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March 30, 2018

Sandra E Safro
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Office of Fossil Energy
Office of Natural Gas Regulatory Activities
P.O. Box 44375
Washington, DC 20026-4375
Attention: Natural Gas Reports**Re: Magnolia LNG LLC
DOE Semi-Annual Report
DOE/FE Order No. 3245, FE Docket No. 12-183-LNG
DOE/FE Order No. 3406, FE Docket No. 13-131-LNG
DOE/FE Order No. 3909, FE Docket No. 13-132-LNG**

To: Office of Natural Gas Regulatory Activities:

Pursuant to Ordering Paragraph I of DOE/FE Order 3245, Ordering Paragraph J of DOE/FE Order No. 3406, and Ordering Paragraph O of DOE/FE Order No. 3909, please accept this progress report for Magnolia LNG LLC ("Magnolia LNG"). This report covers the period from October 1, 2017, through March 31, 2018. Consistent with Ordering Paragraphs I, J, and O, respectively, Magnolia LNG will continue to file semi-annual reports with the Department.

Any questions regarding this correspondence may be directed to the undersigned at 202.778.9178 or sandra.safro@klgates.com.

Very truly yours,

Sandra E Safro
Counsel for Magnolia LNG LLC

Enclosure

Magnolia LNG LLC
FE Docket Nos. 12-183-LNG, 13-131-LNG, and 13-132-LNG
DOE/FE Order Nos. 3245, 3406, and 3909
Semi-Annual Report
Period Ending March 31, 2018

Proposed Magnolia LNG Terminal Progress

As outlined in prior Semi-Annual Reports dated September 29, 2017, March 31, 2017, November 4, 2016, April 4, 2016, October 1, 2015, April 2, 2015, and October 7, 2014, Magnolia LNG LLC (“Magnolia LNG”) filed its formal application under Section 3 of the Natural Gas Act with the Federal Energy Regulatory Commission (“FERC”) on April 30, 2014, after completing FERC’s mandatory pre-filing process for LNG facilities. Kinder Morgan Louisiana Pipeline LLC (“KMLP”) filed an application with FERC on June 30, 2014, to construct the facilities necessary to deliver natural gas to the Magnolia LNG project.

FERC issued an Order Granting Authorization Under Section 3 of the Natural Gas Act and Granting Certificates approving the Magnolia LNG project and related KMLP pipeline facilities on April 15, 2016 (the “April 15 Order”). Sierra Club requested rehearing of FERC’s order on May 16, 2016. FERC issued an order granting the request for rehearing for the limited purpose of allowing the Commission unlimited additional time to consider the request for rehearing on June 13, 2016. FERC denied this request for rehearing on November 23, 2016.

Following the April 15 Order, Magnolia LNG submitted its Implementation Plan to FERC on April 29, 2016. Magnolia LNG requested authorization to begin initial site preparation on May 19, 2016, as supplemented on June 9, 2016, June 30, 2016, July 20, 2016, August 23, 2016, September 27, 2016, October 12, 2016, December 9, 2016, December 28, 2016, January 9, 2017, January 26, 2017, March 8, 2017, and April 27, 2017. FERC authorized Magnolia LNG to commence initial site preparation on May 4, 2017.

Magnolia LNG continues to move forward on the design and engineering of the Magnolia LNG Terminal. As reported in its Semi-Annual Report dated April 4, 2016, Magnolia LNG executed a lump sum turnkey contract for engineering, procurement, and construction services (“EPC Contract”) with a joint venture between KBR and SK E&C (“KSJV”) on November 16, 2015. The EPC Contract does not change the total 8 million tonne per annum LNG export design capacity or the guaranteed 7.6 million tonne per annum LNG export capacity of the Magnolia LNG Terminal. Magnolia LNG announced on December 20, 2017, that it has agreed with the KSJV to extend the validity period of the signed engineering, procurement, and construction contract price through June 30, 2018.

Current global energy market conditions have extended the time necessary to obtain additional binding LNG offtake agreements required to underpin the construction program. Consequently, Magnolia LNG has not commenced construction on any of its four trains at this time and Magnolia LNG does not plan to commence any construction activities until it achieves a Final Investment Decision.

Status of Long-Term LNG Offtake Agreements

On December 4, 2017, Magnolia LNG announced that it has agreed to extend the financial close date for its legally binding long-term offtake agreement with Meridian Holdings Corporation (“Meridian”) to March 31, 2018. Magnolia LNG and Meridian again extended the financial close date for its long-term agreement on March 29, 2018, to June 30, 2018. Magnolia LNG and Meridian executed this long-term agreement on July 22, 2015, and Magnolia LNG filed the agreement with DOE/FE on August 21, 2015.

Marketing of Magnolia LNG capacity with several counterparties and negotiations for other long-term offtake agreements continue to progress. Magnolia LNG will file a copy of any long-term contracts, including long-term supply contracts, within 30 days of execution in accordance with DOE/FE Orders 3245, 3406, and 3909.