

EPCILON LNG LLC

PROJECT DEVELOPMENT COMPANY

7818 ELEMENT AVE PLANO,
TEXAS 75024-0255, USA
713.240.2631 / 346.307.4820MUTHU CHEZHIAN
DIRECT DIAL: 713.240.2631
EMAIL: MC@LNGALLIANCE.COMUSA
MEXICO
SINGAPORE

October 1, 2024

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 20585Re: *Epsilon LNG LLC*
DOE/FE Order No. 4629
FE Docket No. 20-31-LNG
Semi-Annual Report: October 2024

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 April 1, 2024 through September 30, 2024.

During this period:

- The social impact assessment for power generation was submitted to Secretary of Energy (SENER).
- Liquefaction permit was filed with the Comisión Reguladora de Energía (CRE), the regulatory authority under SENER.
- Congruency Opinion (Opinión de Congruencia) was submitted to Secretaría de Infraestructura y Desarrollo Urbano (SIDUR).

The LNG Facility is expected to begin exporting LNG by August 20, 2027.

The following major project milestones have been completed during the last period:

- (1) Front-End Engineering Design (FEED) was completed for the LNG liquefaction facilities and marine facilities.
- (2) Geotechnical, Geophysical studies and Navigation Studies were completed. Navigation studies confirmed the safe operations of the LNG ships berthing at the marine facilities.
- (3) EPC tender was launched in Q3 2024 for shortlisted pre-qualified companies globally, who met the minimum criteria for HSEQ, relevant track record and ability to execute the EPC works in Mexico. EPC tender was divided into liquefaction facilities EPC and marine facilities EPC. Tender response clarifications are ongoing and final selection of EPC will be confirmed within December 2024.
- (4) Shipping partner selection process is still in progress and additional entities from SE Asia and Middle East were included for managing the third-party LNG fleet.
- (5) Operations and Maintenance planning and framework has been developed and an EU based O&M operator has been shortlisted for the O&M services. Contract negotiations are ongoing and expected to be completed by Q1 2025.
- (6) Long term Binding Heads of Agreement for more than 4 MTPA has been executed collectively with two entities, one from Malaysia (E&H Energy Sdn Bhd) and one from Oman (OQ Trading Ltd).
- (7) Heads of Agreement for an additional 4 MTPA is currently under negotiations with potential offtakers from European Union, SE Asia and Latin America with respect to potential long-term agreements to effect the sale and export of LNG.

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,



Muthu Chezian

President for Epsilon LNG LLC