



Introduction

By letter order dated March 20, 2013, Magnolia LNG, LLC, LLC (“Magnolia LNG”) was granted approval by the Director of the Office of Energy Projects of the Federal Energy Regulatory Commission (“FERC” or “Commission”) to utilize the Commission’s Pre-Filing review process for the proposed Magnolia LNG Project (“Project”). The Commission’s Pre-Filing review of the Project has been assigned Docket No. PF 13-09-000.

The proposed Magnolia LNG Project includes an 8 million tonne per annum (“mtpa”) liquefied natural gas (“LNG”) facility in the Port of Lake Charles, Louisiana, that will receive natural gas sourced from North America via an existing pipeline and liquefy, store, and deliver it as needed to LNG carriers for export overseas; LNG carriers and barges for domestic marine distribution and the possibility of LNG bunkering; and LNG trucks for road distribution to LNG refueling stations in Louisiana and the surrounding states. The Project will include four 2-mtpa LNG trains.

This Monthly Progress Report, which covers the period from January 1, 2014, through January 31, 2014, provides a brief summary of significant Project activities or changes in Project information that have occurred during the reporting period.

Filings with the Commission

No filings were made with the Commission during this period.

Agency Contacts

The following agency contacts were held during the reporting period:

- FERC issued its Comments on Draft Resource Reports 1 through 8 and 10 on January 16, 2014.
- Louisiana Department of Environmental Quality (“LDEQ”) issued its approval of Magnolia LNG’s proposed air modeling protocol in a letter dated January 22, 2013.
- A Magnolia LNG representative attended a meeting between the U.S. Coast Guard (“USCG”) and the local Lake Charles Harbor Safety Committee (“HSC”) and Area Maritime Security Committee (“AMSC”) on January 23, 2014. The purpose of the meeting was to allow the USCG to present their comments on the draft Follow-On



Waterway Suitability Assessment for the Magnolia LNG project and to solicit comments from the HSC and AMSC on the document.

- A monthly conference call was held with FERC staff and consultants on January 30, 2014, to review current status of the Project.
- A meeting was held with the U.S. Army Corps of Engineers (New Orleans) on January 31, 2014, to discuss dredge spoil disposal permit requirements.

Engineering

The following engineering work was performed during the reporting period:

- Initiation of the vapor dispersion modeling based on the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration's approved guidelines for recent projects pending official response related to the proposed vapor dispersion protocols for the Magnolia LNG Project.

Environmental

The following environmental work was performed during the reporting period:

- Preparation of responses to FERC's Comments on Draft Resource Reports 1 through 8 and 10, dated January 16, 2014.
- Development of draft air model based on LDEQ's approval of proposed air modeling protocols.
- Development of an 'IT Questionnaire' that will accompany Magnolia LNG's draft air permit application to the LDEQ.

Scope Update

There are currently no changes to the Project scope.

Stakeholder Activities

The following Stakeholder meetings have been held during the reporting period:

- Maurice Brand, President of Magnolia LNG, presented an update on the Magnolia LNG project to the Port of Lake Charles Board of Commissioners' meeting on January 28, 2014, in an open session which was covered by local television and newspaper



reporters. Mr. Brand also presented a check to the Port for securing an extension of the Site Option Agreement for the project site through March 2015.

- Magnolia LNG held a ribbon-cutting ceremony at its new Lake Charles office on January 29, 2014. The office was officially opened by City of Lake Charles Mayor Randy Roach in a ribbon-cutting ceremony and open house that was attended by more than 70 local and state elected officials, the Board of Commissioners and executive management of the Lake Charles Harbor and Terminal District (Port of Lake Charles), Southwest Louisiana Economic Development Alliance officials, and numerous local community and business leaders. A luncheon followed, which was attended by many of the same elected officials and Port Commissioners.

Schedule Update

No changes were made in the Project schedule during the reporting period.