



Press Release

**FREEPORT LNG AND PORT FREEPORT ANNOUNCE
START OF CHANNEL-WIDENING PROJECT**

Project Completion Projected for May 2015

FREEPORT, TEXAS, October 21, 2014—Freeport LNG Development, L.P. (Freeport LNG), and Port Freeport today announced the beginning of work on a project designed to widen the Port Freeport harbor channel.

On August 29, 2014, Freeport LNG, as project manager for Port Freeport's channel-widening project, entered into an agreement with Great Lakes Dredge & Dock Company, LLC, to widen the entrance and jetty sections of the Port Freeport ship channel from the existing 400 feet width to 600 feet. The channel's reach extends from the port's sea buoy to the U.S. Coast Guard station in Surfside for an approximate distance of 6.1 miles. Dredging will not disrupt the existing rock jetties at the entrance of the port and there will be no interference with ongoing shipping activities. The work is to be completed in May 2015.

Widening the channel entails removing approximately 3.2 million cubic yards of material, approximately 300,000 cubic yards of which is beach-quality sand. This beach-quality sand will be used for beach nourishment and placed on sections of the beach on Quintana Island.

"We are appreciative of the close collaboration among Port Freeport, the Brazos Pilots and Freeport LNG over the past few years to advance this project through all of the necessary approvals and we are pleased to be acting as project manager on behalf of Port Freeport," said Mark Mallett, Senior VP, Operations and Projects, Freeport LNG. "Widening the Port Freeport ship channel will not only benefit the entire region but is another important piece of the puzzle for Freeport LNG's overall expansion plans in Brazoria County."

"We're pleased to partner with Freeport LNG Development on this important milestone in the Port's development," said Glenn A. Carlson, Executive Port Director/CEO, Port Freeport. "Widening the channel will reduce traffic constraints, decrease vessel downtime and reduce shipping costs while facilitating Port Freeport's future development and growth in cargo tonnage handled."

Captain James Teeter, President, Brazos Pilots Association, said: “We look forward to working with all parties during construction. The widening project constitutes a significant improvement and increases the safety margin for vessels during transit of the Freeport ship channel. The Brazos Pilots view this project as an important step in improvements to the Freeport harbor complex leading to the consideration of an increased operational window for vessels.”

About Freeport LNG

Freeport LNG Development, L.P., owns and operates an existing LNG regasification terminal located near Freeport, Texas, and is developing a gas liquefaction and LNG export project there. Freeport LNG Development, L.P.’s limited partners are: Freeport LNG Investments, LLLP and FLNGI Option Holdco, LLC, each owned by Michael S. Smith; ZHA FLNG Purchaser LLC, a Delaware limited liability company; Texas LNG Holdings, LLC, a wholly owned subsidiary of The Dow Chemical Company; and Turbo LNG, LLC, a wholly owned subsidiary of Osaka Gas Co., Ltd.

About Port Freeport

Port Freeport came into being more than 100 years ago when the first jetty system was built in Freeport, Texas. Since that time, the port has become one of the fastest growing ports on the Gulf Coast, and it is currently ranked as the 24th largest port in the United States in terms of foreign tonnage. Port Freeport operations currently include 540 acres of developed land, 18 operating berths and a climate-controlled facility. Future expansion includes building two multipurpose 1,600-foot berths on 50 feet of water. The port is conveniently accessible by rail, waterway and highway routes.

About Brazos Pilots Association

For more than a century the Brazos Pilots have served the citizens of Brazoria County by ensuring safe and efficient transportation of foreign commerce traversing the Brazos River. The Association’s mission is to use expertise in ship handling and combine it with the latest in electronic navigational tools to make each vessels transit as safe and efficient as possible. The Association represents the State of Texas and works to protect ecologically sensitive marine habitats by providing guidance and developing safe maritime practices.

For further information, please contact:

Lisa Singleton
Brunswick Group for Freeport LNG
214-254-3790
lsingleton@brunswickgroup.com