March 2020

Q4 2019
Investor Presentation

NewFortress energy

Delivering Positive Energy Worldwide

Our Vision

We want to light the world. Billions of people around the planet lack access to affordable power. Electricity should not be a luxury good.

Our Mission

Our mission is to provide capital, expertise and vision to address this problem while also making positive and meaningful impacts on communities and the environment.

Q4 2019 Highlights

1. **Positive Operating Margin[1]:** Transformation from a development company to an operating company is complete

2. **4 Assets In Operation[2]:** Montego Bay Terminal, Old Harbour Terminal, Jamalco CHP, and San Juan Facility

3. **2 New Terminals In Construction[3]:** La Paz, Mexico and Puerto Sandino, Nicaragua

4. **Locked In LNG Supply:** Bought ~$1bn of LNG supply, taking advantage of the significant decrease in LNG prices

5. **Refinanced Debt:** Debt maturity extended to 2023 and increased from ~$500mm to ~$800mm

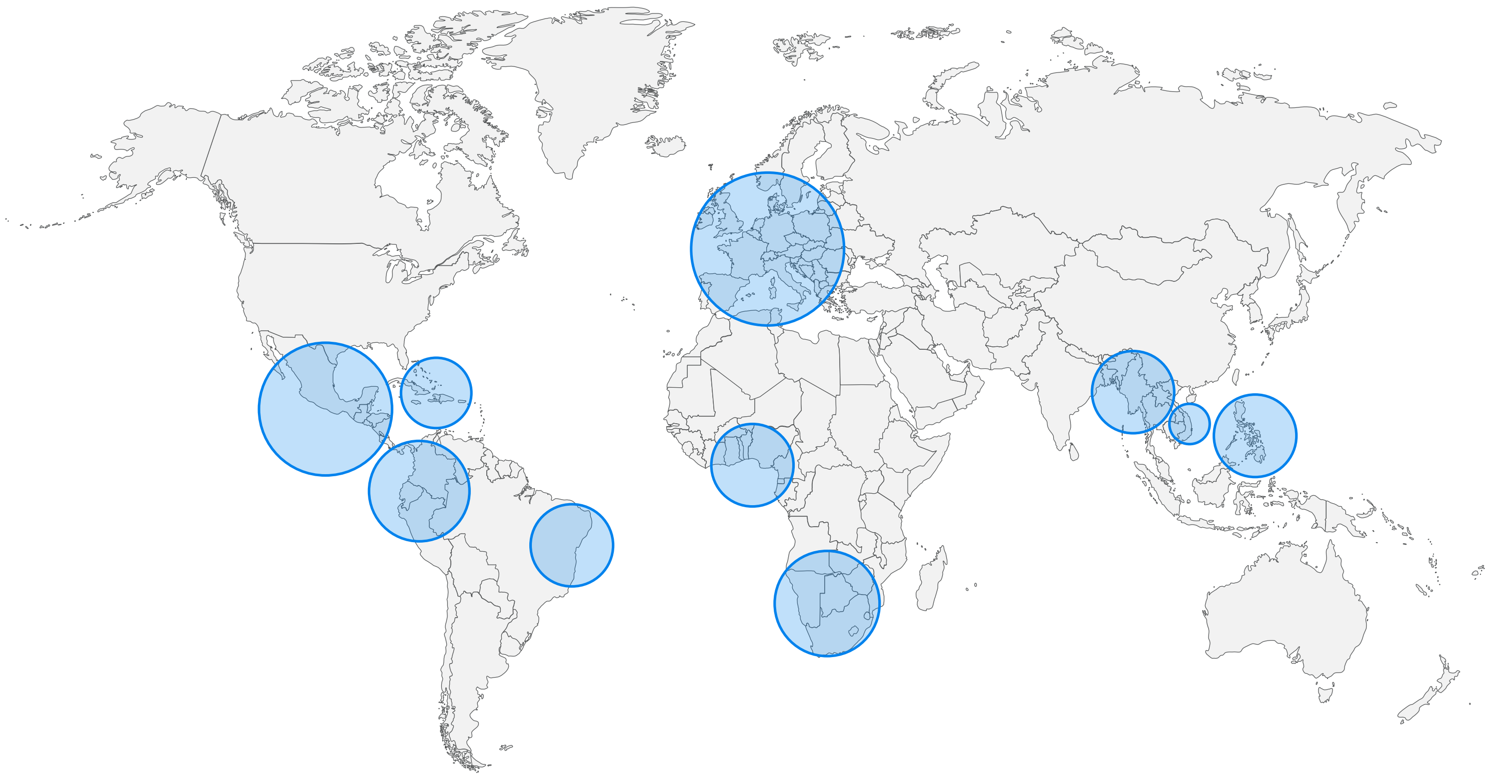
The Business

NFE develops and operates a global portfolio of irreplaceable LNG terminal infrastructure

- Terminals are the “portals” for us to bring LNG and power to countries around the world

- Our focus is on those regions that have:

  - Large populations and economies
  - Inefficient and outdated infrastructure



10 Key Target Markets

Terminals

The Backbone of Our Business…

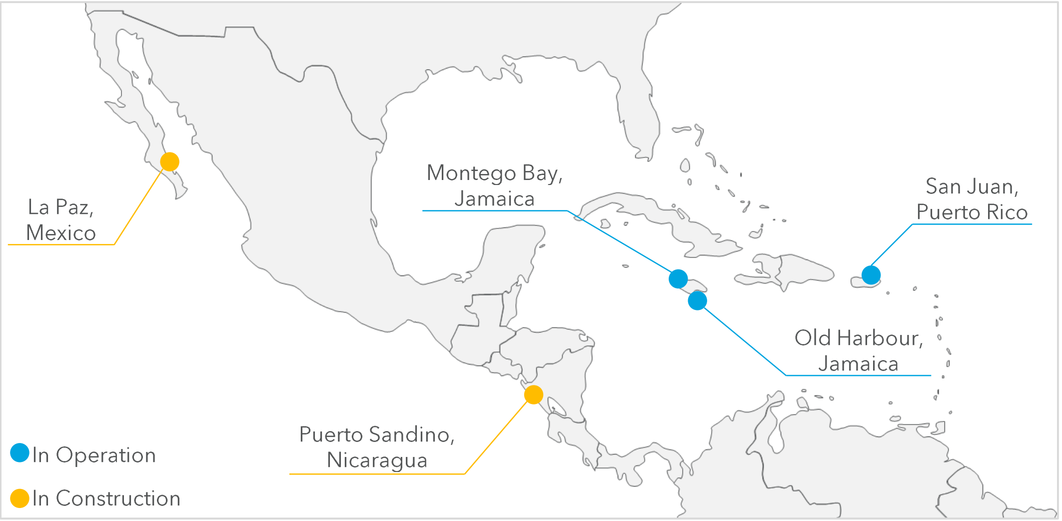
- We have 5 terminals currently Committed[4]

3 Terminals In Operation

2 Terminals In Construction

8 Terminals In Discussions

- With a strong foundation in the Caribbean, NFE is quickly developing into the Pacific Basin



…is a Vast & Diverse Portfolio of Terminals

(volume in GPD)	Capacity[6]	Volume
Montego Bay	740k	402k
Old Harbour	6,000k	760k
Puerto Rico	2,700k	882k
3 Terminals In Operation	9,440k	2,044k
Mexico	1,100k	455k
Nicaragua	6,000k	745k
2 Terminals In Construction	7,100k	1,200k
Committed Portfolio *(Ex. Miami)*	**16,540k**	**3,244k**
In Discussions[5] for Committed Terminals		4,481k
In Discussions for 8 Terminals		11,741k
Committed + In Discussions Portfolio *(Ex. Miami)*		**19,467k**

The Math

A portfolio of 20 terminals should generate $2bn to $9bn in Illustrative Operating Margin[(7)]

- We believe on average, each terminal will process between 1mm to 3mm gallons per day of LNG[(8)]
- Our goal is to build a portfolio of 20+ terminals around the world[(9)]; we currently have 5 Committed and 8 In Discussion
- As terminals get more productive, their Operating Margins grow; this year our Illustrative Operating Margin Goal[(10)] is close to 25% with higher volumes contributing to Operating Margin expansion to 30% - 35%

Terminal Illustrative Operating Margin Goal

Op. Margin	1mm GPD	2mm GPD	3mm GPD
25%	$102mm	$204mm	$305mm
30%	$122mm	$244mm	$367mm
35%	$143mm	$285mm	$428mm

(x) 20 Terminals

Portfolio Illustrative Operating Margin Goal

1mm GPD	2mm GPD	3mm GPD
$2.0bn	$4.1bn	$6.1bn
$2.4bn	$4.9bn	$7.3bn
$2.9bn	$5.7bn	$8.6bn

The Update

4 customers represent ~90% of our average Committed Volume[11] in 2020


Bogue power plant

145 MW
310k GPD


Old Harbour power plant

190 MW
380k GPD


Jamalco CHP plant

150 MW
265k GPD


San Juan power plant

440 MW
863k GPD

→ Total
925 MW
1,818k GPD

- All of these projects are complete or will be finished in March 2020
- Our goal is to generate ~$250mm of Committed Operating Margin[12] in Q2 2020, growing to ~$450mm of Committed Operating Margin once Nicaragua and La Paz become operational

Our Goals[13]

1

Become one of the world's largest IPPs

20+ terminals → 1-3mm GPD, each → 1mm GPD = 400mw

8GW - 24GW = ~$2 - $9bn Operating Margin

2

Zero emissions in 10 years

Today, we deliver low-carbon, natural gas-fired power.

Tomorrow, we aim to be one of the world's largest emissions-free IPPs.

Key Assets Operational

Volumes from these 4 operational assets are >95% of 2020 Committed volumes

	Montego Bay Terminal	Old Harbour Terminal[14]	Jamalco CHP	San Juan Facility
Status	Operational	Operational	Operational	Commissioning
Run Rate	Achieved	Achieved	Achieved	Q1 2020
Volumes	402k GPD	380k GPD	380k GPD	882k GPD

Key Developments in Process

La Paz, Mexico

Similar to San Juan Facility

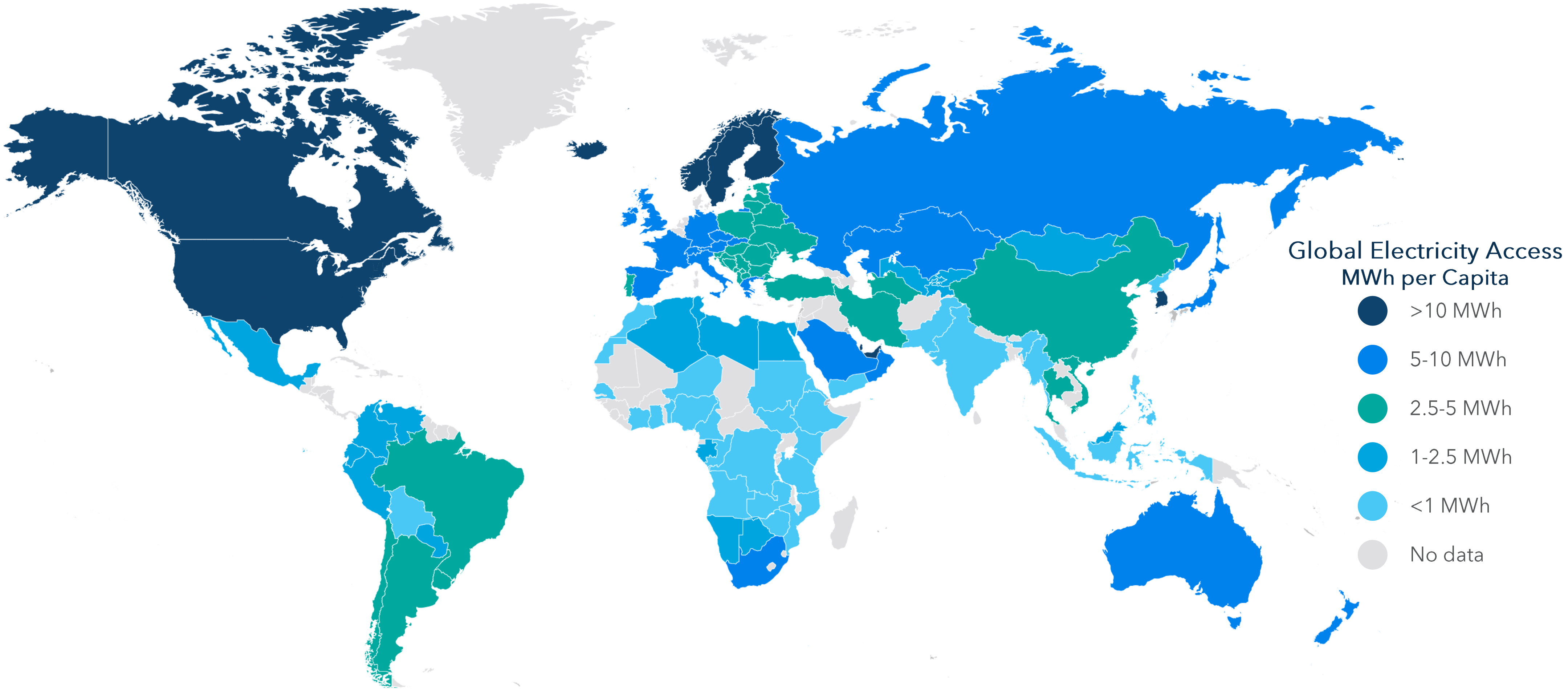
Puerto Sandino, Nicaragua

Similar to Old Harbour Terminal

	La Paz, Mexico	Puerto Sandino, Nicaragua
Status	Construction	Pre-Construction
First Gas	Q4 2020	Q2 2021
Volumes	455k GPD	745k GPD

Fast Track Power[15]

The world is under-electrified and customers want power now



200 MW – 300 MW of demand catalyzes a terminal + power generation installed in 12-18 months

Operational Asset Performance

Health, Safety, & Environment ("HSE")	0	**Achieved "three zeros" for HSE incidents for operating assets[16]** ✓ Zero (0) days away from work incidents ✓ Zero (0) recordables for health or process safety ✓ Zero (0) spills or environmental containment loss
Availability	99%	**99% total Availability[17] across three operating assets** ✓ Miami Liquefier: 100% ✓ Montego Bay Terminal: 99% ✓ Old Harbour Terminal: 100%
Reliability	99%	**99% average total Reliability[18] across three operating assets** ✓ Miami Liquefier: 100% ✓ Montego Bay Terminal: 99% ✓ Old Harbour Terminal: 99%
LNG Truck & Ship Transfers	5,500+	**Other notable performance includes:[19]** ✓ Over 5,165 truck & rail tender loads performed to-date, all without incident ✓ Over 400 ship transfers to-date, all without incident ✓ NFE has performed the most ship-to-ship & ship-to-shore transfers of any company in the western hemisphere

Financial Performance

Operating Results

- **Volumes:** up ~200k GPD or ~64% from Q3 due to increased Old Harbour terminal throughput
- **Revenue:** up by $20.1mm from Q3 primarily driven by Old Harbour terminal and development services revenue
- **Cost of Sales:** higher in Q4 attributable to increase in volumes sold, higher costs for development services, and charter costs
- **Cash SG&A:** we expect cash SG&A to be around $20mm per quarter

Financial Metrics

	Q4 2018	Q3 2019	Q4 2019	*QoQ Change*
Volumes Sold, Average *(k GPD)*	314	329	538	*209*
Revenue *($mm)*	$31.4	$49.7	$69.8	*$20.1*
Cost of Sales/O&M *($mm)*	($31.0)	($54.6)	($68.5)	*($13.9)*
Operating Margin *($mm)*	$0.4	($4.9)	$1.3	*$6.2*
Net Income/(Loss) *($mm)*	($34.8)	($54.4)	($38.4)	*$16.0*

As volumes increase, margins expand due to operating leverage

New Term Loan Provides Liquidity for Committed Projects

Overview of $800mm Term Loan

- **Improved Liquidity Position:** ~$403.6mm of pro forma Cash on Hand,[22] coupled with Operating Margin funds the expected cost of developments including Mexico and Nicaragua
- **Maturity Extension:** Debt is 3-year term with maturity in January 2023
- **Strategic Flexibility:** Freely callable, allowing us to refinance with more efficient financing in the near-term as projects achieve run rate volumes
- **Maintains Financing Costs:** New term loan interest cost is similar to previous cost of debt[21]

Fortified Balance Sheet

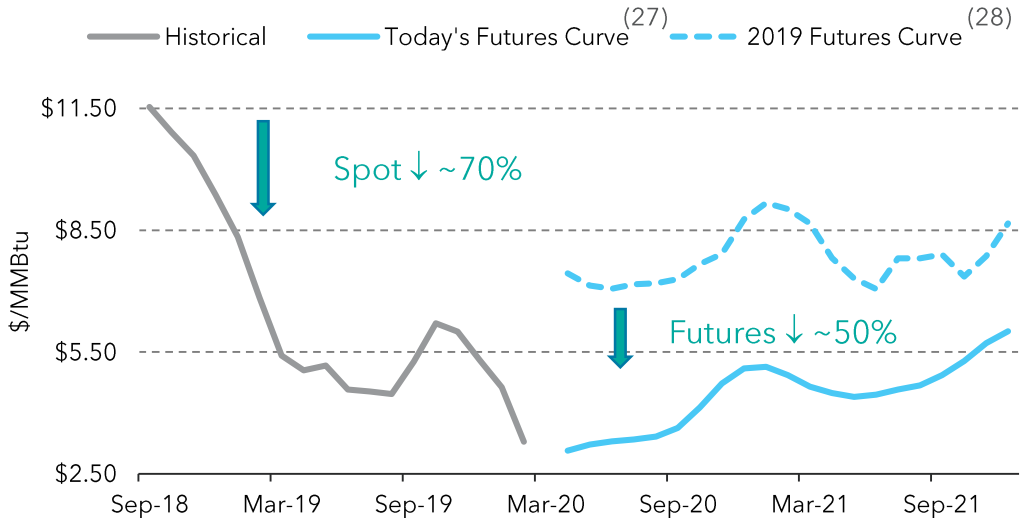
	Q4 2019	Pro Forma[25]
Cash on Hand *($mm)*	$93.0	$403.6
Term Loan *($mm)*	$495.0	$800.0
Jamaica Bonds *($mm)*	$127.9	$180.0
Total Debt[23] *($mm)*	$622.9	$980.0
Net Debt[24] *($mm)*	**$529.9**	**$576.4**

Depressed LNG Market…

The sharp drop in LNG prices creates a large opportunity

- In 2019, significant oversupply caused spot prices to fall ~70% and term LNG market prices to fall ~50%[26]
- This depressed market for LNG is prime for purchasing NFE's remaining LNG needs
- Early this year, we secured low cost supply for Jamaica and expect to do so in our other markets as well

Record Low Prices…



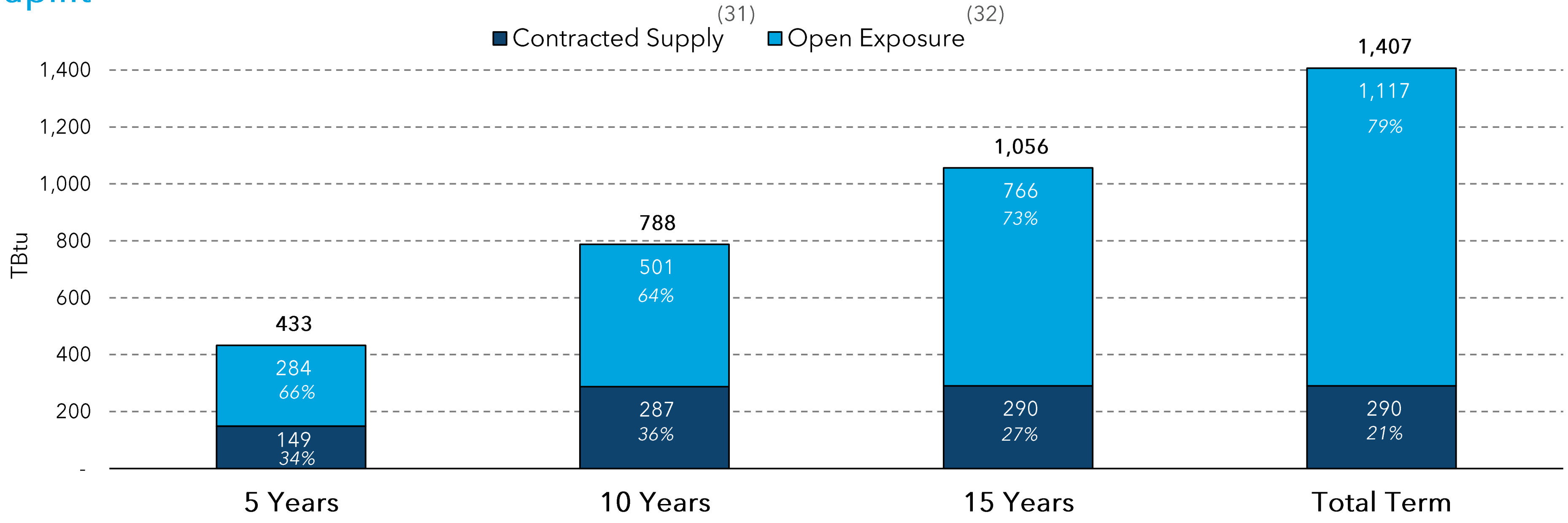
…Help Us Secure Cheap Supply

When assets become Operational and reach run rate status, we secure term LNG supply

...Creating Upside

Current market prices can provide material Illustrative Operating Margin Goal uplift

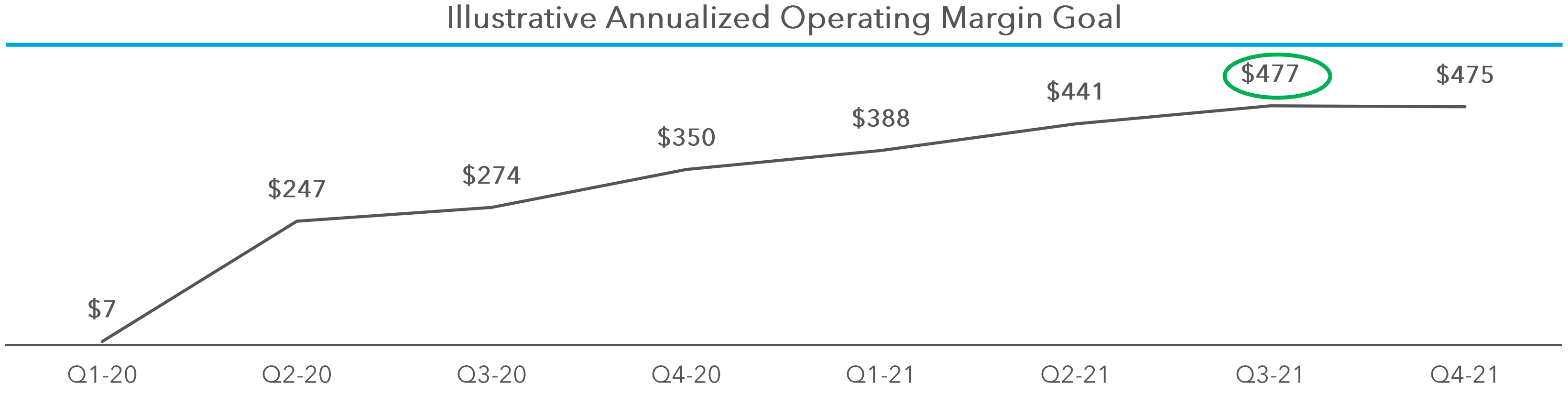
- NFE is currently advantaged with a net open exposure of over 1,000 TBtu[29] from our customer contracts
- At current spot LNG prices of ~$2.50/MMBtu[30] this would translate to **~$3.4bn in Illustrative Operating Margin Goal uplift**[33]



	5 Years	10 Years	15 Years	Total Term
Illustrative Op. Margin Goal Uplift (@ current prices)	$0.9bn	$1.5bn	$2.3bn	$3.4bn

Illustrative Operating Margin Goal[34] from Committed Volumes

As Committed Volumes become operational, revenue & Illustrative Operating Margin Goal are expected to increase substantially



	2020				2021			
($ in millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average Volume (GPD)[35]	**0.8mm**	**1.8mm**	**2.1mm**	**2.4mm**	**2.6mm**	**2.7mm**	**3.3mm**	**3.3mm**
Miami	35k	42k	47k	57k	60k	57k	56k	60k
Montego Bay	273k	370k	372k	358k	396k	405k	405k	391k
Old Harbour	490k	643k	760k	760k	760k	760k	760k	760k
Puerto Rico	25k	784k	874k	882k	882k	882k	882k	882k
Mexico	-	-	-	303k	455k	455k	455k	455k
Nicaragua	-	-	-	-	-	124k	745k	745k
Illustrative Operating Margin Goal	$2	$62	$68	$87	$97	$110	$119	$119
Illustrative Annualized Operating Margin Goal	$7	$247	$274	$350	$388	$441	$477	$475

1. Executive Summary
2. Terminal Developments & Operations
3. Financial Performance
4. **Low Carbon to No Carbon**
5. Appendix

Introducing Zero, a Division of NFE

ZERO

Zero carbon. Zero emissions. All good.

Our goal:

Zero emissions within 10 years

Audacious, but necessary for our planet

Our path:

Green hydrogen

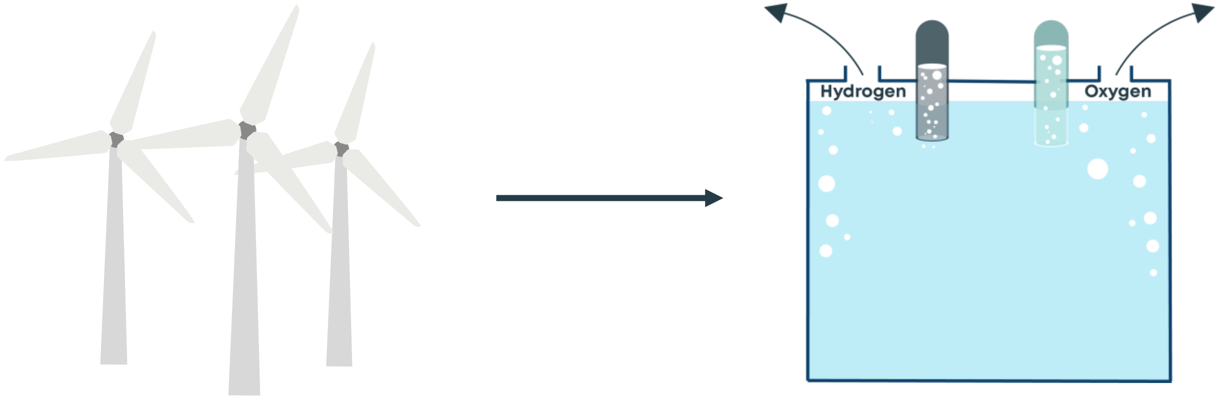
Why green hydrogen?

- Most abundant element in the universe
- Doesn't exist naturally by itself
- Made with renewable energy
- Costs of production falling rapidly

Green Hydrogen

Green hydrogen is made from water and has zero emissions

Renewables + electrolysis create truly zero emission, zero carbon green hydrogen



- Since 2010, costs for solar and wind are down 90% and 50%, respectively
- The goal is $1 per kg hydrogen ($7.4 per MMBtu) which is ½ diesel cost and comparable to delivered gas

✓ Huge potential to replace diesel with natural gas

✓ Our new division is solely focused on this opportunity

ZERO

Zero carbon. Zero emissions. All good.

Our Path to Zero

- We will fund projects that take us from low carbon to no carbon.
- Our goal is to develop our first proof of concept in the next 12 months.

How can you get involved?

Partner with us

Submit proposals to

zero@newfortressenergy.com

Learn more at

newfortressenergy.com/zero

Appendix

Operating Margin Reconciliation

(in thousands)	Q4-18	Q3-19	Q4-19
Net income/(loss)	$ (34,763)	$ (54,424)	$ (38,370)
Add:			
Selling, general and administrative	21,310	40,913	30,091
Loss on mitigation sale	-	-	5,280
Depreciation and amortization	1,063	1,930	2,209
Interest expense	4,859	4,974	4,955
Other (income) expense, net	(269)	1,788	(2,940)
Loss on extinguishment of debt, net	8,950	-	-
Tax expense (benefit)	(737)	(64)	102
Non-GAAP operating margin	$ 413	$ (4,883)	$ 1,327

Management's Use of Operating Margin
Operating margin is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income/(loss) from operations, net income/(loss), cash flow from operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, provides a supplemental measure of financial performance of our current liquefaction and regasification operations. This measure excludes items that have little or no significance on day-to-day performance of our current liquefaction and regasification operations, including our corporate SG&A, loss on mitigation sales, and other (income) expense.

As operating margin measures our financial performance based on operational factors that management can impact in the short-term and provides an assessment of controllable expenses, items associated with our capital structure and beyond the control of management in the short-term, such as depreciation and amortization, taxation, and interest expense are excluded. As a result, this supplemental metric affords management the ability to make decisions to facilitate meeting current financial goals as well as achieve optimal financial performance of our current liquefaction and regasification operations.

The principal limitation of this non-GAAP measure is that it excludes significant expenses and income that are required by GAAP to be recorded in our financial statements. A reconciliation is provided for the non-GAAP financial measure to our GAAP net income/(loss). Investors are encouraged to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measure to our GAAP net income/(loss), and not to rely on any single financial measure to evaluate our business.

Protecting & Preserving the Environment[36]

With every customer we convert from oil-based fuels to LNG, we're making significant improvements for the environment.

10MM+

annual trees planted equivalent

30%

reduction in customers' CO_2 emissions

145K+

annual cars off road equivalent

Supporting Education & Economic Growth

We believe investing in communities is the right thing to do.

In addition to providing access to cleaner, more affordable energy, we are committed to promoting educational enrichment, catalyzing economic growth, and enhancing quality of life.

Over
$165k
USD given in scholarships

1,700
children provided with financial aid

3,250
students attended back-to-school fairs

Over
$140k
USD invested in technical training

Over
$110k
USD given in STEM programs

1,700
students and entrepreneurs provided with business training

Disclaimers

- IN GENERAL. This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the “Presentation.”
- FORWARD-LOOKING STATEMENTS. Certain statements regarding New Fortress Energy LLC (together with its subsidiaries, “New Fortress Energy,” “NFE,” the “Company,” “we” or “us”) in this Presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “by,” “converts” “approaches” “nearly” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “goal,” “projects,” “contemplates” or the negative version of those words or other comparable words. Any forward-looking statements contained in this presentation, including statements regarding the expected development schedule and timing of specific milestones for our downstream and other facilities, including First Gas, First Fire, Run Rate and other milestones, the expected volumes that we will sell based on our Committed and In Discussion volumes, our expectations about new large scale project Commitments and our ability to convert from non-binding memorandums of understanding to binding commitments, our expectations about our ability to Commit to additional projects and the timing of that Commitment, our expected and the remaining cost for our development projects (both individually and in the aggregate), the expected capabilities of our development projects once completed, our illustrations of our goals for Operating Margin and Volumes at particular points and on a run rate and annualized basis, the timing of our downstream facilities coming online and the timing of related volumes reaching Run Rate, our plans and business strategy for specific industries, types of power users and geographies, expected business and developments in the future (including but not limited to, our liquidity and financing plans and expected borrowing capacity), and our market assumptions including those regarding the cost of our shipping, logistics and regasification activities, and the pricing of LNG, natural gas and other alternative fuels, are based upon our limited historical performance and on our current plans, estimates and expectations in light of information (including industry data) currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by the Company or any other person that the future plans, estimates or expectations contemplated by us will be achieved. These statements are subject to a number of factors that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. NFE can give no assurance that its expectations regarding any forward-looking statements will be attained. Accordingly, you should not place undue reliance on any forward-looking statements made in this Presentation. Factors that could cause or contribute to such differences include, but are not limited to, the risk that our construction or commissioning schedules will take longer than we expect, that our expectations about the price at which we sell LNG, the cost at which we produce, ship and deliver LNG and the margin that we receive for the LNG that we sell are not in line with our expectations, that our operating or other costs will increase, or our expected remaining costs for development projects underway increases, such that our expected of funding of projects may not be possible, that our expected financing based on cash flows of existing or future projects may not be achievable by us on commercially favorable terms or at all, that we may be unable to agree on terms for our In Discussion volumes on favorable terms or at all, that we may be unable to Commit to, to agree on terms for, or convert memorandums of understanding into binding commitments with respect to large scale projects, that we may be unwilling or unable to make Commitments to new projects for internal, external, financing, or any other reason, that we may be unable to implement our plans and business strategy in the way that we expect. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s previous public filings with the U.S. Securities and Exchange Commission (the “SEC”), which will be made available on the Company’s website (www.newfortressenergy.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. NFE expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.
- PAST PERFORMANCE. Our operating history is limited and our past performance is not a reliable indicator of future results and should not be relied upon for any reason.
- ILLUSTRATIVE ECONOMICS: Illustrative economics (including of Annualized and Committed Operating Margin) are hypothetical value based on specified assumptions that are aspirational in nature rather than management’s view of projected financial results. Actual results could differ materially and the hypothetical assumptions on which this illustrative data is based are subject to numerous risks and uncertainties.

Endnotes

- (1) “Operating Margin” is a non-GAAP financial measure. For a reconciliation of Operating Margin as well as an explanation of this measure, please see the Appendix to this Presentation. As used in this Presentation, Operating Margin means the sum of (i) Net income / (loss), (ii) Selling, general and administrative, (iii) Depreciation and amortization, (iv) Interest expense, (v) Other (income) expense, net (vi) Loss on Mitigation Sales and (vii) Tax expense (benefit), each as reported on our financial statements for the relevant reporting period. Operating Margin is mathematically equivalent to Revenue minus Cost of sales minus Operations and maintenance, each as reported in our financial statements for the relevant reporting period.
- (2) “Operational”, “In Operations”, “Operating”, “Completed”, “Completion”, “Online” or “In Service” with respect to a particular project means we expect gas to be made available within thirty (30) days, gas has been made available to the relevant project, or that the relevant project is in full commercial operations. Where gas is going to be made available or has been made available but full commercial operations have not yet begun, full commercial operations will occur later than, and may occur substantially later than, our reported Operational date. We cannot assure you if or when such projects will reach full commercial operations. Actual results could differ materially from the illustrations reflected in this presentation and there can be no assurance we will achieve our goals.
- (3) “In Construction”, “Under Construction”, Development”, “In Development” or similar statuses means that we have taken steps and invested money to develop a facility, including procuring land rights and entitlements, negotiating or signing construction contracts, and undertaking active engineering, procurement and construction work. Today we have two downstream facilities In Development: the La Paz, Mexico Terminal and the Puerto Sandino, Nicaragua Terminal. We have one liquefier in Pennsylvania in Development. We also have many commercial and industrial facilities in Development for industrial and power customers. Our development projects are in various phases of progress, and there can be no assurance that we will continue progress on each development as we expect or that each development will be Completed or enter full commercial operations. There can be no assurance that we will be able to enter into the contracts required for the development of these facilities on commercially favorable terms or at all. If we are unable to enter into favorable contracts or to obtain the necessary regulatory and land use approvals on favorable terms, we may not be able to construct and operate these assets as expected, or at all. Additionally, the construction of facilities is inherently subject to the risks of cost overruns and delays. If we are unable to construct, commission and operate all of our facilities as expected, or, when and if constructed, they do not accomplish our goals, or if we experience delays or cost overruns in construction, our business, operating results, cash flows and liquidity could be materially and adversely affected.
- (4) “Committed”, “Commitment” or similar words refer to internal decision by NFE management to commit NFE to progress a project. This decision does not indicate that all preconditions to construction, commissioning and commercial operations have been met (including permissions or supporting contractual workstreams), and to the extent NFE’s internal decision is made prior to such preconditions being met, there can be no assurance that the construction, commissioning and commercial operations will be possible on the timeline we expect or at all. NFE may in its sole discretion reverse such internal decision due to such preconditions not being met on our expected timeline or at all, or for any other internal or external reason.
- (5) “In Discussion” or “In Discussions” refers to potential customers (i) with whom we are in active negotiations, (ii) for whom there is a request for proposals or competitive bid process, or (iii) for whom we anticipate a request for proposals or competitive bid process will soon be announced based on our discussions with the potential customer as of the period referenced, or if no period is referenced, as of March 2, 2020, and references to “In Discussion Volumes” refer to related volumes we would expect to sell at Run Rate volumes. We cannot assure you if or when we will enter into contracts for sales of additional volumes, the price at which we will be able to sell such volumes, or our costs to purchase, liquefy, deliver and sell such volumes. Some, but not all, of our contracts contain minimum volume commitments, and our expected sales to customers reflected in our “In Discussion Volumes” is substantially in excess of potential minimum volume commitments. References to these volumes and percentages of these volumes should not be viewed as guidance or management’s view of the Company’s projected earnings, is not based on the Company’s historical operating results, which are limited, and does not purport to be an actual representation of our future economics. In this Presentation, In Discussion Volumes related to our Miami Facility have been excluded except where specifically referenced.

Endnotes

- (6) "Capacity" refers to the technical, regulatory or physical limitation on our facility's volume capacity, which could be physical or permissioned capability to deliver LNG to the facility, landed or floating storage capacity at the facility, the loading or unloading rate of LNG or natural gas to or from the facility, or the technical capacity of the regasification equipment. For our projects In Development, the Capacity represents our estimate of the limiting technical, regulatory or physical factor based on technical, regulatory and engineering advice that management has received and evaluated, and actual capacity of each facility may differ.
- (7) "Illustrative Annualized Operating Margin" and "Illustrative Annualized Operating Margin Goal". Because we are not currently profitable, we are providing you the Illustrative Annualized Operating Margin that we aspire to achieve. This goal represents the product of (1) the relevant Target Volume per Terminal (between 1mm and 3mm GPD), (2) twenty, which represents the number of terminals that is our goal to have operational, (3) the assumed gross revenue of $13.50/MMBtu of natural gas (or approximately $1.12/LNG gallon) sold (4) the assumed Operating Margin of 25% to 35% and (5) 365, the number of days per year, divided by 12.1, which is the conversion rate we use for LNG gallons to MMBtu of natural gas. There can be no assurance that we will develop terminals at the specified Target Volume or at all, that we will be Committed on twenty terminals on a particular timeframe or at all, or that we will collect gross revenue in any particular amount as a result of sales of natural gas or LNG, or at all. Please see "Illustrative Operating Margin Goal" for more detail about our assumed Operating Margin. Our actual development and operational results could differ materially from the illustration and there can be no assurance we will achieve our goals.
- (8) This represents the potential Capacity for a particular or potential facility based on management's estimate of potential Capacity for future facilities, based on management's experience in developing facilities and strategy regarding facility size in connection with development timelines and business strategy. Management evaluates potential developments based on many factors including but not limited to potential Capacity, and there can be no assurance that we will develop, construct or operate facilities in line with the volumes presented.
- (9) Although our goal is to have twenty or more terminals around the world operational, there can be no assurance that we will develop, construct or operate facilities in line with our goal on any particular timeline or at all.
- (10) "Illustrative Operating Margin Goal". Because we are not currently profitable, we are providing you the Illustrative Operating Margin Goal that we aspire to achieve. This goal represents the percentage of revenues from the sales of LNG or natural gas that it is our goal to retain, after taking into account the cost to (i) purchase natural gas, liquefy it, and transport it to one of our terminals or purchase LNG in strip cargos, (ii) transfer the LNG into an appropriate ship and transport it to our terminals or facilities, (iii) deliver the LNG, regasify it to natural gas and deliver it to our customers or our power plants and (iv) maintain and operate our terminals, facilities and power plants. There can be no assurance that the costs of purchasing or producing LNG, transporting the LNG and maintaining and operating our terminals and facilities will result in the Operating Margins illustrated. These costs do not include expenses and income that are required by GAAP to be recorded on our financial statements, including the return of or return on capital expenditures for the relevant project, and selling, general and administrative costs. Our current cost of natural gas per MMBtu are higher than the costs we would need to achieve our Illustrative Operating Margin Goal, and the primary driver for reducing these costs is the increased sales volumes which distributes fixed costs over a larger number of MMBtus sold. References to volumes, percentages of such volumes and the Illustrative Annualized Operating Margin Goal related to such volumes (i) are not based on the Company's historical operating results, which are limited, and (ii) do not purport to be an actual representation of our future economics. We cannot assure you if or when we will enter into contracts for sales of additional LNG, the price at which we will be able to sell such LNG, or our costs to produce and sell such LNG. Actual results could differ materially from the illustration and there can be no assurance we will achieve our goal.

Endnotes

- (11) "Committed Volumes" or references to Commitments means our expected volumes to be sold to customers under binding contracts as of the period specified in the Presentation, or if no period is specified, as of March 2, 2020 for the volumes we expect to be sold during the calendar year ending December 31, 2022. Some, but not all, of our contracts contain minimum volume commitments, and our expected volumes to be sold to customers reflected in our "Committed Volumes" are substantially in excess of such minimum volume commitments. Our near-term ability to sell these volumes is dependent on our customers' continued willingness and ability to continue purchasing these volumes and to perform their obligations under their respective contracts. If any of our customers fails to continue to make such purchases or fails to perform its obligations under its contract, our operating results, cash flow and liquidity could be materially and adversely affected. References to Committed Volumes in the future and percentages of these volumes in the future should not be viewed as guidance or management's view of the Company's projected earnings, is not based on the Company's historical operating results, which are limited, and does not purport to be an actual representation of our future economics.
- (12) "Illustrative Committed Volume Operating Margin Goal". Because we are not currently profitable, we are providing you with the Illustrative Committed Volume Operating Margin Goal that we aspire to achieve. This goal is presented on a run rate basis and reflects the volumes of LNG that it is our goal to sell under binding contracts multiplied by the average price per unit at which we expect to price LNG deliveries, including both fuel sales and capacity charges or other fixed fees, or alternatively to sell on the spot market, less the cost per unit at which we expect to purchase or produce and deliver such LNG or natural gas, including the cost to (i) purchase natural gas, liquefy it, and transport it to one of our terminals or purchase LNG in strip cargos, (ii) transfer the LNG into an appropriate ship and transport it to our terminals or facilities, (iii) deliver the LNG, regasify it to natural gas and deliver it to our customers or our power plants and (iv) maintain and operate our terminals, facilities and power plants. There can be no assurance that the costs of purchasing or producing LNG, transporting the LNG and maintaining and operating our terminals and facilities will result in the Committed Volume Operating Margins illustrated. For the purpose of Slide 8, we have assumed an average Operating Margin of between $4.46 to $5.47 per MMBtu, because we assume that (i) we purchase gas at $5.50 per MMBtu in strip cargos, (ii) our volumes increase over time as shown on Slide 8, and (iii) we will have costs related to shipping, logistics and regasification similar to our current operations because the liquefaction facility and related infrastructure and supply chain to deliver LNG from Pennsylvania does not exist. These costs do not include expenses and income that are required by GAAP to be recorded on our financial statements, including the return of or return on capital expenditures for the relevant project, and selling, general and administrative costs. Our current cost of natural gas per MMBtu are higher than the costs we would need to achieve our Illustrative Operating Margin Goal, and the primary driver for reducing these costs is the increased sales volumes which distributes fixed costs over a larger number of MMBtus sold. References to volumes, percentages of such volumes and the Illustrative Annualized Operating Margin Goal related to such volumes (i) are not based on the Company's historical operating results, which are limited, and (ii) do not purport to be an actual representation of our future economics. We cannot assure you if or when we will enter into contracts for sales of additional LNG, the price at which we will be able to sell such LNG, or our costs to produce and sell such LNG. Actual results could differ materially from the illustration and there can be no assurance we will achieve our goal.

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- (13) “Illustrative Annualized Operating Margin” and “Illustrative Annualized Operating Margin Goal”. Because we are not currently profitable, we are providing you the Illustrative Annualized Operating Margin that we aspire to achieve. This goal represents the product of (1) the relevant Target Volume per Terminal (between 1mm and 3mm GPD), (2) twenty, which represents the number of terminals that is our goal to have operational, (3) the assumed gross revenue of $13.50/MMBtu of natural gas (or approximately $1.12/LNG gallon) sold (4) the assumed Operating Margin of 25% to 35% and (5) 365, the number of days per year, divided by 12.1, which is the conversion rate we use for LNG gallons to MMBtu of natural gas. There can be no assurance that we will develop terminals at the specified Target Volume or at all, that we will be Committed on twenty terminals on a particular timeframe or at all, or that we will collect gross revenue in any particular amount as a result of sales of natural gas or LNG, or at all. Please see “Illustrative Operating Margin Goal” for more detail about our assumed Operating Margin. Our actual development and operational results could differ materially from the illustration and there can be no assurance we will achieve our goals. The estimated size in millions of gallons per day represents the potential Capacity for a particular or potential facility based on management’s estimate of potential Capacity for future facilities, based on management’s experience in developing facilities and strategy regarding facility size in connection with development timelines and business strategy. The number of megawatts per LNG gallon per day was calculated at a ratio of 2,500 gallons per day for each megawatt. Management evaluates potential developments based on many factors including but not limited to potential Capacity, and there can be no assurance that we will develop, construct or operate facilities in line with the volumes presented.
- (14) These volumes reflect the volumes Committed to Old Harbour Power Plant. Please see endnote 11 for more information.
- (15) Information sourced from The World Bank, “Electric Power Consumption (KWh per Capita)”
- (16) Our Operating assets during the fourth quarter of 2019 were the Montego Bay Facility, Miami Facility and Old Harbour Facility. These metrics are tracked by management through formal reporting systems and informal escalation paths. There can be no assurance that we will achieve similar results in the future and future results could differ materially from previous results. The results of any particular facility are not representative of the results of facilities as a whole, and as our operating history is limited, past performance is not a reliable indicator of future results and should not be relied upon for any reason.
- (17) “Availability” means the percentage of time the facility is operable less planned downtime for our Montego Bay Facility, Miami Facility and Old Harbour Facility during the fourth quarter of 2019. There can be no assurance that other facilities, future facilities or the same facilities over a different timeframe will achieve similar results and actual results could differ materially from previous results. The results of any particular facility are not representative of the results of facilities as a whole, and as our operating history is limited, past performance is not a reliable indicator of future results and should not be relied upon for any reason.
- (18) “Reliability” means the percentage of time the facility is operable less planned or unplanned downtime for our Montego Bay Facility, Miami Facility and Old Harbour Facility during the fourth quarter of 2019. There can be no assurance that other facilities, future facilities or the same facilities over a different timeframe will achieve similar results and actual results could differ materially from previous results. The results of any particular facility are not representative of the results of facilities as a whole, and as our operating history is limited, past performance is not a reliable indicator of future results and should not be relied upon for any reason.

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- (19) These metrics reflect our entire operating history through February 17, 2020. These metrics are tracked by management through formal reporting systems and informal escalation paths. There can be no assurance that we will achieve similar results in the future and future results could differ materially from previous results. The results of any particular facility are not representative of the results of facilities as a whole, and as our operating history is limited, past performance is not a reliable indicator of future results and should not be relied upon for any reason.
- (20) Reserved
- (21) The interest rate on the Term Loan is similar to the cost of debt of the Previous Term Loan, including fees related to the execution and full repayment of the Previous Term Loan.
- (22) "Cash on Hand" as used in this Presentation, means the sum of Cash and cash equivalents and Restricted cash as presented in our financial statements for the period referenced, or as includes the items in "Pro Forma".
- (23) "Total Debt" means the aggregate principal amount of the Term Loan, the Previous Term Loan and the South Power Bonds, excluding deferred financing costs, as applicable to the relevant period or "Pro Forma" information.
- (24) "Net Debt" means Total Debt minus Cash on Hand.
- (25) "Pro Forma" includes the net proceeds received in Q1 2020 from the Term Loan and the South Power Bonds after taking into account the full repayment of the Previous Term Loan and the fees related to the execution of the Term Loan and the full repayment of the Previous Term Loan.
- (26) Based on the Japan/Korea Marker daily settlements per MMBtu from Refinitiv database as of September 2018 of $11.54 and as of February 2020 of $3.29.
- (27) Based on the Japan/Korea Marker daily settlements per MMBtu from Refinitiv database as of February 28, 2020.
- (28) Based on the Japan/Korea Marker daily settlements per MMBtu from Refinitiv database as of February 28, 2019.
- (29) Based on our customer contracts' Committed Volumes for the total term of the relevant contracts, not including any extensions. Some, but not all, of our contracts contain minimum volume commitments, and our expected volumes to be sold to customers reflected in our "Committed Volumes" are substantially in excess of such minimum volume commitments. Our ability to sell these volumes is dependent on our customers' continued willingness and ability to continue purchasing these volumes and to perform their obligations under their respective contracts. If any of our customers fails to continue to make such purchases, terminates the contract before the term is complete or fails to perform its obligations under its contract, our net open exposure will decrease.

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- (30) Based on Platts LNG Daily Report on March 3, 2020 for DES Mediterranean Marker MED (Apr, H1 Apr and H2 Apr), FOB Gulf Coast Marker GCM (Apr, H2 Mar, H1 Apr, and H2 Apr) and DES Northwest Europe Marker NEW (Apr, H1 Apr, H2 Apr and H1 May).
- (31) "Contracted Supply" refers to the amount of LNG we have purchased for our Committed Volumes with LNG suppliers. We are obligated to purchase additional LNG within a certain period after each of our projects reaches full commercial operations.
- (32) "Open Exposure" refers to the difference between (i) the amounts of LNG we are expect to deliver to fulfill our customer contracts' Committed Volumes for the relevant time period or the total term of the relevant contracts, not including any extensions and (ii) the Contracted Supply we have entered into for the relevant time period. This exposure is advantageous to us when the cost of purchasing LNG to cover our Open Exposure on the spot market is lower than the cost of LNG that we have negotiated in our Contracted Supply, however, there can be no assurance that we will be able to purchase the amounts of LNG to cover our Open Exposure that we are required to deliver on the spot market at a particular price or at all.
- (33) The upside for each period referenced is calculated by multiplying the Open Exposure of TBtu of LNG by $3.00, which is the difference between (i) current spot LNG prices, assumed at $2.50 and (ii) our model assumption that we purchase LNG at $5.50. The total Operating Margin upside is based on our customer contracts' total term, not including any extensions. It represents the potential increase in Operating Margin in the case that we are able to procure the LNG subject to Open Exposure at a cost of $3.00 less than our assumptions today. There can be no assurance that we will be able to purchase the amounts of LNG to cover our Open Exposure that we are required to deliver on the spot market at a particular price or at all.
- (34) "Illustrative Operating Margin Goal" or "Illustrative Annualized Operating Margin Goal" means, as presented on Slide 20 on a run rate basis, the volumes of LNG that we have historically produced, delivered and sold (in the case of historical information), that we expect to sell based on expected volumes under a binding contract multiplied by the average price per unit at which we expect to price LNG deliveries, including both fuel sales and capacity charges, or alternatively to sell on the spot market, less the cost per unit at which we expect to purchase or produce and deliver such LNG, including the cost to (i) purchase natural gas, liquefy it, and transport it to one of our terminals or (ii) purchase LNG in strip cargos (in each case before owner's costs such as marketing and administrative costs, financing costs and contingencies). In each case the volume of LNG is calculated on a run rate basis by multiplying the average volume we expect to sell in a particular quarter by four. For Committed volumes, we have assumed a margin of between $0.27 to $5.47 per MMBtu, because we assume that (i) we purchase gas at $5.50 per MMBtu in strip cargos, (ii) our volumes increase over time as shown in this Presentation, and (iii) we will have costs related to shipping, logistics and regasification similar to our current operations because the liquefaction facility and related infrastructure and supply chain to deliver LNG from Pennsylvania does not exist. These costs do not include expenses and income that are required by GAAP to be recorded on our financial statements, including the return of, or return on, capital expenditures for the applicable project. Our current costs per MMBtu are higher than the costs we would need to achieve our Illustrative Annualized Operating Margin Goals, and the primary driver for reducing these costs is the increased sales volumes which distributes fixed costs over a larger number of MMBtus sold. References to volumes, percentages of such volumes and the Illustrative Annualized Operating Margin Goal related to such volumes (i) are not based on the Company's historical operating results, which are limited, and (ii) do not purport to be an actual representation of our future economics. We cannot assure you if or when we will enter into contracts for sales of additional LNG, the price at which we will be able to sell such LNG, or our costs to produce and sell such LNG. Actual results could differ materially from the illustration and there can be no assurance we will achieve our goal.

Endnotes

- (35) "Average Volume (GPD)" refers to the average number of LNG gallons sold per calendar day over the period indicated (or illustrated as being sold in the case of future periods).
- (36) These metrics are estimates is based on management's assumptions and percentage calculations regarding a potential customer's size, energy use and previous diesel consumption and future natural gas consumption. The estimate regarding reduction in emissions is also based on data from IEA, CO2 Emissions from Fuel Combustion Highlights - 2018, p. 147. Equivalent trees planted and equivalent cars taken off the road are based on management's estimate of emissions reduction based on the above, along with a calculator from the US Environmental Protection Agency, https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.