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**PORT FREEPORT ACCEPTS FREEPORT LNG BID
ON LONG-TERM LEASE FOR LAND ON QUINTANA ISLAND**

FREEPORT, TX (May 30, 2012) – During a special meeting, Port Commissioners accepted Freeport LNG’s bid for a long-term lease of a 170-acre tract of land on Quintana Island adjacent to Freeport LNG’s existing LNG regasification facility and authorized Port Freeport’s chairman Bill Terry to execute the lease proposed in Freeport LNG’s bid. This lease helps pave the way for Freeport LNG to construct its previously announced natural gas liquefaction project, a multi-billion dollar capital investment that will bring several thousand construction jobs to the area during the construction period as well as approximately 180 new full time jobs. Once Freeport LNG secures government approval and funding for construction, it will solidify this agreement for a 30 year term which can be extended for five additional 10 year periods.

“The execution of this lease expands Freeport LNG’s existing partnership with Port Freeport and provides necessary land for the construction of our permitted, three-train liquefaction project,” said Charles Reimer, President of Freeport LNG. “We look forward to continuing to collaborate with Port Freeport, enjoying joint successes with the Port and providing a significant economic boost to Brazoria County citizens with our liquefaction project,” added Reimer.

The lease will expand Freeport LNG’s current acreage by adding a 170-acre tract immediately to the West of Freeport LNG’s existing facility, on land currently utilized by Port Freeport as a dredge materials placement area. At present, Freeport LNG intends to utilize the additional acreage to build its liquefaction facility, provide temporary construction workspace and create additional buffer area between its facility and portions of the Quintana Island community. “This is an important day for the future of Port Freeport and Freeport LNG,” commented Port Commission Chairman Bill Terry. “Execution of this lease brings investment to this community that provides quality jobs and improves the financial position of Port Freeport. It is the type of business development that keeps the Port on track for further reductions in the tax rate.”

“We couldn’t be more pleased that Freeport LNG is committed to expanding their facilities to include natural gas liquefaction capability at Port Freeport,” said Port Freeport Interim Executive Port Director/CEO Phyllis Saathoff. “Their plans to invest several billion dollars in new facilities will bring significant economic benefits to Port Freeport as well as Brazoria County and the state of Texas. Port Freeport continues to be a strategic national asset.”

Saathoff noted that completing this agreement was a team effort involving staff and commissioners.

Port Freeport currently ranks 16th among U.S. ports in international cargo tonnage handled. With a current channel of 45-foot depth, soon to be widened and deepened, just 3 miles from open Gulf of Mexico waters, Port Freeport

offers more than 7,500 acres for future development. Port Freeport serves its customers and stakeholders through development and marketing of competitive world-class navigational capabilities, technically advanced marine and multimodal terminal services and port-related industrial facilities while achieving profits and creating jobs as a leading economic catalyst for the Texas Gulf Coast.

If the community has any questions regarding Freeport LNG's liquefaction project, Freeport LNG encourages you to visit its website at www.freeportlng.com or email info@freeportlng.com.

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