UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: ZACHRY INDUSTRIAL, INC., Debtor.	§ § § § §	Case No. 24-90377 (MI) Chapter 11

FLNG LIQUEFACTION, LLC; FLNG LIQUEFACTION 2, LLC; and FLNG LIQUEFACTION 3, LLC, Plaintiffs, v. CB&I INC.; ZACHRY INDUSTRIAL, INC.; and CHIYODA INTERNATIONAL CORPORATION, Defendants.	§ § § § § § § § § § § § § § §	Adversary No. 24-03195

ZACHRY INDUSTRIAL, INC.'S MOTION FOR SUMMARY JUDGMENT ON LIMITATIONS

Defendant Zachry Industrial, Inc., ("Zachry Industrial") moves for summary judgment on the ground that Plaintiffs' sole cause of action for breach of contract is barred by the applicable four-year statute of limitations. Zachry Industrial respectfully shows the Court as follows:

I.
EXECUTIVE SUMMARY

Plaintiffs operate a liquified natural gas ("LNG") facility comprising three distinct natural gas liquefaction units known as Train 1, Train 2, and Train 3, each of which uses three General Electric 75 MW motors. A decade ago, Plaintiffs negotiated and entered

into EPC Contracts with Zachry Industrial and the other Defendants, under which, according to the Plaintiffs' allegations, Defendants were hired to oversee the design, engineering, procurement, assembly, installation, and inspection of the ready-to-be-installed motors.[1] Plaintiffs allege that Defendants breached the EPC Contracts in all of these aspects — design, engineering, procurement, assembly, installation, and inspection — as to all nine motors.

As documented below, there is no genuine dispute as to the material fact that the design, engineering, procurement, assembly, installation, and inspection of any and all of the motors occurred on or before April 10, 2020. Regarding Trains 1 and 2, Plaintiffs themselves plead that the trains commenced commercial operations in December 2019 and January 2020, respectively. Regarding Train 3, April 10, 2020, was the date by which Defendants had "completed all procurement, fabrication, assembly, erection, installation, and pre-commissioning and commissioning checks and tests" of the Train 3 motors; indeed, the motors had already "liquified natural gas into at least 150,000 m^3 [cubic meters] of LNG by that date. But Plaintiffs did not file suit until April 23, 2024, or more than four years later. Because the applicable statute of limitations for breach of contract is four years — and because the "discovery rule" does not delay accrual of Plaintiffs' sole claim for breach of contract — that claim is barred by limitations as a matter of law. Therefore, Plaintiff's action should be dismissed as untimely.

---

[1] According to FLNG, these motors were defectively designed and manufactured by General Electric "offsite" and delivered to the Project as "intact units" for instillation, but that General Electric's "grossly negligent acts" are "contractually imputed to the Defendants." *See* Pl.'s First Am. Compl. [Adv. P. Doc. No. 60] ("Am. Compl.") at ¶¶ 64, 66.

II.
BACKGROUND

Freeport LNG Development, L.P. ("FLNG") owns and operates an LNG facility located near Freeport, Texas (the "Facility"). *See* Pl.'s First Am. Compl. [Adv. P. Doc. No. 60] ("Am. Compl.") at ¶ 11. Plaintiffs FLNG Liquefaction, LLC ("FLIQ1"), FLNG Liquefaction 2, LLC ("FLIQ2"), and FLNG Liquefaction 3, LLC ("FLIQ3") are affiliates of Freeport LNG. *Id.* at ¶¶ 2–4, 17–18. The Facility has three separate turnkey natural gas liquefaction units referred to as Train 1, Train 2, and Train 3, along with common infrastructure and control systems. *Id.* at ¶ 15. Each Train "uses three General Electric 75 MW motors that power three propane and mixed-refrigerant compressors." *Id.* at ¶ 16.

The FLIQ affiliates entered into contracts for engineering, procurement, and construction services ("EPC Contracts") with Defendants for the various trains:

- On December 10, 2013, FLIQ1 entered into a Fixed Price Separated Turnkey Agreement with Defendants Zachry Industrial and CB&I LLC ("CB&I") for engineering, procurement, and construction services for Train 1 ("Train 1 EPC Contract"). Am. Compl. at ¶ 20.

- Also on December 10, 2013, FLIQ2 entered into a Fixed Price Separated Turnkey Agreement: with Defendants Zachry Industrial and CB&I for engineering, procurement, and construction services for Train 1 ("Train 2 EPC Contract"). *Id.* at ¶ 21.

- On March 24, 2015, FLIQ3 entered into a Fixed Price Separated Turnkey Agreement: with Zachry Industrial, CB&I, and Defendant Chiyoda Internal Corporation ("CIC") for engineering, procurement, and construction services for Train 3 ("Train 3 EPC Contract"). *Id.* at ¶ 23; *see also* Adv. P. Doc. No. 64-12 (contract filed under seal).

As Plaintiffs allege, the "pertinent provisions of the Train 1 EPC Contract, Train 2 EPC Contract, and Train 3 EPC Contract are virtually identical." Am. Compl. at ¶ 24.

In their operative complaint, Plaintiffs assert a single cause of action against Zachry Industrial and the other Defendants: "**Breach of the EPC Contracts**." Am. Compl. at ¶¶ 72–78 (emphasis in original). Plaintiffs allege that Defendants committed "at least the following acts and omissions" as to each of the Trains 1, 2, and 3 motors:

a. deficient bolt/washer/nut retention assembly design and its inadequate quality assurance/quality control during assembly,

b. excessive cable length and increased bend radius of cabling resulting in significant partial discharge on the cable bundles,

c. deficient bolt assemblies, causing the bolts to become dislodged from the micarta panels and separation of the micarta panels themselves, and

d. dissimilar and improper unspecified materials used in the fabrication of the motors.

Id. at ¶ 74. These acts and omissions allegedly "constitute[d] a breach of [Defendants'] obligations under the EPC Contracts, including, *inter alia*, the obligations" of Defendants with respect to "design," "manufacture," "fabrication," "construction," "procure[ment]," "assembl[y]," "erect[ion]," "install[ation]," and "inspection." *Id.* at ¶ 75; *see also id.* at ¶¶ 45–67 (alleging Defendants' "gross negligence" in such respects).

Plaintiffs plead that "Train 1 . . . began commercial operations in December 2019, and that "Train 2 commenced operations . . . in January . . . 2020." Am. Compl. at ¶ 15. As to these two trains, Plaintiffs do not even allege — and there is simply no evidence — that Defendants committed any actionable act or omissions after these dates.

As to Train 3, Plaintiffs allege that it commenced operations in "May 2020." Am. Compl. at ¶ 15. But the record shows otherwise. Specifically, as Defendants certified in an "RLFC Certificate" dated **April 10**, 2020, Train 3 had **already** "liquified natural gas

into at least 150,000 [cubic meters] of LNG meeting all specifications and requirements of the Agreement . . . and successfully transferred and stored such LNG into the Train 3 LNG Storage Tank." Ex. 1 (at 1) to Ex. A (Declaration of Joseph (Mark) Hunter), filed herewith. Moreover, consistent with having commenced operations, Defendants had by **April 10** also "completed all procurement, fabrication, assembly, erection, installation, and pre-commissioning and commissioning checks and tests of all Equipment and all systems and subsystems of all Equipment." *Id.* Plaintiffs expressly acknowledged all of this by accepting the Certificate in writing that very same day. *See id.* at 2; *see also* Ex. A at ¶ 8 (declaration of Zachry's FLNG Project Director Joseph (Mark) Hunter, who signed the RLFC Certificate, that the "facts stated [therein] are true and correct").

III.
LEGAL STANDARD

A limitations defense may be resolved on summary judgment in appropriate circumstances, namely, the defendant "must (1) conclusively prove when [the plaintiff's] cause of action accrued, and (2) negate the discovery rule, if it applies and has been pleaded or otherwise raised." *Sheet Pile, L.L.C. v. Plymouth Tube Co., USA*, 98 F.4th 161, 166 (5th Cir. 2024) (quoting *KPMG Peat Marwick v. Harrison Cty. Housing Fin. Corp.*, 988 S.W.2d 746, 748 (Tex. 1999)). Under governing Texas law, a cause of action normally accrues "when a wrongful act causes some legal injury, even if the fact of injury is not discovered until later, and even if all resulting damages have not yet occurred." *Id.* (quoting *Archer v. Tregellas*, 566 S.W.3d 281, 288 (Tex. 2018)). Thus, "a cause of action for breach of contract accrues **at the moment the contract is breached**." *Id.* (emphasis

added; quoting same); *accord, e.g., McGowan v. S. Methodist Univ.*, 715 F. Supp. 3d 937, 944 (N.D. Tex. 2024).

IV.
ARGUMENT AND AUTHORITIES

As explained below, Zachry can both (1) conclusively prove that Plaintiffs' cause of action accrued more than four years before Plaintiffs filed suit; and (2) negate the discovery rule or show that it does not apply.

A. Plaintiffs' breach of contract claim accrued more than four years before Plaintiffs filed suit on April 23, 2024.

Claims for breach of contract under Texas law are subject to a four-year statute of limitations. *See, e.g., Stine v. Stewart*, 80 S.W.3d 586, 592 (Tex. 2002) (citing Tex. Civ. Prac. & Rem. Code § 16.051). "Under Texas law, the accrual date of a cause of action is ordinarily a question of law." *McGowan*, 715 F. Supp. 3d at 944–45 (citing *Exxon Corp. v. Emerald Oil & Gas Co.*, 348 S.W.3d 194, 202 (Tex. 2011)).

"It is well-settled law that a breach of contract claim accrues when the contract is breached." *Stine*, 80 S.W.3d at 592. Crucially, accrual occurs at the time of breach "even if the fact of injury is not discovered until later, and even if all resulting damages have not yet occurred." *Archer*, 566 S.W.3d at 288 (citation omitted). That is to say, "a cause of action for breach of contract accrues **at the moment the contract is breached**." *Id.* (emphasis added), *quoted in Sheet Pile*, 98 F.4th at 166.

"'Breach' of a contract occurs when a party fails to perform an act that it has contractually promised to perform." *Greene v. Farmers Ins. Exch.*, 446 S.W.3d 761, 765 (Tex. 2014). As documented above, Plaintiffs allege that Zachry and the other Defendants

failed to perform the acts promised in the EPC Contracts as to the design, assembly, installation, and inspection of the motors for Trains 1, 2, and 3. As further documented above, all of Defendants' alleged failures to perform occurred on or before April 10, 2020. Therefore, even if the fact of injury was not discovered until later, and even if all resulting damages had not yet occurred, Plaintiffs' claim for breach of contract accrued no later than that date. Because that date was more than four years before Plaintiffs filed suit on April 23, 2024, Plaintiffs' claim is barred by the statute of limitations.

B. Plaintiffs' allegations in the Amended Complaint negate the discovery rule.

The Texas Supreme Court has recognized that the "discovery rule" may defer accrual or toll limitations in certain limited circumstances. *See Valdez v. Hollenbeck*, 465 S.W.3d 217, 229 (Tex. 2015). "The discovery rule applies on a categorical basis to injuries that are both inherently undiscoverable and objectively verifiable." *Id.*

At the summary judgment stage, a defendant "'may negate the discovery rule 'by either conclusively establishing that (1) the discovery rule does not apply, or (2) if the rule applies, the summary judgment evidence negates it.'" *McGowan*, 715 F. Supp. 3d at 946 (quoting *Draughon*, 631 S.W.3d at 90). Here, the discovery rule does not apply both because Plaintiffs do not plead the discovery rule (and its elements) in the Amended Complaint and because the Texas Supreme Court has not held that the discovery rule is applicable on a categorical basis to contracts like the EPC Contracts. Even if the discovery rule could apply to the EPC Contracts, the allegations in the Amended Complaint negate its application in this case.

1. Plaintiffs have not properly raised the discovery rule.

While the discovery rule "need not be specifically pleaded in federal court," the plaintiff must "'plead sufficient facts to put the defense on notice'" that it intends to rely on the rule. *Brandau v. Howmedica Osteonics Corp.*, 439 Fed. Appx. 317, 320 (5th Cir. 2011) (citation omitted; citing Fed. R. Civ. P. 8). There are no factual allegations in the Amended Complaint that would put Defendants on notice that Plaintiffs intend to rely on the discovery rule. For example, the Amended Complaint fails to allege that the injury was inherently undiscoverable. On the contrary, the Amended Complaint is replete with allegations that the injury was **not** inherently undiscoverable, and that Defendants were grossly negligent for failing to discover the defects at issue in the case. *See* Section IV.B.3, *infra*.

2. The Texas Supreme Court has never held that the discovery rule applies to contracts like the EPC Contracts.

Moreover, the discovery rule does not apply here, because to "avoid defeating the purposes behind the limitations statutes," the Texas Supreme Court has restricted the rule "to exceptional cases." *Via Net v. TIG Ins. Co.*, 211 S.W.3d 310, 313 (Tex. 2006); *see also S.V. v. R.V.*, 933 S.W.2d 1, 25 (Tex. 1996) (opining that applications of the discovery rule "should be few and narrowly drawn"); *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 918 S.W.2d 453, 457 (Tex. 1996) (opining that the discovery rule is "a very limited exception to statutes of limitations" that applies "in certain limited circumstances"); *Sheet Pile*, 98 F.4th at 166 (describing the discovery rule as a "narrow exception."). The rule does not apply to all categories of claims. *See Valdez*, 465 S.W.3d at 229 ("Texas courts have

refused to apply the discovery rule to claims arising out of probate proceedings in most instances even in the face of allegations of fraud." (citation omitted)).

Contracting parties are generally not fiduciaries to each other and must exercise due diligence in enforcing their contractual rights. *Via Net,* 211 S.W.3d at 314 (citing *Schlumberger Tech. Corp. v. Swanson*, 959 S.W.2d 171, 177 (Tex. 1997)). Due diligence requires that each party protect its own interests. *See Barfield v. Howard M. Smith Co.*, 426 S.W.2d 834, 840 (Tex. 1968) ("As a party to arm's length business transactions, respondent had a duty to use ordinary care for the protection of its own interests"). Due diligence may include asking a contractual counter-party for information needed to verify contractual performance. *See Wagner & Brown, Ltd. v. Horwood*, 58 S.W.3d 732, 736 (Tex. 2001); *HECI Exploration Co. v. Neel*, 982 S.W.2d 881, 886 (Tex. 1998).

On at least three occasions, the Texas Supreme Court has refused to apply the discovery rule to toll the statute of limitations until a breach of contract was discovered. In *HECI*, 982 S.W.2d at 886-88, the court focused on whether the injury—damage to the common reservoir—was discoverable by the royalty owner. Because the court concluded that this harm was not inherently undiscoverable, the court held that the breach of the notice obligations under the contract were likewise not undiscoverable, concluding that the duties imposed by law on lessees "do not dispense with the need for royalty owners to exercise due diligence in enforcing their contractual rights, express or implied, within the statutory limitations period." *Id.* at 887. In *Wagner & Brown,* 58 S.W.3d at 737, the royalty owners argued that the discovery rule applied to claims for improper deductions from and improper fees charged to royalty owners because such information was

uniquely in possession of the defendant. The court rejected the applicability of the discovery rule stating that "we cannot say that the injuries caused by excessive or improper charges resulting in the underpayment of royalties are inherently undiscoverable. [The Plaintiffs'] injury is the type that could have been discovered with reasonable diligence; therefore the discovery rule does not apply to defer accrual of their claims."

Likewise, in *Via Net*, 211 S.W.3d at 314, the court declined to apply the discovery rule to toll the statute of limitations in a breach of contract action where a vendor failed to add its customer as an additional insured as required by contract. The court explained that the discovery rule's application to breach of contract cases "should be rare, as diligent contracting parties should generally discover any breach during the relatively long four-year limitations period provided for such claims." *Id.* at 315. The present case is not one of the rare categories of breach of contract cases to which the discovery rule could apply. The EPC Contracts are comprehensive arm's length agreements closely negotiated between highly sophisticated contracting parties represented by experienced counsel. A diligent contracting party should have discovered any breach of the EPC Contracts during the limitations period.

3. Plaintiffs' injury was <u>not</u> inherently undiscoverable, as the Amended Complaint itself confirms.

Even assuming the discovery rule could otherwise apply to the EPC Contracts, the rule does not apply here because Plaintiffs' injury was not inherently undiscoverable.

The discovery rule only "applies when the injury is by its nature inherently undiscoverable." *Marcus & Millichap Real Estate Inv. Servs. v. Triex Tex. Holdings, LLC*,

659 S.W.3d 456, 461 (Tex. 2023) (internal quotation marks omitted). "An injury is inherently undiscoverable if it is by nature unlikely to be discovered within the prescribed limitations period despite due diligence." *Id.* (same). "The determination of whether an injury is inherently undiscoverable is made on a categorical basis rather than on the facts of the individual case." *Archer*, 566 S.W.3d at 290. "The question is whether the injury is the type of injury that could be discovered through the exercise of reasonable diligence." *Marcus & Millichap*, 659 S.W.3d at 461 (internal quotation marks omitted). "In other words, courts ask whether or not the injury is the type of injury that could be discovered through the exercise of reasonable diligence to determine if an injury is inherently undiscoverable for the purposes of the discovery rule." *McGowan*, 715 F. Supp. 3d at 946–47 (cleaned up).

The injury here is the type that the contracting parties **could** have discovered through the exercise of reasonable diligence, and Plaintiffs aver as much in the Amended Complaint. Specifically, Plaintiffs plead that Defendants issued an "Engineering Evaluation Letter" to Plaintiffs on December 19, 2013. Am. Compl. at ¶ 54.[2] The Letter warned "there is some ***possibility that problems will occur during manufacturing*** or testing" of the 75 MW Motor and the other motors. *Id.* (emphasis in original). The Engineering Evaluation Letter further warned that a "job of this ***complexity and "first-of-a-kind" challenges*** must be ***executed carefully and with more technical due diligence***

[2] The Amended Complaint incorrectly identifies the Engineering Evaluation Letter as being dated "2023," rather than 2013. Am. Compl. at ¶ 54.

than is typical for projects with ***more conventional drive designs***. Otherwise, critical issues may be overlooked or inadequately addressed." *Id.* (same).

Plaintiffs further allege that, "as evidenced by the Engineering Evaluation Letter, Defendants had the subjective awareness of the potential for problems during the manufacture of the motors due to their massively large size well before the manufacturing process even began." *Id.* at ¶ 57. The Letter also allegedly made Defendants "subjectively aware that the size and complexity of the drive equipment presented 'first-of-a-kind' challenges that must be 'carefully managed in an aggressive and disciplined way.'" *Id.*

Plaintiffs further allege that awareness of the potential for problems should have caused Defendants "to implement adequate inspections, quality assurance and quality control procedures pursuant to Good Engineering and Construction Practices to safeguard against these risks." *Id.* at ¶ 58. Plaintiffs allege in particular:

- "A simple review of the design [for the motors] would have identified [the bolt assembly] design defect." *Id.* at ¶ 61.
- "Insufficient torquing of the bolts could and should have been identified by adequate quality assurance and quality control procedures due to the obvious lack of torque markings on the nuts." *Id.* at ¶ 62.
- "[T]he motors were manufactured using irregular parts and non-specified materials. . . . If Defendants had performed shop inspections during fabrication, these obvious defects could and would have been identified and corrected." *Id.* at ¶ 63.
- "Adequate shop inspections by Defendants represented" an "opportunity to discover and correct these defects before the motors were put into service." *Id.* at ¶ 64.

By these allegations, Plaintiffs admit that the injury **was** discoverable during the motor fabrication process for Trains 1, 2, and 3 through the exercise of due diligence. Had **Plaintiffs** exercised due diligence — as was their duty under the foregoing authority

— **Plaintiffs** could have discovered the allegedly wrongful acts in the design, assembly, installation, and inspection of the motors. Thus, the discovery rule does not apply to defer accrual or toll limitations because Plaintiffs' injury was not inherently undiscoverable.

V.
CONCLUSION

For these reasons, Zachry Industrial requests that the Court grant this Motion for Summary Judgment, dismiss Plaintiffs' claim for breach of the EPC Contracts because it is barred by the four-year statute of limitations, and award Zachry Industrial all further relief to which it is entitled.

Respectfully submitted,

/s/ John B. Thomas

John B. Thomas (Attorney-in-Charge)
Texas Bar No. 19856150
S.D. Tex. ID No. 10675
jthomas@hicks-thomas.com
Eric Grant
Texas Bar No. 24076167
S.D. Tex. ID No. 1786107
grant@hicks-thomas.com
D. Ryan Cordell, Jr.
Texas Bar No. 24109754
S.D. Tex. ID No. 3455818
rcordell@hicks-thomas.com
Cameron Pope
Texas Bar No. 24032958
S.D. Tex. ID No. 35172
cpope@hicks-thomas.com
Hicks Thomas LLP
700 Louisiana Street, Suite 2300
Houston, Texas 77002
Telephone: (713) 547-9100
Facsimile: (713) 547-9150

Counsel for Defendant
Zachry Industrial, Inc.

CERTIFICATE OF SERVICE

I certify that on this 23rd day of January, 2025, a copy of the foregoing document was filed electronically with the Clerk of the Court using the CM/ECF system. Notice of this filing will be sent to all counsel of record by operation of the court's electronic filing system.

/s/ John B. Thomas
John B. Thomas

Exhibit A

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: ZACHRY INDUSTRIAL, INC., Debtor.	§ § § §	Case No. 24-90377 (MI) Chapter 11

FLNG LIQUEFACTION, LLC; FLNG LIQUEFACTION 2, LLC; and FLNG LIQUEFACTION 3, LLC, Plaintiffs, v. CB&I INC.; ZACHRY INDUSTRIAL, INC.; and CHIYODA INTERNATIONAL CORPORATION, Defendants.	§ § § § § § § § § § § § § § §	Adversary No. 24-03195

DECLARATION OF JOSEPH (MARK) HUNTER
IN SUPPORT OF ZACHRY INDUSTRIAL, INC.'S
MOTION FOR SUMMARY JUDGMENT ON LIMITATIONS

I, Joseph (Mark) Hunter, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury that the following is true and correct:

1. My name is Joseph (Mark) Hunter. I am over the age of eighteen and am competent to make this declaration. The facts stated in this declaration are within my personal knowledge.

2. I am a Project Director for Zachry Industrial, Inc. ("Zachry").

3. During the events referenced in this Declaration, I was the Project Executive for CCZJV and Zachry on the Freeport LNG engineering, procurement, and construction project (FLNG Project). In this role, I had full leadership of the procurement, fabrication, assembly, erection, installation, pre-commissioning, commissioning, and startup of the FLNG Project by CCZJV and Zachry.

4. As a result of my position, I have personal knowledge of the procurement, fabrication, assembly, erection, installation, pre-commissioning, commissioning, inspections, checks, and tests related to the GE LNG compression motors ("GE motors") installed by CCZJV and Zachry in each of the three liquefaction trains at the Freeport LNG project.

5. I am also a custodian of records for Zachry's records of work performed by CCZJV and Zachry on the FLNG Project by virtue of my role as Project Director for the FLNG Project.

6. After the installation of Train 3 GE motors was mechanically complete in January 2020, the CCZJV commissioning team began function testing the GE motors and entire compression system to make them Ready For Start-Up (RFSU) as defined in the Engineering, Procurement and Construction Agreement for Train 3 ("Train 3 EPC"). This process is also called commissioning, and it occurred between January and March, 2020.

7. Under the terms of the Train 3 EPC, the Contractor (CCZJV) delivers to Owner (FLNG) a certification that the facility has achieved Ready to Load First Cargo ("RLFC") once certain conditions have been met, including (1) RFSU of all systems and subsystems of all Equipment has successfully been achieved; (2) "Contractor has completed all procurement, fabrication, assembly, erection, installation and pre-commissioning and commissioning checks and tests of all Equipment and all systems and subsystems of all Equipment," and the Equipment "is capable of being operated within the requirements contained in this Agreement [Train 3 EPC] and without damage to the Work the Facility, any other property or the environment and without injury to any Person"; and (3) "the Train 3 Expansion has liquefied natural gas into at least 150,000 m^3 of LNG meeting all specifications and requirements of this Agreement." Train 3 EPC at p. 24.

8. Attached as Exhibit 1 is a true and correct copy of Contractors' Certificate of RLFC that I issued to FLNG on behalf of CCZJV on April 10, 2020. The facts stated in Exhibit 1 are true and correct.

9. Pursuant to the terms of the EPC Contract, Exhibit 1 accurately reflects that CCZJV certified that it completed all contractual requirements for RLFC of FLNG Train 3 (including the Train 3 GE motors) as of April 10, 2020, and that FLNG accepted CCZJV's certification of RLFC on April 10, 2020.

Executed on January 23, 2025

/s/ Mark Hunter
Joseph (Mark) Hunter

Exhibit 1

RLFC CERTIFICATE

Date: April 10, 2020

FLNG Liquefaction 3, LLC
333 Clay Street, Suite 5050
Houston, TX 77002-4173
Attention: Taylor Auburg

Re: RLFC Certificate – Fixed Price Separated Turnkey Agreement for the Engineering, Procurement and Construction of the Freeport Train 3 Liquefaction Project, dated as of March 24, 2015 (the "***Agreement***"), by and between FLNG Liquefaction 3, LLC ("***Owner***") and Zachry Industrial, Inc., Chiyoda International Corporation and CB&I Inc. (collectively, "***Contractor***")

Pursuant to Section 11.1B of the Agreement, Contractor hereby certifies that it has completed all requirements under the Agreement for RLFC with respect to the Train 3 Expansion, including: (i) the successful achievement of Ready For Start Up of all systems and subsystems of all Equipment; (ii) Contractor has completed all procurement, fabrication, assembly, erection, installation and pre-commissioning and commissioning checks and tests of all Equipment and all systems and subsystems of all Equipment, such as all operating, protection, fire, safety and other related systems required or necessary prior to start-up, to ensure that the Work (including all Common Systems) and each component thereof was correctly fabricated, assembled, erected and installed, has been correctly integrated into the Existing Facility, the Train 1 Expansion, and the Train 2 Expansion, and is capable of being operated within the requirements contained in the Agreement and without damage to the Work, the Facility, any other property or the environment and without injury to any Person, as set forth in greater detail in Attachment A to the Agreement; (iii) Contractor has successfully completed the process of drying out and purging all systems and subsystems; (iv) the Train 3 Expansion meets the additional requirements for RLFC set forth in Attachment A and Attachment V to the Agreement; (v) the Train 3 Expansion has liquefied natural gas into at least 150,000 m^3 of LNG meeting all specifications and requirements of the Agreement (other than the Minimum Acceptance Criteria and Performance Guarantees) and successfully transferred and stored such LNG into the Train 3 LNG Storage Tank; (vi) all LNG loading and unloading lines (and Equipment and systems related thereto) necessary for transfer of LNG from the Train 3 Expansion to the Existing Facility LNG storage tanks and the Train 3 LNG Storage Tank and loading of LNG Tankers from the Existing Facility's dock and the Expansion Facility Dock, in accordance with the requirements of the Agreement; (vii) Contractor has completed all Punchlist items necessary for the achievement of RLFC pursuant to Section 11.5B of the Agreement; and (viii) Contractor and Owner have agreed upon a revised and updated Punchlist of items as set forth in Section 11.5B of the Agreement.

Attached is all documentation required to be provided by Contractor under the Agreement to establish that Contractor has achieved all requirements under the Agreement for RLFC.

Contractor certifies that it achieved RLFC on April 10, 2020.

IN WITNESS WHEREOF, Contractor has caused this RLFC Certificate to be duly executed by its authorized representative and delivered as of the date first written above.

ZACHRY INDUSTRIAL, INC., CHIYODA INTERNATIONAL CORPORATION AND CB&I LLC

By: _____

Name: Mark Hunter

Title: Project Executive

Date: April 10, 2020

cc M. Hattori J. Dobler
M. Young D. Landrum
G. Ledford D. Preimesberger

Owner Acceptance or Rejection of RLFC Completion Certificate

Pursuant to Section 11.3 of the Agreement, Owner ✓ accepts or _____ rejects (check one) the RLFC Completion Certificate.

If RLFC was achieved, RLFC was achieved on APRIL 10, 2020.

Acceptance of RLFC shall not relieve Contractor of any of Contractor's obligations to perform the Work in accordance with the requirements of the Agreement, nor shall it in any way release Contractor or any surety of Contractor from any obligations or liability pursuant to the Agreement, including obligations with respect to unperformed obligations of the Agreement or for any Work that does not conform to the requirements of this Agreement.

The basis for any rejection of RLFC is attached hereto.

For and on behalf of
FLNG LIQUEFACTION 3, LLC

By: Taylor Aubrey

Name: Taylor Aubrey

Title: VP - Projects

Date: April 21, 2020