



Press Release

FREEPORT LNG CLOSES FINANCING AND COMMENCES CONSTRUCTION OF THIRD NATURAL GAS LIQUEFACTION TRAIN

- **Total anticipated train 3 project costs, including financing costs, of \$4.2 billion**
- **First LNG production from the facility anticipated in early 2018**
- **Train 1 operations to commence in third quarter 2018**
- **Full three-train operations expected by third quarter 2019**

HOUSTON, April 28, 2015 – Freeport LNG Expansion, L.P. (Freeport LNG) today announced that its subsidiary, FLNG Liquefaction 3, LLC (FLIQ3), successfully closed on senior and mezzanine debt financing commitments of approximately \$4.56 billion in capital required for the construction of the third train of Freeport LNG’s natural gas liquefaction and LNG loading facility on Quintana Island near Freeport, Texas. The construction cost for the combined three-train project is expected to be \$12.5 billion, including owner’s costs and interest during construction. An additional \$3.0 billion in funds were raised for refinancing and acquisition costs associated with the existing LNG import facility, letters of credit facilities, and a special contingency fund.

With closing on financing, Freeport LNG has completed all milestones and issued a full notice to proceed to CB&I, Inc., Zachry Industrial, Inc. and Chiyoda International Corporation to construct the third train of the Freeport LNG liquefaction project. Full three-train operation is expected by the third quarter of 2019. LNG production from the first liquefaction train is expected in early 2018, with commercial operation of the first train expected to commence by the third quarter of 2018.

Approximately \$3.64 billion in senior debt financing for the third train is being provided by a syndicate of 27 commercial banks under a 7-year mini-perm construction facility. Approximately \$925 million in equity financing for the third train is being provided through mezzanine debt financing. Freeport LNG will retain 100% equity ownership in FLIQ3 and the third liquefaction train. FLIQ3 has entered into 20-year liquefaction tolling agreements totaling 4.4 million tonnes per annum with SK E&S LNG, LLC and Toshiba Corp.

“We are excited to achieve this next great milestone in the advancement of the Freeport LNG liquefaction project. After over four-and-a-half years of incredibly hard work from so many people within Freeport LNG and from our bankers, lawyers, and consultants, we are pleased to finally have the full three-train project under construction. We are thrilled to have five of the top LNG industry participants as our customers, and world class infrastructure investors and LNG end users as our partners,” said Michael S. Smith, Chief Executive Officer, Freeport LNG.

Mr. Smith continued, “This expansion will further the substantial economic growth opportunities in Texas and across the United States derived from the project. With the addition of a third train, the economic benefits derived from the project will be even greater. At peak construction, the project will employ a workforce of over 5,000 workers and 300 new full-time workers once the facility is in operation. In addition, an estimated 30-40,000

permanent new jobs will be generated upstream of the project to support the increased natural gas exploration, production and infrastructure development required to meet the project's supply demands. Exports from the Freeport LNG project offer substantial geopolitical benefits as well, providing secure energy supplies to our key allies around the world and resulting in more than a 1% reduction in the U.S. trade deficit.”

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. The first two trains are currently under construction, and are on schedule to commence operations by September 2018 and February 2019, respectively. The third train is expected to commence operations by August 2019. Each liquefaction train has a capacity in excess of 5.0 million tonnes per annum. Approximately 13.4 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 Co., Ltd., Chubu Electric Power Co., Inc., BP Energy Company, Toshiba Corp. and SK E&S LNG, LLC.

In November 2014, Freeport LNG received final approvals for its proposed 3-train natural gas liquefaction and LNG export facility on Quintana Island near Freeport, Texas from the U.S. Federal Energy Regulatory Commission (FERC) and the U.S. Department of Energy (DOE). With these approvals, Freeport LNG has received all authorizations required for construction of the initial 3-train liquefaction project and the export of the entire contracted LNG production volume of the initial three trains.

Macquarie Capital is serving as Freeport LNG's sole financial advisor with respect to the financing for the project. White & Case is serving as Freeport LNG's finance counsel. Twenty-seven of the world's foremost project finance and investment banks are lending to the project and Chadbourne & Parke served as lenders' counsel. Akin Gump Strauss Hauer & Feld represented SK E&S in the transaction. Toshiba Corp. is represented by Norton Rose Fulbright. Documentation pertaining to the liquefaction project, including regulatory 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. Michael Smith controls the general partner of Freeport LNG Development, L.P. Freeport LNG Development, L.P.'s limited partners are: Freeport LNG Investments, LLLP and FLNGI Option Holdco, LLC, each owned by Michael S. Smith; GIP II FLNG, L.P. and GIP II FLNG Holdings Partnership 2, LLC, each owned by Global Infrastructure Partners; and Turbo LNG, LLC, a wholly owned subsidiary of Osaka Gas Co., Ltd.

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