

July 26, 2013

VIA EMAIL – FERGAS@HQ.DOE.GOV

U.S. Department of Energy
Office of Fuels Programs, Fossil Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**Re: In the Matter of Pangea LNG (North America) Holdings, LLC
FE Docket No. 12-174-LNG
Semi-Annual Report for the Period through March 31, 2013**

Dear Sir or Madam:

Pursuant to Ordering Paragraph I of the Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel From the Proposed South Texas LNG Export Project To Free Trade Agreement Nations (“Order”) issued by the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”) on January 30, 2013 in the above-referenced docket, Pangea LNG (North America) Holdings, LLC (“Pangea”) submits its first Semi-Annual Report for the period through March 31, 2013. More specifically, Ordering Paragraph I of the Order requires that Pangea provide information on the progress of the proposed ST LNG Project to be located at the Port of Corpus Christi in Ingleside, Texas, the date the facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts. That information is set forth below.

Through the reporting period, Pangea has continued to advance the engineering and design of the Project, as well as the preparation of the environmental resource information required in support of an application to the Federal Energy Regulatory Commission (“FERC”) under Section 3 of the Natural Gas Act (“NGA”) for the siting, construction and operation of the Project. Pangea is working with CB&I and CH-IV on the engineering and design package for the Project and expects the delivery of the final technical package in the near term. Pangea conducted various meetings with the FERC technical staff to determine the appropriate requirements applicable to floating liquefaction facilities versus on-shore facilities. Additionally, Pangea has consulted various other technical experts to ascertain the appropriate scope for the safety



analysis required for the Project. The final technical package will incorporate input Pangea has obtained from all technical experts, including FERC technical staff.

Pangea expects to request authorization from the Director of the Office of Energy Projects to commence the FERC's mandatory National Environmental Policy Act pre-filing review process for the ST LNG Project by fourth quarter 2013 and an application under Section 3 of the NGA by the second quarter of 2014. This schedule is partly based on Pangea's expectation that prior to year end, DOE/FE will significantly advance the substantial backlog of applications for non-FTA export authorization currently pending before DOE/FE.

Based on the anticipated FERC permitting schedule set forth above, the targeted in service date for the Project is the 1st half of 2019. Pangea acknowledges that its 20 year authorization term begins to run no later than January 30, 2020 and expects to commence operation in time to take full advantage of the 20 year maximum term. Pangea will keep the DOE/FE apprised of any developments leading to a revised estimate of the initial operating date for the Project through its semi-annual reports.

Pangea does not currently anticipate entering into any long-term gas supply or long-term export contracts in conjunction with the LNG export authorization granted in the Order. Instead, Pangea anticipates it will operate the ST LNG Project as a tolling facility. Pangea continues to hold discussions with multiple potential customers, with significant interest in entering into liquefaction tolling agreements for LNG produced from the project. These discussions are continuing and progressing towards binding agreements for the full aggregate liquefaction capacity of the Project.

In accordance with the Order, Pangea will file any long-term export contracts that are the subject of the authorization granted by the Order, following execution of such agreements, which has yet to occur.

If you have further questions, please do not hesitate to contact me at +1-832-426-1870.

Sincerely,

Kathleen Eisbrenner

cc: Natalie Wood