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U.S. Department of Energy (FE-34)  
Office of Fossil Energy  
Office of Natural Gas Regulatory Activities  
Attn: Natural Gas Reports  
P.O. Box 44375  
Washington, D.C. 20026-4375

**SEMI-ANNUAL REPORT**  
**April 2017 Report**

Re: Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC,  
and FLNG Liquefaction 3, LLC  
FE Docket Nos. 12-06-LNG, 10-161-LNG, 11-161-LNG and 16-108-LNG  
DOE/FE Order Nos. 3066, 3282-C, 3357-B and 3957  
Freeport LNG Terminal, Quintana Island, Texas

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order Nos. 3066 (issued February 10, 2012), 3282-C (issued November 14, 2014), 3357-B (issued November 14, 2014) and 3957 (issued December 19, 2016), Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC (collectively, "FLEX"), do hereby submit this semi-annual report as required by Ordering Paragraphs I, M, M and N of such Orders, respectively, describing the progress of the proposed liquefaction facility project at the Freeport LNG Terminal on Quintana Island, Texas.

Any questions concerning this filing should be addressed to the undersigned at (979) 415-8720.

Respectfully Submitted,

Freeport LNG Expansion, L.P.  
FLNG Liquefaction, LLC  
FLNG Liquefaction 2, LLC  
FLNG Liquefaction 3, LLC

By: Michael A. Johns  
Its: Director, Regulatory Affairs

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**Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC  
FE Docket Nos. 12-06-LNG, 10-161-LNG, 11-161-LNG and 16-108-LNG;  
DOE/FE Order Nos. 3066, 3282-C, 3357-B and 3957  
Semi-Annual Report: April 2017**

**Facility Progress Report**

On December 23, 2010, Freeport LNG Expansion, L.P., and FLNG Liquefaction, LLC, together with Freeport LNG Development L.P. (“FLNG”) filed a request to commence the Federal Energy Regulatory Commission’s (“Commission”) National Environmental Policy Act (“NEPA”) pre-filing process for natural gas liquefaction and export facilities to be located at and adjacent to the existing FLNG liquefied natural gas import terminal on Quintana Island, Texas (the “Liquefaction Project”). On January 5, 2011, the Director of the Federal Energy Regulatory Commission’s Office of Energy Projects issued a letter order in Docket No. PF11-2-000 granting the December 23, 2010, request. Subsequently, following completion of the pre-filing process, on August 31, 2012, FLNG and certain of its affiliates filed an application with the Commission in Docket No. CP12-509-000 for authorization under Section 3 of the Natural Gas Act (“NGA”) to site, construct and operate the Liquefaction Project. On July 7, 2016, FERC issued an Order under Docket No. CP15-518-000 amending Freeport LNG’s Section 3 Authorization. This amendment increased the nameplate capacity of the Liquefaction Project from 1.8 Bcfd (657 Bcf per year) to 2.14 Bcfd (782 Bcf per year). On August 3, 2016, FLEX applied to DOE/FE for a 125 Bcf/yr increase in the authorized non-FTA export volumes for the Liquefaction Project to be consistent with the increase in the nameplate capacity granted by FERC. On December 19, 2016, DOE/FE issued DOE/FE Order No. 3957 authorizing the additional 125 Bcf/yr of non-FTA exports. FLEX will utilize the Liquefaction Project in connection with the export authorization granted under DOE/FE Order Nos. 2913, 3066, 3282-C, 3357-B and 3957.

Commission review of the Liquefaction Project is ongoing. Initial site preparation activities for the Liquefaction Project were commenced on November 3, 2014 and construction is in progress.

FLEX anticipates the first train of the Liquefaction Project will complete commissioning and commence commercial operations in late 2018. The second train is expected to commence commercial operations approximately five months after the first train, and the third liquefaction train is expected to commence commercial operations approximately six months after the second train. Overall, Train 1 is approximately 60% complete and the LNG common facilities is approximately 55% complete. Overall, Train 2 is approximately 55% complete. Overall, Train 3 is approximately 40% complete.

### **Status of Long-Term LNG Export Contracts**

FLEX has executed long-term liquefaction tolling agreements with JERA Co., Osaka Gas Co., Ltd., BP Energy Company, Toshiba Corporation, and SK E&S LNG, LLC under which FLEX will export LNG as agent for those counterparties from the Quintana Island facilities. The required Summary Reports of the major provisions of each of these long-term contracts have been filed with DOE/FE and those Summary Reports have been filed in these dockets, as well as in FLEX docket number 10-160-LNG. On February 7, 2014, DOE/FE issued an Order (DOE/FE Order Nos. 2913-A, 3066-A, and 3282-A) amending applications in Docket Nos. 10-160-LNG, 10-161-LNG, and 12-06-LNG, and granting the request in Docket No. 11-161-LNG, to add FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC, as applicants and authorization holders. By letters dated February 12, 2014, DOE/FE confirmed that FLEX is permitted to use each of the authorizations to export LNG as agent for each of the long-term liquefaction tolling agreement counterparties identified above.

### **Status of Long-Term Gas Supply Contracts**

FLEX has not entered into long-term gas supply contracts associated with this project.

### **Date Facility is Expected to Be Operational**

The Freeport liquefaction facilities are expected to commence commercial operations in 2018.