acceptance of the Property in its present "as is" condition. Seller grants to Buyer, its
130 agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the
131 purpose of conducting inspections; provided, however, that Buyer, its agents, contractors and assigns enter the
132 Property and conduct inspections at their own risk. Buyer will indemnify and hold Seller harmless from losses,
133 damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any
134 person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer will not engage
135 in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written
136 consent. In the event this transaction does not close, (1) Buyer will repair all damages to the Property resulting
137 from the inspections and return the Property to the condition it was in prior to conduct of the inspections, and
138 (2) Buyer will, at Buyer's expense release to Seller all reports and other work generated as a result of the
139 inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's
140 deposit will be immediately returned to Buyer and the Contract terminated.

141 (c) Walk-through Inspection: Buyer may, on the day prior to closing or any other time mutually agreeable to the

142* Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is Page 3 of 8 Pages.

143 parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and
144 to ensure that all Property is on the premises.

145 **8. OPERATION OF PROPERTY DURING CONTRACT PERIOD:** Seller will continue to operate the Property and any
146 business conducted on the Property in the manner operated prior to Contract and will take no action that would
147 adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that
148 materially affect the Property or Buyer's intended use of the Property will be permitted only with Buyer's consent
149 without Buyer's consent.

150 **9. CLOSING PROCEDURE:** Unless otherwise agreed or stated herein, closing procedure shall be in accordance with
151 the norms where the Property is located.

152 **(a) Possession and Occupancy:** Seller will deliver possession and occupancy of the Property to Buyer at
153 closing. Seller will provide keys, remote controls, and any security/access codes necessary to operate all locks,
154 mailboxes, and security systems.

155 **(b) Costs:** Buyer will pay Buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing
156 statements and recording fees for the deed. Seller will pay Seller's attorneys' fees, taxes on the deed and
157 recording fees for documents needed to cure title defects. If Seller is obligated to discharge any encumbrance at or
158 prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

159 **(c) Documents:** Seller will provide the deed; bill of sale; mechanic's lien affidavit; originals of those assignable
160 service and maintenance contracts that will be assumed by Buyer after the Closing Date and letters to each
161 service contractor from Seller advising each of them of the sale of the Property and, if applicable, the transfer of its
162 contract, and any assignable warranties or guarantees received or held by Seller from any manufacturer,
163 contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium
164 documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppels letters; tenant
165 subordination, non-disturbance and attornment agreements (SNDAs) required by the Buyer or Buyer's lender;
166 assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in
167 ownership/rental agent. If any tenant refuses to execute an estoppels letter, Seller will certify that information
168 regarding the tenant's lease is correct. If Seller is an entity, Seller will deliver a resolution of its Board of Directors
169 authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and
170 setting forth facts showing the conveyance conforms to the requirements of local law. Seller will transfer security
171 deposits to Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements, and
172 financing statements.

173 **(d) Taxes and Prorations:** Real estate taxes, personal property taxes on any tangible personal property, bond
174 payments assumed by Buyer, interest, rents (based on actual collected rents), association dues, insurance
175 premiums acceptable to Buyer, and operating expenses will be prorated through the day before closing. If the
176 amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due
177 allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request
178 of either party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.

179 **(e) Special Assessment Liens:** Certified, confirmed, and ratified special assessment liens as of the Closing Date
180 will be paid by Seller. If a certified, confirmed, and ratified special assessment is payable in installments, Seller will
181 pay all installments due and payable on or before the Closing Date, with any installment for any period extending
182 beyond the Closing Date prorated, and Buyer will assume all installments that become due and payable after the
183 Closing Date. Buyer will be responsible for all assessments of any kind which become due and owing after Closing
184 Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially
185 completed as of the Closing Date but has not resulted in a lien before closing, Seller will pay the amount of the last
186 estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and
187 does not apply to condominium association special assessments.

188 **(f) Foreign Investment in Real Property Tax Act (FIRPTA):** If Seller is a "foreign person" as defined by FIRPTA,
189 Seller and Buyer agree to comply with Section 1445 of the Internal Revenue Code. Seller and Buyer will
190 complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply
191 with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or

192 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 4 of 8 Pages.

193 Social Security Numbers to the closing agent. If Buyer does not pay sufficient cash at closing to meet the
194 withholding requirement, Seller will deliver to Buyer at closing the additional cash necessary to satisfy the
195 requirement.

198 **10. ESCROW AGENT:** Seller and Buyer authorize Escrow Agent or Closing Agent (collectively "Agent") to
197 receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance
198 with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of
199 escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this Contract or gross
200 negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option,
201 (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent
202 jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of
203 the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action,
204 Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If
205 Agent is a licensed real estate broker, Agent will comply with Chapter 475, Florida Statutes. In any suit in which Agent
206 interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover
207 reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and
208 charged and awarded as court costs in favor of the prevailing party.

209 **11. CURE PERIOD:** Prior to any claim for default being made, a party will have an opportunity to cure any alleged
210 default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-
211 complying party specifying the non-compliance. The non-complying party will have ___ days (5 days if left blank) after
212 delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.

213 **12. RETURN OF DEPOSIT:** Unless otherwise specified in the Contract, in the event any condition of this Contract is
214 not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit
215 will be returned in accordance with applicable Florida Laws and regulations.

216 **13. DEFAULT:**

217 (a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make
218 the title marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek
219 specific performance. If Buyer elects a deposit refund, Broker shall be paid fifty (50%) percent
220 thereof.

221 (b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain
222 all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the
223 execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek
224 specific performance. If Seller retains the deposit, Seller will pay the Brokers named in Paragraph 20 fifty percent
225 of all forfeited deposits retained by Seller (to be split equally among the Brokers) up to the full amount of the
226 brokerage fee. If Buyer fails to timely place a deposit as required by this Contract, Seller may either (1) terminate
227 the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiving
228 any remedy for Buyer's default.

229 **14. ATTORNEY'S FEES AND COSTS:** In any claim or controversy arising out of or relating to this Contract, the
230 prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable
231 attorneys' fees, costs, and expenses.

232 **15. NOTICES:** All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or
233 electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice,
234 document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker)
235 representing a party will be as effective as if given by or delivered to that party.

236 **16. DISCLOSURES:**

237 (a) **Commercial Real Estate Sales Commission Lien Act:** The Florida Commercial Real Estate Sales
238 Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of commercial
239 real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's net

240 Buyer [Signature] and Seller [Signature] acknowledge receipt of a copy of this page, which is Page 5 of 8 Pages.

241 proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not attach to any
242 interest in real property. This lien right cannot be waived before the commission is earned.

243 (b) **Special Assessment Liens Imposed by Public Body:** The Property may be subject to unpaid special
244 assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such
245 liens, if any, shall be paid as set forth in Paragraph 9(e).

246 (c) **Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in
247 sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that
248 exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon
249 and radon testing may be obtained from your county public health unit.

250 (d) **Energy-Efficiency Rating Information:** Buyer acknowledges receipt of the information brochure required by
251 Section 553.996, Florida Statutes.

252 **17. RISK OF LOSS:**

253 (a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, Seller will bear
254 the risk of loss and Buyer may cancel this Contract without liability and the deposit(s) will be returned to Buyer.
255 Alternatively, Buyer will have the option of purchasing the Property at the agreed upon purchase price and Seller
256 will credit the deductible, if any and transfer to Buyer at closing any insurance proceeds, or Seller's claim to any
257 insurance proceeds payable for the damage. Seller will cooperate with and assist Buyer in collecting any such
258 proceeds. Seller shall not settle any insurance claim for damage caused by casualty without the consent of the
259 Buyer.

260 (b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the
261 right of eminent domain, or proceedings for such taking will be pending or threatened, Buyer may cancel this
262 Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of
263 purchasing what is left of the Property at the agreed upon purchase price and Seller will transfer to the Buyer at
264 closing the proceeds of any award, or Seller's claim to any award payable for the taking. Seller will cooperate with
265 and assist Buyer in collecting any such award.

266 **18. ASSIGNABILITY; PERSONS BOUND:** This Contract may be assigned to a related entity, and otherwise is
267 not assignable is assignable. If this Contract may be assigned, Buyer shall deliver a copy of the assignment
268 agreement to the Seller at least 5 days prior to Closing. The terms "Buyer," "Seller" and "Broker" may be singular or
269 plural. This Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns
270 (if assignment is permitted). See addendum.

271 **19. MISCELLANEOUS:** The terms of this Contract constitute the entire agreement between Buyer and Seller.
272 Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound.
273 Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
274 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or
275 typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract
276 is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be
277 construed under Florida law and will not be recorded in any public records.



278 **20. BROKERS:** Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to,
279 a licensed real estate Broker other than:

280 (a) Seller's Broker: _____ (Company Name) _____ (Licensee)

281 _____
282 (Address, Telephone, Fax, E-mail)
283

284 who is a single agent is a transaction broker has no brokerage relationship and who will be compensated
285 by Seller Buyer both parties pursuant to a listing agreement other (specify) _____

286 _____

287 Buyer  and Seller  acknowledge receipt of a copy of this page, which is Page 6 of 6 Pages.

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(b) Buyer's Broker: COASTAL PROPERTIES GROUP INTERNATIONAL ^{MEL}

420 MANDALAY AVE, Suite 102, CLEARWATER, FL 33767
(Company Name) (Licensee)
(Address, Telephone, Fax, Email)

who is a single agent is a transaction broker has no brokerage relationship and who will be compensated by Seller's Broker Seller Buyer both parties pursuant to an MLS offer of compensation other (specify) 0% commission to Coastal Properties Group INTL

(collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries, introductions, consultations, and negotiations resulting in this transaction. Seller and Buyer agree to indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of Seller or Buyer, which is beyond the scope of services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of Seller or Buyer.

21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

- Arbitration
- Section 1031 Exchange
- Property Inspection and Repair
- Seller Representations
- Seller Warranty
- Coastal Construction Control Line
- Flood Area Hazard Zone
- Seller Financing
- Existing Mortgage
- Buyer's Attorney Approval
- Seller's Attorney Approval
- Other Exhibit "C"

22. ADDITIONAL TERMS:

[Redacted] ^{MBC}

Sellers agree to the following proration of the purchase price:

- Parcel 1 - [Redacted]
- Parcel 2 - [Redacted]

As to Parcel 2, at closing parties will enter an annual meeting and agricultural use agreement with options to renew annually.

- Flood Zone Reports Attached
- Exhibit C Attached

Assignment must be to related company who assumes all liability. Buyer shall not be released from contract terms. Second deposit due at time of completion of due diligence and Buyer's election to close.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

Buyer () () and Seller () acknowledge receipt of a copy of this page, which is Page 7 of 8 Pages.

334 Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other
335 party that such signatory has full power and authority to enter into and perform this Contract in accordance with its
336 terms and each person executing this Contract and other documents on behalf of such party has been duly authorized
337 to do so.

338 _____
339 _____

Date: _____

340 Strom, Inc.
341 (Typed or Printed Name of Buyer)

Tax ID No: _____

342 Title: CEO

Telephone: _____

343 _____
344 _____

Date: _____

345 MICHAEL E. Lolley
346 (Typed or Printed Name of Buyer)

Tax ID No: _____

347 Title: _____

Telephone: _____

348 Buyer's Address for purpose of notice: _____

349 Facsimile: _____

Email: _____

350 _____
351 _____

Date: _____

352 Lamb Investors, LLC
353 (Typed or Printed Name of Seller)

Tax ID No: _____

354 Title: PLCS

Telephone: _____

355 _____
356 _____

Date: _____

357 Nature Coast Development, LLC
358 (Typed or Printed Name of Seller)

Tax ID No: _____

359 Title: PLCS

Telephone: _____

360 Seller's Address for purpose of notice: _____

361 Facsimile: _____

Email: _____

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362 Buyer ([Signature]) and Seller ([Signature]) acknowledge receipt of a copy of this page, which is Page 8 of 8 Pages.

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APPENDIX D
LETTER OF INTENT TO ENGAGE IN DEFINITIVE SALES AND PURCHASE AGREEMENT

Strom, Inc.

February 15, 2014

Mr. Happy Hall
700 Island Energy, Ltd.
Airport Industrial Park #40
PO Box SS6297
Nassau, Bahamas

Dear Mr. Hall

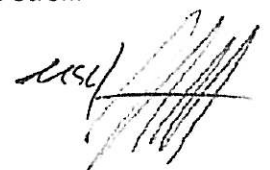
This letter is intended to summarize the principal terms of a proposal by Strom, Inc. ("Strom"), a Florida Company, to sell natural gas to 700 Island Energy, Ltd. ("700") delivered to the [REDACTED] et al. Strom will provide you with a reliable and cost effective supply of Natural Gas for your customers' power generating purposes starting in [REDACTED].

The following are primary terms that would be included in a Natural Gas Sales Agreement that both parties would mutually agree to.

1. **PURCHASE OBLIGATION:** Upon receipt of a permit from the U.S. Department of Energy, Office of Fossil Energy, Strom will supply all of the fuel requirements used by 700. This is considered a "full requirements" contract meaning that 700 is obligated to purchase all of its fuel with a minimum amount [REDACTED] USG [REDACTED] mmbtu per/month) for the power generation using Natural Gas Engines. All of the fuel requirements will be supplied by natural gas from Strom (unless another fuel is required for back-up purposes only). The LNG will be used exclusively at and in connection with the 700 customers' facilities located in the Bahamas.
2. **PURCHASE PRICE:** Please find below the pricing to 700: 700 will pay a Monthly average of Henry Hub plus approximate average Commodity Charge and Variable Charge of [REDACTED] per Mmbtu (please note: freight price variance may occur during the course of the contract) as it is measured at the custody transfer meter located at the 700 facilities.



3. DELIVERY POINT: The Delivery Point for all LNG delivered and sold shall be at the dock of Bahamas in forty foot (40') cryogenic ISO container tanks ("Tanks") owned by Strom. Strom will deliver the LNG to 700 at the Delivery Point. All risks in respect to LNG shipped hereunder shall pass to 700 at the Delivery Point. Title to such LNG shall pass to 700 immediately at the Delivery Point. 700 shall be fully responsible for Strom's Tanks, including assuming all liability for loss, damage, injury or death (and shall indemnify, defend and hold harmless Strom there from in all respects) from and after the Delivery Point, until the same empty Tanks are returned to Strom's custody at the Delivery Point. The empty Tanks shall be returned to Strom in the same condition as when received, normal wear and tear excepted, empty such that they do not constitute hazardous cargo for shipment, and ready for shipment back to 700's location for refilling with LNG.
4. TERM: Ten (10) years from the first day of the month following the date that the first shipment of LNG is tendered to 700 by Strom at the Delivery Point.
5. TERM EXTENSION: Upon mutual agreement of the Parties, the Initial Term of the LNG Agreement may be extended for five (5) additional years. One year prior to the expiration of the Initial Term, the Parties agree to notify each other if either wishes to extend the Initial Term, in which case the Parties will negotiate in good faith the terms and conditions of the extension of the LNG Agreement. If neither Party has so notified the other, the LNG Agreement shall terminate at the end of the Initial Term. If either Party has notified the other that it wishes to negotiate the terms of an extension of the Initial Term, but the Parties have not been able to reach mutual agreement as to the terms and conditions of the renewal of the LNG Agreement within six (6) months prior to the expiration of the primary term, the LNG Agreement shall terminate as of the end of the Initial Term (and Strom shall be free to seek other purchasers) of LNG and to enter into purchase agreements therefor.
6. PAYMENT: Payment will be made in U.S. Dollars. If the LNG Agreement is entered into between Strom and 700, Strom shall have the continuing right to request a parent/personal guarantee of payment from 700 or such other assurances of performance (including a standby irrevocable letter of credit or prepayment) as it may, in its sole but reasonable discretion, require.
7. CONFIDENTIALITY: Except as and to the extent required by law, order, regulation, or exchange rule, without the prior written consent of the other Party, neither the 700 nor Strom

A handwritten signature in black ink, appearing to be "Strom", is located in the bottom right corner of the page. The signature is written in a cursive style and is partially obscured by a horizontal line.

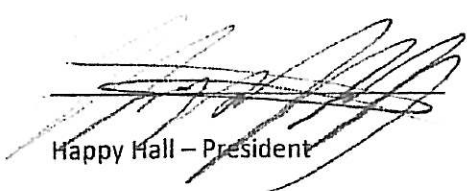
will, and each will direct its representatives not to make, directly or indirectly, any public comment, statement, or communication with respect to, or otherwise to disclose or to permit the disclosure of the existence of discussions regarding, a possible transaction between the Parties or any of the terms, conditions, or other aspects of the transaction proposed in this Letter. If a Party is required by law, order, regulation, or exchange rule to make any such disclosure, (i) it may disclose the terms of this Letter only to the extent so required and (ii) it must first provide to the other Party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made. The Parties shall be entitled to all remedies available at law or in equity to enforce or seek relief in connection with this confidentiality obligation.

8. TERMINATION: This Letter will automatically terminate on the earlier of the Parties entering into the LNG Sale and Purchase Agreement or [REDACTED]. Any termination of this Letter will not affect the liability of a Party for its breach of this Agreement, nor shall it terminate the Confidentiality Agreement.

9. GOOD FAITH NEGOTIATIONS: 700 and Strom will negotiate in good faith and use reasonable efforts to arrive at a mutually acceptable LNG Sale and Purchase Agreement incorporating the terms of Attachment A hereto for approval, execution, and delivery on the earliest reasonably practicable date.

10. If you are in agreement with the foregoing, please sign and return one copy of this Letter agreement.

Duly executed and agreed to:


Happy Hall – President

700 Island Energy, Ltd.



Michael Lokey CEO

Strom, Inc.