



NextDecade Provides Fourth Quarter 2024 Business Update

February 28, 2025

Outlines Development Plans for Approximately 18 MTPA of Additional Liquefaction Capacity

HOUSTON--(BUSINESS WIRE)--Feb. 28, 2025-- NextDecade Corporation (NextDecade or the Company) (NASDAQ: NEXT) today provided an update on developmental and strategic activities for the fourth quarter 2024 and early first quarter 2025.

CEO Commentary

"As we begin 2025, we are at an exciting time in NextDecade history. Our team is working diligently to capitalize on our outsized growth opportunities while continuing to construct Trains 1 through 3 (Phase 1) at the Rio Grande LNG Facility safely, on schedule, and on budget," said Matt Schatzman, NextDecade's Chairman and Chief Executive Officer. "We are working with multiple potential commercial counterparties to progress Trains 4 and 5 toward positive final investment decisions (FIDs), and we believe we are well positioned to secure commercial support for both trains."

"Today, we are also pleased to announce development plans for expansion capacity at the Rio Grande LNG Facility site beyond Trains 1 through 5. We are currently developing and preparing to start the permitting process for Train 6 and starting the development of Trains 7 and 8. Train 6 is being developed inside the existing levee at the site, which is expected to provide advantages in site preparation and expected economics. We plan to pre-file an application with the Federal Regulatory Energy Commission (FERC) for Train 6 this year. Trains 7 and 8 are being developed on the site outside of the existing levee. Additionally, we expect to explore options for the development of up to two additional trains at our site beyond Train 8."

Significant Recent Developments

Construction

- Under the EPC contracts with Bechtel Energy Inc. (Bechtel), Phase 1 progress is tracked for Train 1, Train 2, and the common facilities on a combined basis and Train 3 on a separate basis. As of January 2025:
 - The overall project completion percentage for Trains 1 and 2 and the common facilities of the Rio Grande LNG Facility was 38.1%, which is in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 84.9% complete, procurement was 69.2% complete, and construction was 10.6% complete.
 - The overall project completion percentage for Train 3 of the Rio Grande LNG Facility was 15.3%, which is also in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 33.5% complete, procurement was 32.8% complete, and construction was 0.4% complete.
- In February 2025, the Company provided additional information regarding its development of additional liquefaction capacity at the Rio Grande LNG Facility beyond Trains 1 through 5. Trains 6 through 8 are wholly owned by NextDecade and are cumulatively expected to increase the Company's total liquefaction capacity by approximately 18 MTPA once constructed and placed into operation.
 - Train 6, with expected LNG production capacity of approximately 6 MTPA, is being developed inside the existing levee at the site and adjacent to Trains 1 through 5. A pre-filing application with FERC for Train 6 is expected in 2025, and a full FERC application is expected in early 2026.
 - Trains 7 and 8, with a total expected LNG production capacity of approximately 12 MTPA, are being developed on the site outside of the existing levee.

Financial

- In December 2024, the Company's wholly-owned subsidiary, Rio Grande LNG Super Holdings, LLC, entered into a credit agreement (the Corporate Credit Agreement) which provided for a \$175 million senior secured loan. Proceeds from the senior secured loan were disbursed at closing on December 31, 2024, and net proceeds were used to repay outstanding borrowings under the Company's existing \$50 million revolving credit facility and \$12.5 million interest term loan, and will be used to fund working capital and general corporate purposes, including development expenses for expansion trains at the Rio Grande LNG Facility. Borrowings under the senior secured loan bear interest at 12.0%, with interest payable quarterly. Interest may be paid in-kind until March 31, 2027, and up to 50% in-kind thereafter. The senior secured loan matures six years from the closing date.
- In conjunction with the closing of the Corporate Credit Agreement, the Company issued warrants in two equal tranches that are exercisable for an aggregate of approximately 7.2 million shares of NextDecade common stock to the lender of the senior secured loan. The warrants are exercisable for five years after the closing date. The first tranche of the warrants are exercisable at \$7.15 per share, which represents the 30-day volume weighted average trading price for the 30 trading-day period immediately preceding the closing date, and the second tranche of the warrants are exercisable at \$9.30 per share.

Regulatory

- In August 2024, the U.S. Court of Appeals for the D.C. Circuit (the Court) issued a decision vacating FERC's reauthorization of the Rio Grande LNG Facility on the grounds that FERC should have issued a supplemental Environmental Impact Statement (EIS) during its reauthorization process.
- On September 13, 2024, FERC issued notice of its intent to prepare a supplemental EIS in response to the Court's decision. The notice set forth a schedule providing for the issuance of a draft of the supplemental EIS in March 2025, the final supplemental EIS by the end of July 2025, and issuance of a final order by November 20, 2025.
- On October 21, 2024, the Company filed a petition for rehearing and rehearing *en banc* with the Court. On December 9, 2024, petitioners in the case and FERC filed responses to the Company's request for rehearing, and the Court's decision is pending.
- The Court's decision will not be effective until the Court has issued its mandate, which is not expected to occur until after the appeals process has been completed. At this time, construction continues on Phase 1 at the Rio Grande LNG Facility.
- The Company expects to take all available legal and regulatory actions, including appellate actions, to ensure that construction on Phase 1 will continue and that necessary regulatory approvals will be maintained to enable a positive FID on Trains 4 and 5 at the Rio Grande LNG Facility.

Rio Grande LNG Facility

NextDecade is constructing and developing the Rio Grande LNG Facility on the north shore of the Brownsville Ship Channel in south Texas. The site is located on 984 acres of land which has been leased long-term and includes 15,000 feet of frontage on the Brownsville Ship Channel. The Company believes the site is advantaged due to its proximity to abundant natural gas resources in the Permian Basin and Eagle Ford Shale, access to an uncongested waterway for vessel loading, and location in a region that has historically been subject to fewer and less severe weather events relative to other locations along the U.S. Gulf Coast. The Rio Grande LNG Facility has received necessary approvals and authorizations required for the construction of up to five liquefaction trains and export of up to 27 MTPA of LNG, including approval from FERC and FTA and non-FTA authorizations from the Department of Energy. Please see "Significant Recent Developments – Regulatory" for more information regarding the Company's FERC permit. Phase 1 at the Rio Grande LNG Facility is under construction, Trains 4 and 5 are currently being commercialized, and the Company is developing and beginning the permitting process for Trains 6 through 8.

Phase 1 (Trains 1-3)

Phase 1 at the Rio Grande LNG Facility is under construction. Phase 1 includes three liquefaction trains with a total nameplate capacity of approximately 18 MTPA of LNG production, two 180,000 cubic meter full containment LNG storage tanks, and two jetty berthing structures designed to load LNG carriers up to 216,000 cubic meters in capacity. Phase 1 also includes associated site infrastructure and common facilities including feed gas pretreatment facilities, electric and water utilities, two totally enclosed ground flares for the LNG tanks and marine facilities, two ground flares for the liquefaction trains, roads, levees surrounding the development area, and warehouses, administrative, operations control room, and maintenance buildings.

As of January 2025, progress on Trains 1 through 3 is in line with the schedule under the EPC contracts. During the fourth quarter and early 2025, the construction team continued steel assembly in the Train 1 area and adjacent pipe racks. Within Train 2, foundations were progressed and steel assembly began. Tank 1 roof panels were set in place, and the first wall concrete pour for Tank 2 was completed. Across the site, Bechtel's work also continues on installing underground structures, loading berths, piling, concrete foundations, and other siteworks. Bechtel has materially completed purchase orders for critical and high-value items for Phase 1.

NextDecade holds equity interests in the Phase 1 joint venture that entitle it to receive up to 20.8% of the distributions of available cash during operations.

Final Investment Decision on Train 4 and Train 5

We expect to make a positive FID and commence construction on Trains 4 and 5 and related infrastructure at the Rio Grande LNG Facility, subject to, among other things, maintaining requisite governmental approvals, finalizing and entering into EPC contracts, entering into appropriate commercial arrangements, and obtaining adequate financing to construct each train and related infrastructure.

The Company has finalized an EPC contract with Bechtel for Train 4 and related infrastructure. Pricing under the EPC Contract for Train 4 was valid through December 31, 2024, and a pricing refresh is in process and is expected to be completed in 2025.

The Company continues to advance commercial discussions with multiple potential counterparties and expects to finalize commercial arrangements for Train 4 in the coming months to support a positive FID on Train 4. The Company entered into an LNG SPA with ADNOC for the sale of 1.9 MTPA of LNG from Train 4, as well as a non-binding Heads of Agreement (HoA) with Aramco for a 20-year SPA for the sale of 1.2 MTPA of LNG from Train 4. The Company is working with Aramco to finalize a binding SPA. Additionally, an affiliate of TotalEnergies SE (TotalEnergies) has an LNG purchase option of 1.5 MTPA for Train 4, and the Company expects TotalEnergies to exercise the option.

The Company expects to finance construction of Train 4 and associated infrastructure utilizing a combination of debt and equity funding. The Company expects to enter into bank facilities for the debt portion of the funding. In connection with consummating the Rio Grande Phase 1 equity joint venture, the Company's equity partners each have options to invest in Train 4 equity, which, if exercised, would provide approximately 60% of the equity funding required for Train 4. Inclusive of these options, NextDecade currently expects to fund 40% of the equity commitments for Train 4, and to have an initial economic interest of 40% in Train 4, increasing to 60% after its equity partners achieve certain returns on their investments in Train 4. The Company expects to make a positive FID on Train 4 after commercial and financing arrangements are finalized.

The Company is also progressing the development and commercialization of Train 5. TotalEnergies holds an LNG purchase option for 1.5 MTPA for Train 5, and the Rio Grande Phase 1 equity partners have options to invest in Train 5 equity which are identical to their options to participate in Train 4 equity.

Development of Additional Liquefaction Capacity

The Company is developing and beginning the permitting process for additional liquefaction capacity at the Rio Grande LNG Facility site beyond Trains 1 through 5. Trains 6 through 8 are wholly owned by NextDecade and are cumulatively expected to increase the Company's total liquefaction capacity by approximately 18 MTPA once constructed and placed into operation.

Train 6 is being developed inside the existing levee at the Rio Grande LNG Facility site and adjacent to Trains 1 through 5. The Company expects to pre-file an application with FERC for Train 6 in 2025 and a full application with FERC in early 2026. Trains 7 and 8 are being developed on the site outside of the existing levee.

Investor Presentation

NextDecade has posted an updated investor presentation to its website concurrently with this release. A copy of this release and the investor presentation can be found on its website at investors.next-decade.com.

About NextDecade Corporation

NextDecade is committed to providing the world access to reliable, lower carbon energy. We are focused on delivering secure, low-cost, and sustainable energy solutions through the safe and efficient development and operation of natural gas liquefaction and carbon capture and storage infrastructure. Through our subsidiaries, we are developing and constructing the Rio Grande LNG natural gas liquefaction and export facility near Brownsville, Texas, with approximately 48 MTPA of potential liquefaction capacity currently under construction or in development. We are also developing a potential carbon capture and storage project at the facility that is expected to make meaningful impacts toward a lower carbon future. NextDecade's common stock is listed on the Nasdaq Stock Market under the symbol "NEXT." NextDecade is headquartered in Houston, Texas. For more information, please visit www.next-decade.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words "anticipate," "contemplate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "might," "will," "would," "could," "should," "can have," "likely," "continue," "design," "assume," "budget," "guidance," "forecast," and "target," and other words and terms of similar expressions are intended to identify forward-looking statements, and these statements may relate to the business of NextDecade and its subsidiaries. These statements have been based on assumptions and analysis made by NextDecade in light of current expectations, perceptions of historical trends, current conditions and projections about future events and trends and involve a number of known and unknown risks, which may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. Although NextDecade believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that the expectations will prove to be correct. NextDecade's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in NextDecade's periodic reports that are filed with and available from the Securities and Exchange Commission. The taking of a final investment decision on Trains 4 and 5 at the Rio Grande LNG Facility is subject to, among other things, maintaining requisite governmental approvals, finalizing and entering into EPC contracts, entering into appropriate commercial arrangements, and obtaining adequate financing to construct each train and related infrastructure. Additionally, any development of additional expansion trains at the Rio Grande LNG Facility or CCS projects remains contingent upon receipt of requisite governmental approvals, execution of definitive commercial and financing agreements, securing all financing commitments and potential tax incentives, achieving other customary conditions and making a final investment decision to proceed. The forward-looking statements in this press release speak as of the date of this release. NextDecade may from time to time voluntarily update its prior forward-looking statements, however, it disclaims any commitment to do so except as required by securities laws.

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