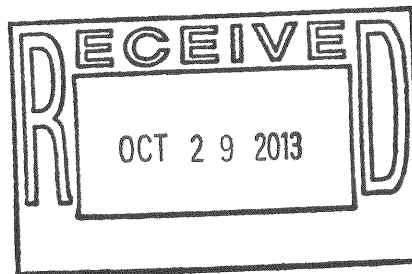


**SUPPLEMENT TO
THE APPLICATION
RECEIVED 10/29/13**

October 29, 2013

ORIGINAL

VIA HAND DELIVERY
Mr. John A. Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585



RE: Annova LNG, LLC, Docket No. 13-140 - LNG
Supplement to Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

On October 9, 2013, Annova LNG LLC ("Annova") filed an application under Section 3 of the Natural Gas Act to export up to 342 Bcf of natural gas per year (equivalent to approximately 7.0 million tons of LNG per year) from domestic resources to any country with which the United States currently has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas ("Application"). As noted in the Application, Annova intends to seek authority in a separate application to export LNG to any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import LNG and with which trade is not prohibited by United States law or policy.

Annova is hereby supplementing the Application in two respects. First, Annova is submitting a copy of an Option to Lease 295 acres of land with the Port of Brownsville, Texas for the development of the Annova Terminal. The Option to Lease was executed on September 4, 2013, by Annova and the Brownsville Navigation District of Cameron County, Texas. Annova is submitted a non-redacted copy under seal and a redacted copy for public posting.

Second, Annova hereby clarifies that the undersigned owns 100% of the membership interests in Annova, and Annova is not affiliated with any other entity.

Respectfully submitted,



David Chung
Annova LNG, LLC
Greenway Plaza
3200 Southwest Freeway, Suite 3300
Houston, TX 77027

OPTION TO LEASE

THIS OPTION TO LEASE ("**Option Agreement**") dated as of September 4, 2013 ("**Effective Date**"), is entered into between the Brownsville Navigation District of Cameron County, Texas, a political subdivision of the State of Texas ("**Optionor**") and Annova LNG, LLC ("**Optionee**"). Optionor and Optionee may be referred to herein, collectively as "**Parties**" and individually as a "**Party**".

RECITALS

A. Optionor is the owner of real property situated in Cameron County, Texas, and more particularly described in the attached Exhibit A and incorporated herein by reference ("**Premises**").

B. Optionee desires to acquire from Optionor the option to lease the Premises for the purpose of a liquefied natural gas facility for import, export, and/or domestic use, and Optionor desires to grant such option to Optionee on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **OPTION TO LEASE.** Subject to the terms and conditions more particularly described in this Option Agreement, Optionor grants to Optionee the exclusive right and option to lease the Premises during the Term (the "**Option**").

2. **CONSIDERATION.** Optionee shall pay to Optionor as consideration for the Term of the Option an option fee equal to [REDACTED] ("**Option Fee**"), payable upon execution of this Option Agreement.

3. **TERM.**

(a) **Initial Term.** The term of this Option Agreement shall be for a period of [REDACTED] commencing on the Effective Date, unless earlier terminated as provided herein (the "**Initial Term**" and together with any Extension Term, the "**Term**").

(b) **Extension Term.** Provided that Optionee has diligently pursued and made reasonable progress towards (i) obtaining approval by the U.S. Department of Energy ("**DOE**") of Optionee's right to export liquefied natural gas from the Premises to countries with which the United States does not have free trade agreements (but this shall not be a condition to exercising the Extension Option in the event Optionee will be exporting to countries with which the United States does have free trade agreements), and (ii) after obtaining such DOE approval, planning, permitting, and financing of a natural gas liquefaction export facility, Optionee shall have [REDACTED] (each, and "**Extension Option**") to extend the Term for a period of [REDACTED] each, unless sooner terminated as provided herein (each, an

"**Extension Term**"). In order to exercise each Extension Option, Optionee shall provide written notice to Optionor of its election to exercise the applicable Extension Option (the "**Extension Option Notice**") no less than [REDACTED] days prior to the expiration of the Initial Term or the Extension Term, as applicable, together with payment of an additional Option Fee of [REDACTED]. Optionee's written notice shall inform Optionor of the diligent efforts and progress Optionee has made towards obtaining approval by the DOE of Optionee's right to export liquefied natural gas from the Premises, or planning permitting, and financing of the liquefied natural gas import/export facility, as applicable. All terms of this Option Agreement shall remain in full force and effect during any Extension Term.

4. **EXISTING LEASE.** The Parties acknowledge that (a) the Premises are currently subject to [REDACTED] (the "**Existing Lease**"), but that Optionor has provided to the current tenant thereunder the required notice to remove the Premises from the existing wildlife preserve (the "**Existing Lease Termination Notice**") and (b) the term of the Lease (as defined below) cannot commence until the date which is ninety (90) days after the date which the Existing Lease Termination Notice was delivered, after which date the Premises shall no longer be subject to the Existing Lease. Provided, however that should the Tenant under the Existing Lease notify Optionor that the Tenant contests the Existing Lease Termination Notice, Optionor shall promptly notify Optionee of same, and Optionee shall have the right within ten days of receipt of said notice to cancel this Option Agreement and receive a full refund of all Consideration paid by Optionee to Optionor under this Agreement.

5. **EARLY TERMINATION.** This Option Agreement may be terminated by Optionee, in its sole discretion, for any reason, during the Term, by giving thirty (30) days' prior written notice to Optionor. However, no such early termination shall entitle Optionee to a refund of any portion of any Option Fee previously paid.

6. **EXERCISE OF OPTION.** Optionee may exercise the Option by delivering to Optionor, at any time prior to the expiration of the Term, a written notice stating that Optionee exercises the Option. Optionee may exercise the Option only with respect to all of the Premises in their entirety.

7. **FORM OF LEASE.** In the event Optionee exercises the Option, Optionor and Optionee or an Optionee Party (as designated by Optionee) shall enter into a lease for the Premises on Optionor's standard lease form, with commercially reasonable modifications appropriate to the development of natural gas processing facilities for liquefaction or regasification, and for domestic or international distribution (the "**Facilities**") as agreed to by the Parties (the "**Lease**"), within sixty (60) days after the date of such exercise. The purpose of the Lease shall be for Optionee or an Optionee Party to operate the Facilities. The Parties agree to use good faith efforts to agree upon the form of the Lease on or before the expiration of the Term. Notwithstanding anything else in the Agreement, Optionor shall have no obligation to execute a Lease with Optionee or an Optionee Party unless Optionee or an Optionee Party is able to provide satisfactory evidence that Optionee or an Optionee Party has secured the necessary

financing and capital to construct the facility. The sufficiency of that evidence shall be determined by Optionor in its sole discretion.

8. APPROVALS; ENCUMBRANCES.

(a) Optionee and any Optionee Party shall have the right during the Term to apply for all permits and approvals from governmental authorities and public utility companies necessary or desirable for Tenant's intended development, construction, use and operation of the Premises. Optionor agrees to reasonably cooperate with Optionee and any Optionee Party in regard to all such applications. Optionor further agrees to consent to, and to promptly execute when required as owner of the Premises, such plans, applications, and other requests for governmental approval, and amendments thereto, which may be prepared by or at the direction of the Optionee or an Optionee Party, incident to the planning, permitting and development of the Premises.

(b) From the Effective Date until the date of expiration or earlier termination of this Option Agreement, Optionor shall not cause or permit any mortgage, deed of trust, lien, encumbrance, covenant, condition, restriction, assessment, easement, right-of-way, obligation, encroachment or liability whatsoever to be placed of record or to affect the leasehold interest to be given Optionee or an Optionee Party pursuant to this Option Agreement or to otherwise exist, without Optionee's prior written consent, which Optionee may withhold in its sole and absolute discretion.

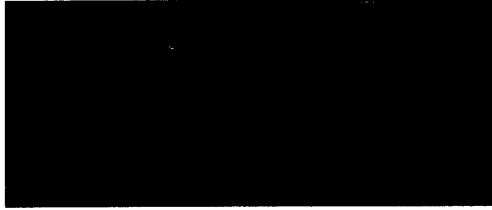
(c) Optionor's standard Lease Agreement provides for the grant of easements, rights of way licenses and similar rights for access and utilities to the Premises. In the event Optionee exercises the Option and the standard lease provisions are not adequate to meet Optionee's needs, Optionor agrees to grant to Optionee or an Optionee Party additional easements or rights of way reasonably necessary to Optionee on adjacent property owned or controlled by Optionor to provide utilities, water or other feedstock which Optionee or an Optionee Party needs to operate the Facilities. Such additional easements or rights of way shall be granted under the terms of Optionor's Leasing Policy with commercially reasonable modifications appropriate to the development of the Facility, and shall be located as is mutually agreed to by Optionor and Optionee.

9. NOTICES. All notices, demands, requests and exercises under this Option Agreement by either Party shall be in writing and shall be deemed to have been given by such Party to the other Party or Parties (a) on the date of personal delivery, (b) on the date delivered by a nationally recognized overnight courier service, or (c) three (3) Business Days after being placed in the United States Mail, registered or certified, postage prepaid, addressed to the other Party as follows:

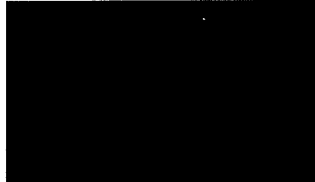
To Optionor:



With Copy to:



To Optionee:



The addresses above may be changed by written notice to the other Party delivered pursuant to this Section; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

10. ASSIGNMENT. Optionee shall not assign this Option Agreement or any of Optionee's rights without first obtaining the prior written consent of Optionor, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Optionee may, without first obtaining Optionor's prior written consent, (a) assign this Option Agreement to any Optionee Party, upon which transfer Optionee shall be fully released from all obligations and liabilities hereunder or (b) mortgage, pledge, encumber or otherwise Optionee's interest in this Option Agreement in connection with a financing.

11. LITIGATION COSTS. In any legal action brought by either party to enforce the terms of this Option Agreement, the Prevailing Party shall receive reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled. "**Prevailing Party**" shall mean the party determined to be the prevailing party by a court of law.


12. BROKERS. Each Party represents and warrants that it has not dealt with any other real estate broker or agent in connection with this Option Agreement except for Gary Greene Commercial Properties. Each Party shall indemnify the other and hold it harmless from any cost, expense, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Option Agreement or its negotiation by reason of any act or statement of the indemnifying party. Any compensation due to Gary Greene Commercial Property shall be the responsibility of Optionee.

13. SUCCESSORS. This Option Agreement and the covenants and conditions herein contained shall bind and inure to the benefit of the respective heirs, personal representatives, executors, successors, and assigns of each Party.


14. WAIVERS. No waiver of any breach of a provision in this Option Agreement shall be deemed a waiver of any other provision. No waiver shall be valid unless in writing and executed by the waiving Party.

OPTION AGREEMENT

Page 4


Initials of Optionee

#4359992.1


Initials of Optionor

15. FURTHER ASSURANCES. Whenever requested to do so by a Party, the other Party shall execute, acknowledge, and deliver any such other instruments as reasonably necessary in order to carry out the intent and purpose of this Option Agreement.

16. NO THIRD-PARTY RIGHTS. Nothing in this Option Agreement, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies under or by reason of this Option Agreement.

17. INTEGRATION. This Option Agreement contains the entire agreement between the Parties respecting the matter set forth, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the Parties respecting these matters.

18. COUNTERPARTS. This Option Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the parties hereto.

19. AMENDMENT. This Option Agreement may not be amended or altered except by an instrument in writing executed by the Parties.

20. PARTIAL INVALIDITY. Any provision of this Option Agreement that is held to be invalid, unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforcement of this Option Agreement shall be of no further force or effect, but all the remaining provisions of this Option Agreement shall remain in full effect and this Option Agreement shall be construed as if such invalid, unenforceable or illegal provisions had not been contained herein.

21. AUTHORITY OF PARTIES. Each Party represents and warrants that (a) it has full power, capacity, authority and legal right to execute and deliver this Option Agreement and to perform all of its obligations hereunder and (b) this Option Agreement is a legal, valid and binding obligation of each Party, enforceable in accordance with its terms. Each person executing this Option Agreement on behalf of a Party represents and warrants that he or she has the full right and authority to execute this Option Agreement on behalf of that Party.

22. GOVERNING LAW. This Option Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of law principles. Exclusive venue over any action concerning this Option Agreement shall lie in Cameron County, Texas.

23. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in this Section 23:

(a) **"Affiliate"** shall mean with respect to a specified Person, any other Person who or which is (i) directly or indirectly Controlling, Controlled by or under Common Control with the specified Person, or (ii) any member, stockholder, director, officer, manager, or comparable principal of, or relative or spouse of, the specified Person.

(b) **“Business Day”** shall mean any day other than a Saturday, Sunday, or legal holiday on which national banks are authorized by federal law to close.

(c) **“Control”** (including the correlative meanings of the terms “Controlling,” “Controlled by” and “under Common Control with”) as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(d) **“Optionee Party”** shall mean an Affiliate of Optionee, any project company in which Optionee or an Affiliate of Optionee is a member or partner or [REDACTED] [REDACTED] [REDACTED]

(e) **“Person”** shall mean an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization and any other entity.

24. **RECORDATION.** Optionor or Optionee shall within (5) days of the execution of this Option Agreement, execute and acknowledge a memorandum of lease option in the form attached hereto as Exhibit B (the **“Memorandum of Option”**) which may, at Optionee’s sole option, be recorded in the Real Property Records of Cameron County, Texas. Nothing in such Memorandum of Option shall modify or amend any provision of this Option Agreement. Upon the termination of this Option Agreement and at the request of either Party hereto, Optionor and Optionee shall enter into and record a memorandum evidencing such termination in a form reasonably satisfactory to each of the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the day and year first written above.

OPTIO

Brown
Of Ca

By:

OPTIONEE:

Annova LNG, LLC


By:

Nam

Its:

OPTION AGREEMENT

Page 7


Initials of Optionee
#4359992.1




Initials of Optionor

EXHIBIT A
(LEGAL DESCRIPTION OF PROPERTY)

OPTION AGREEMENT


Initials of Optionee
#4359992.1

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Initials of Optionor

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION

295.00 ACRE TRACT

September 26, 2013

BEING a 295.00 Acre Tract of land, located within the boundaries of the Gatewood Newberry Patent, Tract 318. Abstract N^o. 269, G.L.O, File S. F. 12924, Share 3, San Martin Grant, Abstract 6, and Patent N^o 68, Abstract 264, Survey 665 from the State of Texas to Brownsville Navigation District in Cameron County, Texas more fully described as follows:

SURVEYOR'S NOTE: All bearings and distances are based on the Centerline of the Brownsville Ship Channel, Meridian (N 57 deg. 38 min. 35 sec) indicated per U.S Army Corps of Engineers Plans for dredging.

COMMENCING at U.S.E.D Station 60+108.89 on the centerline of the Brownsville Ship Channel having coordinate values: x=2,387,981.48 and y=116,257.99; thence South 32 deg. 21 min. 25 sec. East, a distance of 250.01 feet to a point on the South Right-of-Way line of the Brownville Ship Channel's perpetual Right-of-Way Easement, thence along the South Right-of-Way line of the Brownsville Ship Channel, North 57 deg. 38 min. 35 sec. East, 16,452.94 feet, said point being South 76 deg. 04 min. 14 sec. West, 708.35 feet from a concrete monument marked "Jack" with U.S.E.D. aluminum cap, thence along the East boundary line of the Disposal Area N^o 5, 2,198.93 Acres, South 32 deg. 20 min. 02 sec. East, 350.00 feet to a point for the Northwest corner and **PLACE OF BEGINNING** of this tract;

THENCE along a line parallel to and 600.0 feet from the centerline of the Brownsville Ship Channel, North 57 deg. 38 min, 35 sec. East, 3,161.95 feet to a point for the Northeast corner of this tract;

THENCE turning at the right angle to the Southeast, a bearing of South 32 deg. 21 min. 25 sec. East, 4,033.02 feet to a point on the West boundary line of a certain 4,627.17 Acres±Tract for the U.S Fish and Wildlife Service to a point for a corner of this tract;

THENCE along the West boundary line of said 4,627.17 Acres±Tract for the U. S Fish and Wildlife Service, South 07 deg. 25 min. 27 sec. West, 403.03 feet to a point for a corner of this tract;

THENCE along the West boundary line of said 4,627.17 Acres±Tract for the U.S. Fish and Wildlife Service, South 13 deg. 57 min. 39 sec. East 795.56 feet to a point for a corner of this tract;

295.00 Acre Tract
September 26, 2013
Page 2

THENCE along the following courses;

South 30 deg. 22 min. 11 sec. West, 960.49 feet to a point;
North 88 deg. 19 min. 18 sec. West, 892.87 feet to a point;
North 86 deg. 38 min. 11 sec. West, 529.36 feet to a point;
North 70 deg. 05 min. 37 sec. West, 511.15 feet on the East boundary line of the Disposal Area N°5, 2,198.93 Acres to a point,

THENCE along the East boundary line of the Disposal Area N° 5, 2,198.93 Acres, North 30 deg. 57 min. 43 sec. West, 290.09 feet to a point;

THENCE North 61 deg. 12 min. 03 sec. East, 860.91 feet to a point;

THENCE North 22 deg. 38 min. 42 sec. East, 446.14 feet to a point;

THENCE North 15 deg. 57 min. 24 sec. West, 493.12 feet to a point;

THENCE North 32 deg. 35 min. 41 sec. West, 545.16 feet to a point;

THENCE South 81 deg. 42 min. 33 sec. West, 554.82 feet to a point;

THENCE South 44 deg. 21 min. 40 sec. West, 410.52 feet to a point;

THENCE South 74 deg. 34 min. 04 sec. West, 448.13 feet on the East boundary line of the Disposal Area N° 5, 2,198.93 Acres to a point;

THENCE along the East boundary line of the Disposal Area N° 5, 2,198.93 Acres, North 42 deg. 03 min. 18 sec. West, 2,082.75 feet to a point;

THENCE along the East boundary line of the Disposal Area N° 5, 2,198.93 Acres, North 32 deg. 20 min. 02 sec. West, 498.70 feet to **PLACE OF BEGINNING**, containing 295.00 Acres of land, more or less.

Description to be verified by field survey.