

October 1, 2019

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
fergas@hq.doe.gov
P.O. Box 44375
Washington, D.C. 20026-4375

Attention: Delfin LNG, LLC, FE Docket Nos. 13-129-LNG and 13-147-LNG
Order No. 4028, Order Condition O, and Order No. 3393, Order Condition J
Semi-annual progress report

Dear Members of the Office of Fossil Energy:

Delfin LNG, LLC (“Delfin”) hereby submits this semi-annual progress report in compliance with ordering paragraph O of Order No. 4028 issued in FE Docket No. 13-147-LNG on June 1, 2017, as well as ordering paragraph J of Order No. 3393 issued in FE Docket No. 13-129-LNG on February 20, 2014. Order No. 4028 authorizes Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico (the “Project”) to countries with which the United States does not have a Free-Trade Agreement requiring the national treatment of natural gas (“FTA”). Order No. 3393 authorizes Delfin to export LNG from the Project to countries with which the United States does have, or in the future will have, an FTA.

a) Progress of the Project:

As noted in Delfin’s prior reports, the then Executive Director of the Maritime Administration (“MARAD”), acting pursuant to authority delegated by the Secretary of Transportation, authorized the issuance subject to certain conditions of a License for the Port Delfin Project under the Deepwater Port Act of 1974 as amended on March 13, 2017. “Secretary’s Decision on the Deepwater Port License Application of Delfin LNG, LLC,” in Docket USCG-2015-0472. Delfin continues to work to satisfy the conditions for a License set forth in that Decision. In that connection, on March 28, 2019, Delfin met with representatives of the MARAD and the U.S. Coast Guard (“USCG”) in Washington

DC to discuss the status of the Delfin LNG project. Delfin provided MARAD and USCG an update on commercial, technical, and project permitting and sought guidance from the project's principal regulators on upcoming activities and engagement. Also on March 28, 2019, Delfin met separately with the USCG's Deepwater Ports Standards staff and representatives of the USCG's Marine Engineering and Marine Safety Center staffs to discuss aspects of the regulatory regime applicable to the Delfin LNG floating liquefied natural gas vessels ("FLNGVs"). Ongoing communications with USCG on these matters have continued following these March 28, 2019 meetings.¹

- As noted in Delfin's prior reports, the Federal Energy Regulatory Commission ("FERC") on September 28, 2017, issued an order (1) granting Delfin a certificate of public convenience and necessity to construct, operate, and maintain the proposed onshore facilities for the Project and (2) authorizing High Island Offshore System, LLC ("HIOS") authority to abandon FERC-jurisdictional services on its off-shore pipeline facilities and instead use the facilities solely to transport gas for Delfin. *Delfin LNG LLC*, 160 FERC ¶ 61,130 (2017). On April 19, 2018, the FERC denied requests for rehearing of the HIOS-related aspects of that order. *High Island Offshore System, LLC*, 163 FERC ¶ 61,040 (2018). Pursuant to a June 8, 2019 request that Delfin made to FERC, on July 8, 2019, FERC granted Delfin a one-year extension to construct those facilities and make them available for service. Delfin understands that it may ask FERC for further extensions as necessary.
- As noted in Delfin's prior reports, Delfin Midstream and Golar LNG Limited announced on June 21, 2017, that they had executed a Joint Development Agreement ("JDA") to develop the Project, utilizing Golar's floating liquefaction technology. Delfin continued to work with Golar LNG and completed the Front End Engineering Design ("FEED") for the project's first Conversion FLNGV. Delfin and Golar LNG have now signed a Term Sheet, which gives Delfin an irrevocable licence from Golar LNG to use the FLNG FEED design for developing the first Conversion FLNGV. Upon the signing of that Term Sheet, the 2017 JDA was terminated.
- Supplementing its license with Golar for a Conversion FLNGV, Delfin has commenced the development of a new-build FLNGV design. Delfin has performed conceptual engineering studies, carried out preliminary EPC contract negotiations, and is commencing further FEED studies. The new-build FLNGV is being designed in compliance with Delfin's Deepwater Port licence requirements. Delfin anticipates entering into a final EPC contract for the new FLNGV in 2020.

¹ Although the meetings occurred the day prior to Delfin's last update to DOE, the update had been prepared in advance, and thus these meetings were not addressed in the March 29, 2019 update.

- On June 21, 2019, the U.S. Army Corps of Engineers (“Corps”) issued a determination that Delfin’s construction of a deep water port with four mooring structures approximately 37.4 to 40.8 nautical miles off the coast of Cameron Parish, Louisiana, and the associated offshore and onshore facilities Delfin proposes to construct are authorized by Nationwide Permit Number 8 and Nationwide Permit Number 12, subject to a number of specific conditions set out in the Corps determination.
- On April 5, 2019, the Louisiana Department of Natural Resources approved an extension of the Coastal Use Permit for Delfin’s deep water port and the associated offshore and onshore facilities. Subject to certain specified conditions, the Coastal Use Permit authorizes the initiation of the approved coastal use for four (4) years from the date of the original permit, which was June 13, 2017.

b) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:

- Delfin is in discussions with various onshore pipeline companies to evaluate the capacity and commercial terms for transport of natural gas to Station 44 for supplying feed gas to the Project. To date, these discussions have led to negotiations for an initial agreement with one pipeline company. Discussions toward finalizing that initial agreement and with other pipeline companies for additional potential supply agreements are ongoing.
- Delfin is actively engaged in marketing Project offtake to potential customers. Delfin will file all long-term, binding contracts for the export of LNG from its facility once executed, in accordance with the requirements of DOE/FE Order No. 3393.

c) Change of counsel and point-of-contact

- Delfin hereby requests that the undersigned counsel, Mary Anne Sullivan, maryanne.sullivan@hoganlovells.com, be designated in place of Patrick Nevin as one of the two authorized points of contact for this application. The address is noted above.

Respectfully submitted,



Mary Anne Sullivan
Counsel for Delfin LNG, LLC