

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

FREEPORT LNG EXPANSION, L.P.

FE DOCKET NO. 12-115-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT LIQUEFIED NATURAL GAS BY VESSEL
TO CANADA AND MEXICO

DOE/FE ORDER NO. 3165

OCTOBER 18, 2012

I. DESCRIPTION OF REQUEST

On September 11, 2012, Freeport LNG Expansion, L.P. (Freeport) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to export liquefied natural gas (LNG) to Canada and Mexico by vessel, up to a combined total of the equivalent of 876 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on December 1, 2012.² Freeport is a Delaware limited partnership with its principal place of business in Quintana, Texas.

II. FINDING

The application has been evaluated to determine if the proposed export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including LNG, from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest and applications for such imports or exports must be granted without modification or delay. The authorization sought by Freeport to export LNG to Canada and Mexico by vessel, meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

¹/ The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-002.04E issued on April 29, 2011.

²/ Freeport's blanket authorization to export LNG to Canada and Mexico granted in DOE/FE Order No. 2884 on December 1, 2010, extends through November 30, 2012.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Freeport is authorized to export LNG to Canada and Mexico by vessel, up to a combined total of the equivalent of 876 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on December 1, 2012, and extending through November 30, 2014.

B. This LNG may be exported by vessel from any LNG export terminal in the United States and its territories.

C. **Monthly Reports:** With respect to the LNG exports authorized by this Order, Freeport shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If exports have not occurred, a report of “no activity” for that month must be filed. If exports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the name of the LNG tanker; (3) the date of departure from the U.S. export terminal; (4) the country of destination; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the price at point of export per MMBtu; (8) the duration of the supply agreement (indicate spot sales); and (9) the name(s) of the purchaser(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294.)

D. The first monthly report required by this Order is due not later than January 30, 2013, and should cover the reporting period from December 1, 2012, through December 31, 2012.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on October 18, 2012.

A handwritten signature in blue ink, appearing to read "John A. Anderson", written over a horizontal line.

John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy