



Press Release

**FREEPORT LNG SIGNS 20-YEAR LIQUEFACTION
TOLLING AGREEMENT WITH SK E&S LNG**

- **Marketing of third liquefaction train complete**
- **Final investment decision for third train expected by end of 2014**

HOUSTON, September 9, 2013 – Freeport LNG Expansion, L.P. (Freeport LNG) today announced that it has entered into a binding 20-year Liquefaction Tolling Agreement (LTA) with SK E&S LNG, LLC (SK) for a base quantity of 2.2 million tons per annum (mtpa), commencing upon completion of construction of the third train of Freeport LNG’s proposed natural gas liquefaction and LNG loading facility on Quintana Island near Freeport, Texas. The SK LTA is guaranteed by SK’s parent companies, SK E&S Co., Ltd. (rated BBB+ by Standard & Poor’s and Baa1 by Moody’s) and SK Holdings Co., Ltd.

“We welcome SK as a customer to the Freeport LNG liquefaction project. SK’s strong market of 3.5 million South Korean customers adds another highly experienced LNG industry participant to our already strong customer base. With our separate announcement today of entry into an LTA with Toshiba Corporation, Freeport LNG is positioned to close financing and commence construction of the third train in late 2014,” said Michael S. Smith, Chief Executive Officer, Freeport LNG. “The SK agreement provides a unique opportunity for the United States to support our key ally and free trade partner, South Korea, SK’s primary market for the LNG received from the Freeport project,” continued Smith.

“SK E&S is pleased to join Freeport LNG and its prestigious partners in what we believe to be a world-class facility that will set a new standard in the LNG industry. We look forward to working closely with our new partners in creating value for all our respective stakeholders. SK E&S is committed to growing its domestic leadership position on a global stage through continued development and expansion of our integrated LNG strategy with Freeport LNG as our key partner,” said J.J. Yu, Chief Executive Officer, SK E&S.

“This transaction represents a milestone achievement for both companies. SK is proud to build upon our 20+ year commitment to the U.S. market with an important partnership that elevates our standing in the global energy community and sets the stage for continued investment by SK in the United States,” said Shaun Parvez, President, SK USA, Inc.

Freeport LNG has previously announced the execution of LTAs with Osaka Gas Co., Ltd. (Osaka Gas) and Chubu Electric Power Co. (Chubu Electric), each for 2.2 mtpa, and with BP Energy Company (BP), for 4.4 mtpa. The Osaka Gas and Chubu Electric LTAs commence upon completion of construction of the initial liquefaction train, and the BP LTA commences upon completion of construction of the second liquefaction train.

“Adding SK and Toshiba to our existing customer base of Osaka Gas and Chubu Electric, two of the largest natural gas and electric utility service providers in Japan, and BP, one of the world’s leading international oil and gas companies, further enhances the strength of our project and the best-in-class suite of counterparties to support financing,” continued Smith. “We intend to close financing and commence construction on the initial two liquefaction trains in early 2014 upon receipt of regulatory approvals. Financing and commencement of construction on the third liquefaction train is expected in the second half of 2014.”

Project Update

Commencement of construction of Freeport LNG’s liquefaction project is subject to receipt of authorization to commence construction from the U.S. Federal Energy Regulatory Commission (FERC) and final investment decision by Freeport LNG.

Freeport LNG has received authorization from the U.S. Department of Energy (DOE) to export the entire LNG production volume of the initial two trains of the liquefaction project to any country that has, or in the future develops, the capacity to import LNG and with which trade is permissible. Freeport LNG’s application to export up to two additional trains of production volume to countries with which the United States does not have free trade agreements (non-FTA) remains pending with the DOE, and is currently second in the queue established by the DOE for review and processing of pending non-FTA export applications.

Freeport LNG expects to receive FERC approval to commence construction of the first three liquefaction trains in the first quarter of 2014. The first train is anticipated to commence operations 42-48 months from start of construction, with the second train in operation six to nine months after the first train. Construction of the third train is anticipated to begin in late-2014, and to commence operations six to nine months after the second train.

Freeport LNG has contracted with CB&I, Inc. and Zachry Industrial, Inc. to conduct the front end engineering and design for the initial three trains of the liquefaction project. Macquarie Capital and Credit Suisse are serving as Freeport LNG’s financial advisors with respect to the proposed financing for

the project. King & Spalding advised Freeport LNG on its agreement with SK. 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. has four limited partners: (1) Freeport LNG Investments, LLLP, an entity owned by Michael S. Smith; (2) ZHA FLNG Purchaser LLC, a Delaware limited liability company; (3) Texas LNG Holdings, LLC, a wholly owned subsidiary of The Dow Chemical Company; and (4) Turbo LNG, LLC, a wholly owned subsidiary of Osaka Gas Co., Ltd.

For further information, please visit our website at www.freeportlng.com or contact:

Lisa Singleton
Brunswick Group
214-254-3790