CE FLNG LLC



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May 20, 2013

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3E-042
Forrestal Building
10000 Independence Avenue, S.W.
Washington, DC 20585

Re: Letter of Support of CE FLNG's Non-FTA Authorization

Dear Mr. Anderson:

I am sending this letter in support of CE FLNG, LLC's non-Free Trade Agreement (non-FTA) liquefied natural gas (LNG) export application, in order to provide the U.S. Department of Energy (DOE) with a first hand account of the economic impact that exporting LNG is having on both CE FLNG and the U.S. economy. As the CEO of a Minority Business Enterprise (MBE), I would like to recount an important article published by the Small Business and Entrepreneurship Council (SBE Council) on May 3, 2013. CE FLNG wanted to provide DOE with a fact based account of CE FLNG's experiences regarding public interest and economic impact of LNG. As you know, the SBE Council released a new report showing LNG exports will benefit the U.S. economy and spur job creation. The report highlights how the natural gas industry has helped stimulate employment and small business growth across the country in recent years,

especially in those states with expanded production. The report also looked at the vast economic benefits natural gas production has brought to our economy and asserts that increasing LNG exports will expand opportunities for small businesses to grow and create jobs. Based on CE FLNG's experiences regarding our growth, job creation, and retention, the SBE Council's report provides a very accurate account of the economic impact that exporting LNG will have on the U.S. Economy.

CE FLNG, through its affiliate Cambridge Energy, has been involved in the LNG business since 2007, and is considered a leader in the U.S. LNG Export Market dating back to our early communications with DOE in 2009 when most players in this market were focused on importing LNG. Additionally, the company's exceptional leadership ability and knowledge capital was demonstrated through helping to shape the LNG export market in the United States when CE FLNG identified a regulatory oversight gap that the existed in the U.S. Code regarding exporting LNG from a Deepwater Port. Through our efforts to work with DOE, the U.S. Maritime Administration (MARAD), and the U.S. Coast Guard, the United States now has a new definition of what activities can occur from a Deepwater Port. As a result of these efforts, LNG can now be exported from a deepwater port with clear oversight. Below is a summary of the economic impact that CE FLNG has experienced which is in complete alignment with the results of the SBE Council's recent report.

- At the request of the Louisiana Economic Development (LED) and follow-on discussions with Greater New Orleans (GNO), CE FLNG has reached out to help reposition the struggling regional shipping industry which has had significant job losses, but has the significant opportunity to become a global leader in the FLNG market sector. This repositioning will lead to increased job retention, new jobs, and most importantly transformation of the struggling U.S. Shipping Industry through alignment with the more sustainable Oil and Gas market sector.
- Many small businesses have reached out to CE FLNG expressing an interest in providing various goods and services. These potential partnerships could lead to the creation of new jobs and market opportunities—in addition to those created by

CE FLNG's own activities—and in some cases will help revive small struggling companies. William Dunkelberg, chief economist for the National Federation of Independent Business, says policy uncertainty has small business owners refusing to commit to business investment.

- Marine employment organizations and associations seeking to compete on a global basis have approached CE FLNG because of its unique business model, which affords numerous employment opportunities for U.S. Marine Officers and Engineers in the LNG business. Currently, very few US personnel are employed in this sector. CE FLNG has also reached out to organized labor to ensure their participation.
- The local economy and communities in the Plaquemines Parish area of Louisiana, where the CE FLNG project intends to locate, was devastated by Hurricane Katrina in 2005 and has not yet recovered. The Parish has a poverty rate of 18% compared to the National average of 15% according to the 2010 Census report. The area is in need of a major long-term economic development opportunity that will provide some support to the local economy and ameliorate the lives of the people and their community. Because of our unique business model, CE FLNG will be able to provide some support to this community.

Therefore, as DOE is proceeding cautiously with other non-FTA permit applications that are awaiting approval, taking a "measured approach" and monitoring the natural gas market to make sure that the granting of successive applications does not harm the public interest, CE FLNG requests that DOE consider minority economic impact and diversity as a matter of public interest. CE FLNG is asking DOE to (1) accelerate the authorization process for successive applications given the significant impact on many small businesses; (2) ensure that DOE's "measured approach" and / or the successive granting of applications does not eliminate, exclude, reduce, or hinder CE FLNG's opportunity as a minority business enterprise to fully participate in DOE activities and programs, including the authorization to export LNG to non-FTA countries; and (3) immediately consider CE FLNG's application for approval, because several large business enterprises have already been granted this privilege and may be granted

FLNG is seeking to have its application be afforded an opportunity equal to that afforded to the two approved applications.

Sincerely,

Sherman Bryant

Chief Executive Officer