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CZAR ENERGY
GOVERNMENT OF PUERTO RICO

Eng. Josué A. Colón Ortiz

July 13, 2025

Via Electronic Mail
legal@newfortressenergy.com
cguinta@newfortressenergy.com

Mr. Wes Edens
Chief Executive Officer
New Fortress Energy
111 W. 19th St., 8th Floor
New York, NY 10011

Mr. Christopher Guinta
Chief Financial Officer
NFEnergía LLC
c/o New Fortress Energy
111 W 19th St., 8th Fl.
New York, NY, 10011

Initial
JCO

Dear Messrs. Edens and Guinta:

Re: NFEnergía LLC, Breach of Fuel Purchase and Sale Agreement dated March 19, 2019

At 1:12 p.m., today, we sent you an initial communication regarding NFEnergía LLC's ("NFE") unilateral and unjustified decision to order the vessel Energo Princess (the "Vessel"), which was scheduled to deliver liquefied natural gas ("LNG") to Units 5 and 6 of the San Juan Combined Cycle Power Plant ("SJ Units 5&6"), to depart the San Juan Port (the "Port") without discharging its cargo. Despite our clear demand for an immediate response, NFE has failed to reply. Silence under these circumstances displays a disregard for both the Fuel Purchase and Sale Agreement of March 19, 2019 (the "SJ 5&6 Agreement") and the public welfare at a moment when San Juan Units 5 and 6 are required to preserve grid stability.

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As outlined in our prior correspondence, the SJ 5&6 Agreement remains in full force and is legally binding. Under its terms, NFE is obligated to supply LNG to SJ Units 5&6. Your company's deliberate refusal to perform has already precipitated an avoidable power shortfall that threatens public health and safety island-wide in a manner that is both grave and irreparable. Accordingly, we reiterate our demand that NFE immediately recall the Vessel and complete the discharge of the contracted LNG. Failure to comply will be treated as a serious contractual breach, an act of bad faith and a clear event of default under the Agreement.

Initial

Additionally, I must address your incorrect assertions made in your July 12, 2025, communication. The claim that NFE's failure to deliver LNG is due to an alleged $9 million in unpaid 2020 invoices and $3 million in interest supposedly owed by the Puerto Rico Electric Power Authority ("PREPA") is patently baseless. Over the years, PREPA has paid NFE for goods and services over $1.5 billion. The specific invoices you reference were formally and explicitly rejected in letters sent by PREPA on October 23 and October 27, 2020[1]. These letters expressly rejected the amounts claimed and set forth detailed contractual grounds for non-payment. Thus, NFE's claim that it is entitled to withhold LNG deliveries is entirely without merit. This blatant breach of contract is nothing more than a transparent act of retaliation and an attempt to evade your company's clear and ongoing obligations under the SJ 5 & 6 Agreement. Your refusal to comply with the Agreement has no legal justification and further aggravates an already critical energy situation.

Let me be unequivocal: NFE's decision to cause or allow the Vessel to abandon the Port without delivering LNG is reckless, indefensible, and wholly unacceptable. The Office of the Energy Zar hereby demands, once again, that NFE immediately instructs the Vessel to return to the Port and complete the discharge of the contracted LNG. Furthermore, NFE must ensure that a senior representative with full decision-making authority is available at all times to coordinate with the undersigned and address this escalating emergency.

[1] See Annexes 1 & 2.

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Please confirm receipt of this letter and respond via email no later than 11:00 p.m., confirming that the necessary corrective actions have been taken. The undersigned reserves all rights and remedies available against NFE and expressly waives none.

Cordially,

Signed by:
Josue A. Colon Ortiz
ACAE19A8DEE549C...

Josué A. Colón-Ortiz
Energy Czar of Puerto Rico

c. Francisco Domenech, Chief of Staff, francisco.domenech@fortaleza.pr.gov
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October 27, 2020

VIA EMAIL

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Attention: General Counsel
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NFEnergia LLC
c/o New Fortress Energy
700 NW 1st Avenue, Suite 700
Miami, FL 33030
Attention: Accounts Payable
accountspayable@newfortressenergy.com

Re: Fuel Sale and Purchase Agreement between NFEnergía LLC as Seller and Puerto Rico Electric Power Authority as Buyer dated as of March 5, 2019 (the "FSPA") – Supplement to Notice of Dispute Concerning Invoice dated 9/22/2020 to Add Invoice dated 10/12/2020 and to Explain Basis for Withholding of Payment

Ladies and Gentlemen:

On behalf of my client, the Puerto Rico Electric Power Authority ("PREPA"), I am writing to follow up on my letter to you of October 23, 2020 in reference to the 9/22/2020 NFEnergía LLC ("NFE") Invoice designated PREPA0001C covering the period April through August 2020. Capitalized terms not specifically defined in this letter should be understood as having the meanings ascribed to them in the FSPA.

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As documented in my letter of October 23, 2020, PREPA has disputed the accuracy of the amount identified as the "Amount due for Gas Consumed in Commissioning" in Invoice PREPA0001C and has disclaimed any obligation to pay for any Natural Gas included in that amount that was not consumed either in the commissioning of San Juan Units 5 and 6 in natural gas service or in the generation of power sold to the grid by Buyer. This is because Invoice PREPA0001C includes quantities of NG that were not delivered to Buyer at the Delivery Point and were not used for commissioning and testing of SJ 5&6 or for the generation of power for sale, and because necessary documentation of delivered quantities has not been provided.

It has come to my attention that PREPA has recently received Invoice PREPA0002C, dated 10/12/2020. That Invoice presents many of the issues that have led PREPA to challenge Invoice PREPA0001C. By this letter, PREPA wishes to include Invoice PREPA0002C in the notice of dispute given by my letter of October 23, 2020 and in the discussion which follows.

Under FSPA Sections 6.2 and 6.3, Buyer is liable to pay only for those quantities of Natural Gas actually delivered to it at the Delivery Point during the Transitional Supply Period either for the commissioning and testing of the SJ 5&6 Units or for the generation of power which Buyer sells to the grid. A total of 733,800 MMBtu (Invoice PREPA0001C, Commissioning Invoice Summary, Line 3) was not delivered to and was not measured at the Delivery Point, and was not consumed in SJ 5 or 6. It appears that this quantity was consumed in Seller's facilities either as liquified natural gas boil-off or flared. That Buyer is not obligated to pay for such quantities is confirmed by FSPA Section 10.2(c) ("it is the intent of the Parties that Natural Gas will only be considered delivered when it reaches the Delivery Point, and that any Natural Gas Measured at the Metering Equipment that is not actually delivered to the Delivery Point will not be considered delivered and will not be charged to Buyer").

Invoice PREPA0001C does not include any documentation establishing the quantities of Natural Gas that were recorded by the Metering Equipment installed in the vicinity of the Delivery Point. Rather, the Invoice provides support in the form of "NFE Ship Daily Reports," which set forth "Storage Tank Data" including Liquid Volume, Liquid Temperature, Pressure and Vapor Temperature. The same is true of Invoice PREPA0002C. The support NFE has furnished is not consistent with the FSPA's requirement that the flow, volume and Heating Value of Natural Gas delivered to Buyer be measured "for revenue purposes" by the Metering Equipment, and that "[f]or payment purposes, the volume of Natural Gas delivered hereunder will be determined at the pressure reported by the Metering Equipment…" (Sections 10.2(a) and 10.1(a)). Nor is it consistent with the requirement that at the end of each Month Seller shall make available to Buyer all readings of the Metering Equipment (Section 10.4). Without the required support as to quantities actually delivered at the Delivery Point obtained through readings of the Metering Equipment, PREPA considers Invoice PREPA0001C and Invoice PREPA0002C to be inconsistent with the requirements of the FSPA and therefore not to have been properly prepared and submitted (see Sections 13.2 and 13.7).

PREPA is unable to process for payment those fuel invoices which establish the quantities of fuel actually delivered into PREPA's generating facilities (in this case, San Juan Units 5&6). Invoice PREPA0001C and Invoice PREPA0002C do not satisfy this requirement in

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the manner contemplated by the FSPA. Accordingly, PREPA does not consider these invoices to have been "properly submitted" (see Section 13.7), and will not be in a position to pay any amounts referenced in them until NFE provides the required support establishing quantities of Natural Gas actually delivered at the Delivery Point, as measured by the Metering Equipment.

PREPA therefore renews its request that Seller adjust Invoice PREPA0001C to eliminate the quantity of 733,800 MMBtu identified in Line 3 of the Commissioning Invoice Summary. PREPA additionally requests that Seller adjust Invoice PREPA0002C to eliminate the quantity of 122,960.335 MMBtu given that no proper support for this quantity has been provided. PREPA must insist that Seller provide information supporting Invoice PREPA0001C and Invoice PREPA0002C that documents the quantities of Natural Gas actually delivered at the Delivery Point through Metering Equipment readings. PREPA will pay the amount of these adjusted and appropriately supported invoices upon confirming the accuracy of each invoice and its supporting information.

Please let me know if you have any questions or would like to discuss.

Sincerely,



James F. Bowe, Jr.
Partner

Attorney for the Puerto Rico Electric Power Authority

JFB:

cc: Emily Willborn (ewillborn@newfortressenergy.com)

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October 23, 2020

VIA EMAIL

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c/o New Fortress Energy
700 NW 1st Avenue, Suite 700
Miami, FL 33030
Attention: Accounts Payable
accountspayable@newfortressenergy.com

Re: Fuel Sale and Purchase Agreement between NFEnergía LLC as Seller and Puerto Rico Electric Power Authority as Buyer dated as of March 5, 2019 (the "FSPA") – Notice of Dispute Concerning Invoice dated 9/22/2020

Ladies and Gentlemen:

I write on behalf of my client, the Puerto Rico Electric Power Authority ("PREPA"), in reference to the Invoice designated PREPA0001C dated 9/22/2020 covering the period April through August 2020 which NFEnergía LLC has tendered to PREPA as Buyer under the FSPA. Capitalized terms not specifically defined in this letter should be understood as having the meanings ascribed to them in the FSPA.

Docusign Envelope ID: 32E5F56D-E9A6-465B-B98C-DF4994711955

In accordance with Section 13.10 of the FSPA, PREPA hereby (i) disputes the accuracy of the amount identified as the "Amount due for Gas Consumed in Commissioning" in Invoice PREPA0001C and (ii) disclaims any liability to pay for any quantity of natural gas included in that amount that was not consumed either in the commissioning of San Juan Units 5 and 6 in natural gas service or in the generation of power sold to the grid by Buyer.

Sections 6.2 and 6.3 of the FSPA provide that during the Transitional Supply Period Seller shall sell and deliver to Buyer at the Delivery Point and Buyer shall pay for such quantities of NG delivered at the Delivery Point as the Parties agree are necessary for Seller to start-up, commission, test and complete the Works. Section 1.1 of the FSPA defines the "Works" as "the design, engineering, construction, supply, commissioning and testing works within the fence line of the San Juan Power Plant required to make Natural Gas available to SJ 5&6 Units at the Delivery Point and to convert such units to Natural Gas burning power generation, all as further described in the Scope of Work." Section 6.3(b) provides that "[t]he Fuel Price applicable to the NG quantities consumed during the Transitional Supply Period up to a maximum quantity of one million two hundred thousand (1,200,000) MMBtu in aggregate for both SJ 5&6 Units shall be the Fuel Price calculated in accordance with Exhibit C, and Seller shall be solely responsible for the cost of NG in excess of such quantity, except to the extent that such excess quantities are used to generate power sold to the grid by Buyer."

Buyer is only obligated under the FSPA to pay for quantities of NG delivered to it at the Delivery Point during the Transitional Supply Period either for the commissioning and testing of the SJ 5& 6 Units or for the generation of power which Buyer sells to the grid. Yet Invoice PREPA0001C includes quantities of NG that were not delivered to Buyer at the Delivery Point and were not used for commissioning and testing of SJ 5&6 or for the generation of power for sale. Those quantities, which total 733,800 MMBtu in the aggregate (Invoice PREPA0001C, Commissioning Invoice Summary, Line 3), were not delivered and were not measured at the Delivery Point, and were not consumed in SJ 5 or 6, but rather appear to have been consumed in Seller's facilities either as liquified natural gas boil-off or flared. We note that Section 10.2(c) of the FSPA states that, "[f]or the avoidance of doubt, it is the intent of the Parties that Natural Gas will only be considered delivered when it reaches the Delivery Point, and that any Natural Gas Measured at the Metering Equipment that is not actually delivered to the Delivery Point will not be considered delivered and will not be charged to Buyer." The 733,800 MMBtu was not actually delivered to the Delivery Point, and therefore cannot be charged to Buyer.

Consequently, none of the 733,800 MMBtu identified in Invoice PREPA0001C, Commissioning Invoice Summary, Line 3, is properly considered to have been delivered to Buyer. The cost of this quantity of Natural Gas may not properly be invoiced to Buyer under Sections 6.2 and 6.3 of the FSPA. PREPA disclaims any liability to pay amounts invoiced for this quantity of Natural Gas.

Accordingly, PREPA respectfully requests that Seller adjust Invoice PREPA0001C to eliminate the quantity of 733,800 MMBtu identified in Line 3 of the Commissioning Invoice Summary. PREPA will pay the amount of this adjusted invoice, and will expect that Seller will

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refund or credit any amount relating to the improperly invoiced quantity which PREPA may have paid.

Please let me know if you have any questions or would like to discuss.

Sincerely,



James F. Bowe, Jr.
Partner

Attorney for the Puerto Rico Electric Power Authority

JFB:

cc: Emily Willborn (ewillborn@newfortressenergy.com)

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