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EPCILON LNG LLC

PROJECT DEVELOPMENT COMPANY

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April 13, 2022

RECEIPT REQUESTED

Via Electronic Filing: fergas@hq.doe.gov

Attn: Ms. Peri Ulrey
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Re: *Epsilon LNG LLC*
DOE/FE Order No. 4629
FE Docket No. 20-31-LNG
Semi-Annual Report: April 2022

Dear Ms. Ulrey:

On December 8, 2020, the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”) issued Order No. 4629 granting Epsilon LNG LCC (“Epsilon”) a long-term authorization to export natural gas to Mexico for liquefaction and re-export such natural gas as liquefied natural gas (“LNG”), from Mexico to nations with which the United States has (“FTA”), and does *not* have (“NFTA”), free trade agreements requiring national treatment in trade of natural gas. The FTA and NFTA authorizations require Epsilon to file semi-annual reports, on or before April 1 and October 1 in each year, describing the following: (1) the status of the project’s LNG facility (“the LNG Facility”), (2) the date the LNG Facility is expected to commence first exports of LNG, (3) the status of the long-term contracts associated with (a) exporting LNG from U.S.-sourced natural gas and (b) any long-term natural gas supply contracts for the LNG Facility. Epsilon hereby submits its semi-annual report covering the period October 2, 2021 through April 1, 2022.

In the last period, significant progress has been made since January 02, 2022, despite the partial delays in Q4 2022 due to global pandemic considerations and travel restrictions. Epsilon has been finalizing its land lease cooperation agreement with the Mexican State of Sonora, for the LNG Facility, for which a detailed Memorandum of Understanding (“MOU”) has been drafted. The land lease from the State of Sonora, has been negotiated through a direct land award process for a coastal land with an estimated usable area of 54 hectares, with the land allocation and maritime concession, on a long-term basis exclusively to the LNG Facility. It has been agreed with the State of Sonora, Mexico, during the week of April 21, 2022, this MOU will be signed by the Government of Sonora and authorized signatory of Epsilon.

The LNG Facility is expected to begin exporting LNG by November 1, 2025. The following major project milestones have been completed during the last period: (1) site selection

process using the newly assigned land from the State of Sonora, (2) O&M planning process, (3) EPC contractor selection process with specific discussions on schedule and long lead items planning, (4) fabrication yard selection process, (5) planning for the environmental and social impact assessment processes for the newly assigned project site (6) joint marketing agreement signed with PGN Indonesia, which is a state owned national LNG company of Indonesia. Epsilon is in preliminary negotiations with counterparties with respect to long-term agreements to effect the sale and export of LNG, and long-term natural gas supply agreements for the LNG Facility.

If you have any questions or require any additional information, please do not hesitate to contact me at (713) 240-2631 or mc@lngalliance.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Muthu Chezhian", with a stylized flourish at the end.

Muthu Chezhian

President for Epsilon LNG LLC