



Press Release

FREEPORT LNG EXECUTES DEFINITIVE AGREEMENTS FOR DEBT FINANCING OF FIRST NATURAL GAS LIQUEFACTION TRAIN

- **\$3.85 billion in debt financing committed by JBIC, NEXI and six commercial banks**
- **\$1.2 billion in equity funding to be provided by Osaka Gas and Chubu Electric**
- **Close on financing and commencement of construction to occur upon receipt of final FERC and DOE approvals**

HOUSTON, October 29, 2014 – Freeport LNG Expansion, L.P. (Freeport LNG) today announced that its subsidiary, FLNG Liquefaction, LLC, has entered into definitive agreements for the debt financing of approximately \$3.85 billion of capital required for the development of Freeport LNG’s first train facility (Train One) at its proposed natural gas liquefaction and LNG loading facility on Quintana Island near Freeport, Texas.

The Train One debt financing is being provided by Japan Bank for International Cooperation (JBIC) and the following six commercial banks: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, and ING Bank N.V., Tokyo Branch. The portion of the loans financed by the commercial banks is insured by Nippon Export and Investment Insurance (NEXI). Pursuant to their previously announced agreement, Osaka Gas Co., Ltd. (Osaka Gas) and Chubu Electric Power Co., Inc. (Chubu Electric) are investing approximately \$1.2 billion for the development of Train One.

“We are excited to announce our partnership with Japanese governmental institutions to support the financing needs of the Freeport LNG liquefaction facility and to become a key contributor to the long-term diversification and security of energy supplies to Japanese utilities,” said Michael S. Smith, Chief Executive Officer, Freeport LNG. “We look forward to commencing construction of the initial two trains of the liquefaction project in the coming weeks and beginning commercial exports in 2018.”

Freeport LNG expects to also soon announce the execution by its subsidiary, FLNG Liquefaction 2, LLC, of definitive agreements for the debt financing needs for its second train facility (Train Two). These agreements, together with the Train One financing agreements and the previously announced \$1.3 billion equity commitment to Train Two by IFM Investors, will position Freeport LNG to close initial funding and commence construction of the initial two trains of the Freeport LNG liquefaction facility immediately upon receipt of orders from the U.S. Federal Energy Regulatory Commission (FERC) denying pending rehearing requests of its July 30, 2014 approval of the Freeport LNG project and from the U.S. Department of Energy (DOE) granting final authorization of LNG exports from the facility.

Financial close and commencement of construction on Freeport LNG’s third train facility is expected to occur in the first half of 2015.

Project Update

Freeport LNG awarded contracts to a joint venture between CB&I, Inc. and Zachry Industrial, Inc. to construct the initial two trains of the liquefaction project. Train One is anticipated to commence operations 45 months from start of construction, with the second and third trains in operation at approximately six month intervals thereafter. Each liquefaction train has a nameplate design capacity of 4.64 million tonnes per annum. Approximately 13.2 million tonnes per annum of the production capacity of the three liquefaction trains has been contracted under use-or-pay liquefaction tolling agreements with Osaka Gas, Chubu Electric, BP Energy Company, Toshiba Corp. and SK E&S LNG, LLC.

Freeport LNG has received conditional authorization from the DOE to export the entire contracted LNG production volume of the initial three trains of the liquefaction project. On July 30, 2014, Freeport LNG received FERC approval for the initial 3-train liquefaction project, and in October 2014, the FERC granted Freeport LNG authorization to proceed with construction. Financial close and commencement of construction is expected to occur in November 2014 upon satisfaction of all conditions to debt and equity financing, including receipt of an order from the FERC denying pending rehearing requests and a final export authorization from the DOE.

Macquarie Capital is serving as Freeport LNG's financial advisor with respect to the financing for the Train One project. White & Case is serving as Freeport LNG's finance counsel. Documentation pertaining to the liquefaction project, including regulatory applications and related materials, is available on Freeport LNG's website at www.freeportlng.com.

About Freeport LNG

Freeport LNG Expansion, L.P. is a wholly owned subsidiary of Freeport LNG Development, L.P., which owns and operates an existing LNG regasification terminal located near Freeport, Texas. The terminal started commercial operation in June 2008. 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.

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