



Press Release

FREEPORT LNG AND IFM INVESTORS SIGN \$1.3B EQUITY AGREEMENT

**IFM Investors to Provide Equity Funding for Freeport LNG's
Second Natural Gas Liquefaction Facility**

HOUSTON, December 16, 2013 – Freeport LNG Expansion, L.P. (Freeport LNG) and IFM Investors today announced that IFM Investors has entered into an agreement to invest approximately \$1.3 billion of equity funding for Freeport LNG's proposed natural gas liquefaction and LNG loading facility on Quintana Island near Freeport, Texas. The facility involves the development of three liquefaction plants, also known as "trains".

The investment by IFM Investors will provide equity required for the development of Freeport's second facility (Train Two). Investment capital will be drawn down over Train Two's planned 51 to 54-month construction period. The balance of the Train Two capital needs will be sourced from a consortium of project finance lenders. Financial close for the transaction is expected to take place in mid-2014 pending regulatory and other approvals.

"We are thrilled to announce that such a prestigious and well-regarded investment firm has chosen to invest in the Freeport LNG facility," said Michael S. Smith, Chief Executive Officer, Freeport LNG. "This announcement clearly sends a signal to the financial community about our ability to fund the planned expansion and further solidifies our ability to move forward."

"This project marks a unique opportunity for us to partner with a highly-experienced senior management team to invest in the rapidly developing LNG sector while maintaining a favorable risk/return profile for our investors," said Kyle Mangini, Global Head of Infrastructure at IFM Investors.

In February 2013, Freeport LNG executed a 20-year use-or-pay liquefaction tolling agreement with BP Energy Company equivalent to the minimum guaranteed production capacity of Train Two.

Project Update

On December 10, 2013, Freeport LNG awarded two contracts, each valued at approximately \$2.5 billion, to a joint venture between CB&I, Inc. and Zachry Industrial, Inc. to construct the initial two trains of the

liquefaction project. 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 expects to receive FERC approval for the initial 3-train liquefaction project and commence construction of the first two liquefaction trains in mid-2014, with the construction of the third liquefaction train expected to begin in first quarter 2015. The first train is anticipated to commence operations 45-48 months from start of construction, with the second train in operation approximately six months after the first train.

Freeport LNG has received authorization from the U.S. Department of Energy (DOE) to export the entire LNG production volume of the initial three 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. The minimum production capacity of the first and third liquefaction trains has been fully contracted under use-or-pay liquefaction tolling agreements with Osaka Gas Co., Ltd., Chubu Electric Power Co., Toshiba Corp. and SK E&S LNG, LLC.

Macquarie Capital and Credit Suisse are serving as Freeport LNG's financial advisors with respect to the financing for the project. Documentation pertaining to the liquefaction project, including regulatory applications and related materials, is available on Freeport LNG's website at www.freeportlng.com.

About IFM Investors

IFM Investors is a uniquely-structured global fund manager with over US\$46 billion in assets under management (as at September 2013) across infrastructure, debt, listed equities and private capital. Established over twenty years ago and owned by 30 major pension funds, IFM's interests are aligned with that of its investors. It counts some of the US's largest pension funds as its investors. IFM invests with a long-term perspective and an unwavering focus on maximizing investor returns. IFM ownership by pension funds creates an investor-centric culture that minimizes potential conflicts of interest. With the company's long-term perspective, IFM has a genuine commitment to enhancing the productive capacity of companies, communities and countries in a sustainable manner. It has offices in five locations – Melbourne, New York, London, Sydney and Berlin.

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.

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