

Risk Factors Comparison 2024-03-11 to 2023-03-10 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We are subject to uncertainties and risks due to the nature of the business activities we conduct. The following information describes certain uncertainties and risks that could affect our business, financial condition or results of operations or could cause actual results to differ materially from estimates or expectations contained in our forward- looking statements. This section does not describe all risks applicable to us, our industry or our business, and it is intended only as a summary of known material risks that are specific to us. We may experience additional risks and uncertainties not currently known to us or that we currently deem to be immaterial which may materially and adversely affect our business, financial condition and results of operations. Risks Related to our Business and the Industry in which we Operate **The substantial amount** ~~We are in the process of developing~~ **indebtedness incurred to finance construction of Phase 1 of the Rio Grande LNG liquefaction Facility may adversely affect Rio Grande's cash flow and its ability to operate its business, remain in compliance with debt covenants and make payments on its indebtedness. Rio Grande has incurred a substantial amount of indebtedness. This substantial level of indebtedness increases the possibility that Rio Grande may be unable to generate cash sufficient to pay, when due, the principal or interest on such indebtedness or to refinance such indebtedness ahead of its scheduled maturity. This indebtedness and obligations thereunder could have other important consequences to you as a stockholder. For example:**

- any failure to comply with the obligations of any of Rio Grande's debt instruments, including financial and other restrictive covenants, could result in ~~and~~ an export project event of default under the applicable instrument;**
- Rio Grande may be more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse change in government regulation affecting Rio Grande's ability to pay obligations when due;**
- Rio Grande may need to dedicate a substantial portion of its future cashflow from operations to payments on indebtedness, thereby reducing the availability of cash flows to fund working capital, capital expenditures, acquisitions, other general corporate purposes and any future dividends or share repurchases;**
- the ability to refinance Rio Grande's indebtedness will depend on the condition of credit markets and capital markets, and its financial condition at such time. Any refinancing could be at higher interest rates and may require compliance with more onerous covenants, which could further restrict business operations;**
- we may have limited flexibility in planning for, or reacting to, changes in Rio Grande's business and the industry in which it operates; and**
- our indebtedness may place Rio Grande at a competitive disadvantage compared to its competitors that have less debt. Restrictions in debt agreements may prevent certain beneficial transactions. In addition to restrictions on the ability of Rio Grande to make distributions or incur additional indebtedness, the agreements governing Rio Grande's indebtedness also contain various other covenants that may prevent it from engaging in beneficial transactions, including limitations on the ability of Rio Grande or certain of its subsidiaries to:**
 - make distributions or certain investments;**
 - incur additional indebtedness;**
 - purchase, redeem or retire equity interests;**
 - sell or transfer assets;**
 - incur liens;**
 - enter into transactions with affiliates; and**
 - consolidate, merge, sell or lease all or substantially all of its assets. A breach of the covenants and other restrictions in any of Rio Grande's indebtedness could result in ~~and~~ a several event of default thereunder. Such a default may allow the holders of such indebtedness to accelerate the related indebtedness which may result in foreclosure on Rio Grande's assets.**

Additionally, NextDecade LLC has entered into a credit agreement (the "NextDecade Credit Agreement") that provides for a \$ 50 million revolving loan facility. The NextDecade Credit Agreement includes covenants that, among other things, limit the ability of NextDecade LLC to incur additional indebtedness, make certain investments or pay dividends or distributions on equity interests or subordinated indebtedness or purchase, redeem, or retire equity interests, sell or transfer assets, incur liens or dissolve, liquidate, consolidate, merge. Upon the occurrence and continuation of an event of default under the NextDecade Credit Agreement (and after all applicable cure periods have elapsed), the required lenders may, by notice to NextDecade LLC accelerate the loans thereunder, suspend or terminate all outstanding loan commitments under the NextDecade Credit Agreement and exercise remedies in respect of the collateral. Conducting a portion of our operations through joint ventures in which we do not have 100 % ownership interest, and which are not operated solely for the benefit of our stockholders, exposes us and our stockholders to risks and uncertainties, many of which are outside of our control. We currently operate parts of our business through a joint venture, Rio Grande LNG Intermediate Holdings, LLC ("Intermediate Holdings") in which we do not have 100 % ownership interest, and we may enter into additional joint ventures in the future. Joint ventures and minority investments inherently involve a lesser degree of control over business operations, thereby ~~potential~~ **potentially carbon capture increasing the financial, legal, operational and / or compliance risks associated with the joint venture or minority investment. For example, except for the Member Reserved Matters (as defined below), the affairs of Intermediate Holdings will otherwise be managed by a board of managers (the "Intermediate Holdings Board"). The Intermediate Holdings Board will be composed of up to four managers appointed by the NextDecade Member (the "Class A Managers"), including one Class A Manager designated by Global LNG North America Corp., a subsidiary of TotalEnergies SE, and managers appointed by members holding a minimum percentage of the Class B limited liability company interests in Intermediate Holdings (the "Class B Managers"). Approval of any matter by the Intermediate Holdings Board will require the consent of a majority of the Class A Managers voting on the matter and Class B Managers representing a majority of the Class B limited liability company interests in Intermediate Holdings voting for such matter, as applicable; provided that (i) certain specified "qualified matters," "supermajority matters," and "**

unanimous matters” are reserved to the approval of the members of Intermediate Holdings (the “Member Reserved Matters”) holding a requisite percentage of the applicable classes of limited liability company interests in Intermediate Holdings, and (ii) related party transactions will be subject to approval in accordance with the procedures specified in the JV Agreement. Pursuant to the JV Agreement, the NextDecade Member will be entitled to receive up to approximately 20.8 % of distributions of available cash of Intermediate Holdings to its members during operations; provided, that a majority of the Intermediate Holdings distributions to which the NextDecade Member is otherwise entitled will be paid for any distribution period only after the Financial Investors receive and an storage-agreed distribution threshold in respect of such distribution period and certain other deficit payments from prior distribution periods, if any, are made. Any such shortfall in distributions that the NextDecade Member would otherwise have been entitled to will accrue as an arrearage to be paid out in future periods in which Intermediate Holdings meets the applicable target distribution threshold for the Financial Investors. Challenges and risks presented by joint venture structures not otherwise present with respect to our wholly-owned subsidiaries and direct operations, include: • our joint ventures may fail to generate the expected financial results, and the return may be insufficient to justify our investment of effort and / or funds; • we may not control the joint ventures or our venture partners may hold veto rights over certain actions; • the level of oversight, control and access to management information we are able to exercise with respect to these operations may be lower compared to our wholly-owned businesses, which may increase uncertainty relating to the financial condition of these operations, including the credit risk profile; • we may experience impasses or disputes with our joint venture partners on certain decisions, which could require us to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; • we may not have control over the timing or amount of distributions from the joint ventures; • our joint venture partners may have business or economic interests that are inconsistent with ours and may take actions contrary to our interests; • our joint venture partners may fail to fund capital contributions or fail to fulfill their obligations as partners; • the arrangements governing our joint ventures may contain restrictions on the conduct of our business and may contain certain conditions or milestone events that may never be satisfied or achieved; • we may suffer losses as a result of actions taken by our venture partners with respect to our joint ventures; and • it may be difficult for us to exit joint ventures if an impasse arises or if we desire to sell our interest for any reason. We believe an important element in the success of any joint venture is a solid relationship between the members of that venture. If there is a change in ownership, a change of control, a change in management or management philosophy, a change in business strategy or another event with respect to a member of our joint venture that adversely impacts the relationship between the venture partners, it could adversely impact such venture. If our partners are unable or unwilling to invest in our joint venture in the manner that is anticipated or otherwise fail to meet their contractual obligations, the joint venture may be unable to adequately perform and conduct its respective operations, or may require us to provide, or make other arrangements for additional financing for the joint venture. Such financing may not be available on favorable terms, or at all. Joint venture partners, controlling shareholders, management or other persons or entities who control them may have economic or business interests, strategies or goals that are inconsistent with ours. Business decisions or other actions or omissions of the joint venture partners, controlling shareholders, management or other persons or entities who control them may adversely affect the value of our investment, result in litigation or regulatory action against us and otherwise damage our reputation. Any such circumstance could materially adversely affect our results of operations, financial condition, cash flows and / or prospects. Our projects on industrial facilities are in the development and construction phases, and the success of such projects is unpredictable; as such, positive cash flows and even revenues will be several years away, if they occur at all. We are not expected to generate cash flow, or even obtain revenues, from our LNG liquefaction and export activities unless and until the Terminal Rio Grande LNG Facility is operational, which is expected to be at least four years away. Additionally, we do not expect to generate cash flow from our CCS projects until we install CCS systems at the Rio Grande LNG Facility or on third-party industrial facilities. Accordingly, distributions to investors may be limited, delayed, or non-existent. Our cash flow and consequently our ability to distribute earnings will be dependent upon our ability to complete Phase 1 of the Terminal Rio Grande LNG Facility and future phases of development and implement CCS systems and thereafter generate cash and net operating income from operations. Rio Grande’s ability to complete the Terminal Rio Grande LNG Facility, as discussed further below, is dependent upon, among other things, performance of third-party contractors, our ability to obtain necessary regulatory approvals and raise customers under their agreements with Rio Grande capital necessary to fund development of the Terminal. NEXT Carbon Solutions’ ability to install CCS systems at third-party industrial facilities, as discussed further below, is dependent on the development of front-end engineering and design (“FEED”) offerings and contracting with third parties to install CCS systems in their industrial facilities. We do not expect Rio Grande to generate any revenue until the completion of construction of the first phase Phase 1 of the Terminal Rio Grande LNG Facility or NEXT Carbon Solutions to generate any revenue until successful installation of CCS systems at third-party facilities. After the first phase Phase 1 of the Terminal Rio Grande LNG Facility is completed or our CCS systems are installed in third-party industrial facilities, financing and numerous other factors may reduce our cash flow. As a result, we may not make distributions of any amount or any distributions may be delayed. We will be required to seek additional debt and equity financing in the future to complete future phases of the Terminal Rio Grande LNG Facility and the development of CCS projects and may not be able to secure such financing on acceptable terms, or at all. Since we will be unable to generate any revenue while we are in the development and construction stages, which will be for multiple years with respect to Phase 1 of the Terminal Rio Grande LNG Facility, we will need additional financing to provide the capital required to execute our business plan. We will need significant additional funding to develop and construct future phases of the Terminal Rio Grande LNG Facility and CCS projects as well as for working capital requirements and other operating and general corporate purposes. Our ability to obtain the capital necessary

to fund development and construction of future projects will depend on the condition of the credit and capital markets, which could become constrained due to factors outside our control. There can be no assurance that we will be able to raise sufficient capital on acceptable terms, or at all. If sufficient capital is not available on satisfactory terms, we may be required to delay, scale back or eliminate the development of business opportunities, and our operations and financial condition may be adversely affected to a significant extent. **Additional Debt-debt financing for future phases of development at the Rio Grande LNG Facility**, if obtained, may involve agreements that include liens on ~~the Terminal~~ **subsequent trains** or other assets and covenants limiting or restricting our ability to take specific actions, such as paying dividends or making distributions, incurring additional debt, acquiring or disposing of assets and increasing expenses. Debt financing would also be required to be repaid regardless of our operating results. In addition, the ability to obtain financing for **future phases of the Terminal-Rio Grande LNG Facility** is expected to be contingent upon, among other things, ~~our ability to enter-~~ **entry** into **EPC agreements for construction of subsequent trains and** sufficient long- term commercial agreements prior to the commencement of construction. For additional information regarding our ability to enter into ~~such sufficient long-term commercial~~ agreements, see “ — Our ability to generate cash is substantially dependent upon us entering into satisfactory contracts with third parties and the performance of those third parties under those contracts. ” There is substantial doubt about our ability to continue as a going concern. We have incurred operating losses since our inception and management expects operating losses and negative cash flows to continue for the foreseeable future and, as a result, we will require additional capital to fund our operations and execute our business plan. As of December 31, ~~2022~~ **2023**, the Company had \$ ~~62-38~~ **8-2** million in cash and cash equivalents, which may not be sufficient to fund the Company's planned operations through one year after the date the consolidated financial statements are issued. Accordingly, there is substantial doubt about the Company's ability to continue as a going concern. The analysis used to determine the Company's ability to continue as a going concern does not include cash sources outside of the Company's direct control that management expects to be available within the next twelve months. Our ability to continue as a going concern is dependent upon our ability to obtain sufficient funding through additional debt or equity financing and to manage operating and overhead costs. There can be no assurance that we will be able to raise sufficient capital on acceptable or favorable terms to the Company, or at all. ~~Postponement in making a positive FID on the construction and operation of the Terminal may require us to amend some of our agreements. The terms of certain agreements to which we are a party require that a positive FID on the Terminal occurs no later than specified dates or may otherwise terminate at the end of their respective terms or require certain payments. If we postpone making a positive FID on the construction and operation of the Terminal beyond any such date or term, we may need to amend the corresponding agreement in order to extend such date or term. If we fail to issue a full notice to the EPC contractor for the construction of the Terminal prior to December 31, 2023, under the Omnibus Agreement entered into in connection with the sale of Rio Grande LNG Facility Bravo, Spectra Energy Transmission II, LLC, a wholly owned subsidiary of Enbridge, has the right to require the Company to repurchase Rio Bravo's equity interests at a price up to \$ 23 million. Additionally, the price validity under our EPC Agreements with Bechtel extends until March 15, 2023, unless extended by mutual agreement of the parties thereto, and if we do not issue a notice to proceed to Bechtel by any such date, we will need to agree with Bechtel on any price increases for construction attendant to such delay. For these reasons, our business could be materially adversely affected if there is postponement in making a positive FID on the Terminal if certain agreements are not amended. The Terminal's operations will be substantially dependent on the development and operation of the Pipeline by Enbridge and its affiliates. The Terminal-Rio Grande LNG Facility will be dependent on a pipeline owned by an affiliate of Enbridge (the “ Transporter ”) for the delivery of all of its natural gas. The Pipeline is currently in development and its construction will require the Transporter to secure options for rights- of- way along the proposed Pipeline route. It is possible that, in negotiating to secure these rights- of- way, the Transporter encounters recalcitrant landowners or competitive projects, which could result in additional time needed to secure the Pipeline route and, consequently, delays in, or abandonment of, its construction. Construction of the Pipeline could be delayed or abandoned for any of many other reasons, such as it becoming economically disadvantageous to the Transporter, a failure to obtain or maintain all necessary permits, approvals and licenses for the construction or and operation, mechanical or structural failures, inadvertent damages during construction, natural disasters, or any terrorist attack, including cyberterrorism, affecting the Pipeline or the Transporter. Any such delays in the construction of the Pipeline could delay the development of the Terminal-Rio Grande LNG Facility and its becoming operational. We may be subject to risks related to doing business in, and having counterparties based in, foreign countries. We may engage in operations or make substantial commitments to and investments in, and enter into agreements with, counterparties located outside the U. S., which would expose us to political, governmental and economic instability and foreign currency exchange rate fluctuations. We also may participate in global carbon capture credit markets to the extent those develop and become available to our CCS projects or their customers. Any disruption caused by these factors could harm our business, results of operations, financial condition, liquidity and prospects. Risks associated with potential operations, commitments and investments outside of the U. S. include but are not limited to risks of: • currency exchange restrictions and currency fluctuations; • war or terrorist attack; • expropriation or nationalization of assets; • renegotiation or nullification of existing contracts or international trade arrangements; • changing political conditions; • macro- economic conditions impacting key markets and sources of supply; • changing laws and policies affecting trade, taxation, incentives, financial regulation, immigration, and investment, including laws and policies regarding the verification and trading of carbon capture credits; • the implementation of tariffs by the U. S. or foreign countries in which we do business; • duplicative taxation by different governments; • general hazards associated with the assertion of sovereignty over areas in which operations are conducted, transactions occur, or counterparties are located; and • the unexpected credit rating downgrade of countries in which our LNG customers are based. As our reporting currency is the U. S. dollar, any operations conducted outside the U. S. or transactions denominated in foreign currencies would face additional risks of fluctuating currency values and exchange rates, hard currency shortages and controls on currency exchange. In addition, we would be subject to the impact of foreign currency~~

fluctuations and exchange rate changes on our financial reports when translating our assets, liabilities, revenues and expenses from operations or transactions outside of the U. S. into U. S. dollars at the then- applicable exchange rates. These translations could result in changes to our results of operations from period to period. Costs for the **Terminal Rio Grande LNG Facility** and CCS projects are subject to various factors. Construction costs for the **Terminal Rio Grande LNG Facility** and CCS projects will be subject to various factors such as economic and market conditions, government policy, claims and litigation risk, competition, the final terms of any definitive agreement for services with EPC service providers, change orders, delays in construction, legal and regulatory requirements, unanticipated regulatory delays, site issues, increased component and material costs, escalation of labor costs, labor disputes, increased spending to maintain construction schedules and other factors. In particular, costs for the **Terminal Rio Grande LNG Facility** are expected to be substantially affected by: • global prices of nickel, steel, concrete, pipe, aluminum and other component parts of the **Terminal Rio Grande LNG Facility** or CCS projects and the contractual terms upon which our contractors are able to source and procure required materials; • any U. S. import tariffs or quotas on steel, aluminum, pipe or other component parts of the **Terminal Rio Grande LNG Facility** or CCS projects, which may raise the prices of certain materials used in the **Terminal Rio Grande LNG Facility**; • commodity and consumer prices (principally, natural gas, crude oil and fuels that compete with them in our target markets) on which our economic assumptions are based; • the exchange rate of the U. S. Dollar with other currencies; • changes in regulatory regimes in the U. S. and the countries to which we will be authorized to sell LNG; • changes in regulatory regimes in the U. S. and the countries that seek to develop and regulate a market for the trading of global carbon capture credits; • levels of competition in the U. S. and worldwide; • changes in the tax regimes in the countries to which we sell LNG or in which we operate; • cost inflation relating to the personnel, materials and equipment used in our operations; • delays caused by events of force majeure or unforeseeable climatic events; • interest rates; and • synergy benefits associated with the development of multiple phases of the **Terminal Rio Grande LNG Facility** using identical design and construction philosophies. **In addition, our EPC agreements for Phase 1 allocate certain cost risks to Bechtel; however, our willingness to make a FID and our ability to construct the Terminal and achieve operations, events related to such the above activities may cause actual costs of the Terminal Rio Grande LNG Facility to vary from the range, combination and timing of assumptions used for projected costs of the Terminal Rio Grande LNG Facility, in addition to affecting our willingness to make a positive FID on future phases of development at the Rio Grande LNG Facility or on CCS projects.** Such variations may be material and adverse, and an investor may lose all or a portion of its investment. We will be dependent on third- party contractors for the successful completion of the **Terminal Rio Grande LNG Facility** and CCS projects, and these contractors may be unable to complete the **Terminal Rio Grande LNG Facility** or CCS projects or may build a non- conforming **Terminal Rio Grande LNG Facility** or CCS projects. The construction of the **Terminal Rio Grande LNG Facility** is expected to take several years, will be confined to a limited geographic area and could be subject to delays, cost overruns, labor disputes and other factors that could adversely affect financial performance or impair our ability to execute our scheduled business plan. Timely and cost- effective completion of the **Terminal Rio Grande LNG Facility** and **our any** CCS projects in conformity with agreed- upon specifications will be highly dependent upon the performance of third- party contractors pursuant to their agreements. **We However, with respect to CCS projects, we have not yet entered into definitive agreements with certain of the contractors, advisors and consultants necessary for the development and construction for future phases of each development at the Rio Grande LNG Facility or any CCS project projects.** We may not be able to successfully enter into such construction agreements on terms or at prices that are acceptable to us. Further, faulty construction that does not conform to our design and quality standards may have an adverse effect on our business, results of operations, financial condition and prospects. For example, improper equipment installation may lead to a shortened life of our equipment, increased operations and maintenance costs or a reduced availability or production capacity of the affected facility. The ability of our third- party contractors to perform successfully under any agreements to be entered into is dependent on a number of factors, including force majeure events and such contractors' ability to: • design, engineer and receive critical components and equipment necessary for the **Terminal Rio Grande LNG Facility** and CCS projects to operate in accordance with specifications and address any start- up and operational issues that may arise in connection with the commencement of commercial operations; • attract, develop and retain skilled personnel and engage and retain third- party subcontractors, and address any labor issues that may arise; • post required construction bonds and comply with the terms thereof, and maintain their own financial condition, including adequate working capital; • adhere to any warranties the contractors provide in their EPC contracts; and • respond to difficulties such as equipment failure, delivery delays, schedule changes and failure to perform by subcontractors, some of which are beyond their control, and manage the construction process generally, including engaging and retaining third- party contractors, coordinating with other contractors and regulatory agencies and dealing with inclement weather conditions. Furthermore, we may have disagreements with our third- party contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under the related contracts, resulting in a contractor' s unwillingness to perform further work on the relevant project. We may also face difficulties in commissioning a newly constructed facility at the **Terminal Rio Grande LNG Facility**. Any of the foregoing issues or significant project delays in the development or construction of the **Terminal Rio Grande LNG Facility** and, to the extent applicable, CCS projects could materially and adversely affect our business, results of operations, financial condition and prospects. We have entered into **nine a limited number of** commercial arrangements with customers for products and services from the **Terminal Rio Grande LNG Facility**, each of which is subject to preconditions including the **Terminal Rio Grande LNG Facility** becoming operational **7**. **We are dependent on each customer' s continued willingness and ability to perform its obligations under its sale and purchase agreement. We are also exposed to the credit risk of any guarantor of these customers' obligations under their respective sale and purchase agreement in the event that we must seek recourse under a guaranty. If any customer fails to perform its obligations under its sale and purchase agreement, our business, contracts, financial condition, operating results, cash flow, liquidity and prospects could be materially and adversely affected, even if we were ultimately successful in seeking**

damages from that customer or its guarantor for a breach of the sale and purchase agreement. We have not yet entered into any definitive commercial arrangements with third parties desiring to install our CCS systems in their industrial facilities. We also have not entered into, and may never be able to enter into, satisfactory commercial arrangements with third-party suppliers of feedstock or other required supplies to the **Terminal-Rio Grande LNG Facility**. Our business strategy regarding how and when the **Terminal-Rio Grande LNG Facility**'s export capacity or, LNG produced by the **Terminal-Rio Grande LNG Facility**, or CCS systems are marketed may change based on market factors. Without limitation, our business strategy may change due to inability to enter into agreements with customers or based on our or market participants' views regarding future supply and demand of LNG, prices, available worldwide natural gas liquefaction capacity or regasification capacity, the availability and efficiency of a market for carbon capture credits or other factors. If efforts to market **LNG produced by the Terminal-Rio Grande LNG Facility, the Rio Grande LNG Facility**'s expansion export capacity, ~~LNG produced by the Terminal-~~ or our CCS systems are not successful, our business, results of operations, financial condition and prospects may be materially and adversely affected. Our exposure to the performance and credit risks of counterparties may adversely affect our operating results, liquidity and access to financing. Our operations involve our entering into various construction, purchase and sale, supply and other transactions with numerous third parties. In such arrangements, we will be exposed to the performance and credit risks of our counterparties, including the risk that one or more counterparties fail to perform their obligations under the applicable agreement. Some of these risks may increase during periods of commodity price volatility. In some cases, we will be dependent on a single counterparty or a small group of counterparties, all of whom may be similarly affected by changes in economic and other conditions. These risks include, but are not limited to, risks related to the construction discussed above in "We will be dependent on third-party contractors for the successful completion of the **Terminal-Rio Grande LNG Facility** and CCS projects, and these contractors may be unable to complete the **Terminal-Rio Grande LNG Facility** or CCS projects." Defaults by suppliers, customers and other counterparties may adversely affect our operating results, liquidity and access to **additional** financing. Our construction and operations activities will be subject to a number of development risks, operational hazards, regulatory approvals and other risks which may not be fully covered by insurance, and which could cause cost overruns and delays that could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. **Siting, development Development** and construction of the **Terminal-Rio Grande LNG Facility** and CCS projects will be subject to the risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including, but not limited to, the following: • difficulties or delays in obtaining, or failure to obtain, sufficient debt or equity financing on reasonable terms; • failure to obtain **or maintain** all necessary government and third-party permits, approvals and licenses, **or to comply with all the terms and conditions of those authorizations,** for the construction and operation of the **Terminal-Rio Grande LNG Facility** and CCS projects; • failure to obtain **or maintain** commercial agreements that generate sufficient revenue to support the financing and construction of the **Terminal-Rio Grande LNG Facility** or CCS projects; • difficulties in engaging qualified contractors necessary to the construction of the contemplated **Terminal-Rio Grande LNG Facility** or CCS projects; • shortages of equipment, materials or skilled labor; • natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents and terrorism; • delays in the delivery of ordered materials; • work stoppages and labor disputes; • **opposition from environmental and social groups, landowners, tribal groups, local groups and other advocates could result in organized protests, attempts to block or sabotage our construction activities or operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt or delay the construction or operation of the Rio Grande LNG Facility or CCS projects;** • competition with other domestic and international LNG export ~~terminals-~~ **facilities**; • unanticipated changes in domestic and international market demand for and supply of natural gas and LNG, which will depend in part on supplies of and prices for alternative energy sources and the discovery of new sources of natural resources; • insufficiency in domestic and international market demand for verified carbon capture credits; • unexpected or unanticipated additional improvements; and • adverse general economic conditions. Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require us to obtain additional sources of financing to fund the activities until the **Terminal-Rio Grande LNG Facility** is constructed and operational, which could cause further delays. The need for additional financing may also make the **Terminal-Rio Grande LNG Facility** uneconomic. Any delay in completion of the **Terminal-Rio Grande LNG Facility** may also cause a delay in the receipt of revenues projected from the **Terminal-Rio Grande LNG Facility** or cause a loss of one or more customers. As a result, any significant construction delay, whatever the cause, could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. **Terminal-Rio Grande LNG Facility** operations will be subject to all of the hazards inherent in the receipt and processing of natural gas to LNG, and associated short-term storage including: • damage to pipelines and plants, related equipment, loading terminal, and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters, acts of terrorism and acts of third parties; • damage from subsurface and / or waterway activity (for example, sedimentation of shipping channel access); • leaks of natural gas, **or** natural gas liquids, **or oil or** losses of natural gas, **or** natural gas **liquid liquids**, **or oil** as a result of the malfunction of equipment or facilities; • fires, ruptures and explosions; • other hazards that could also result in personal injury and loss of life, pollution and suspension of operations; and • hazards experienced by other operators that may affect our operations by instigating increased regulations and oversight. Any of these risks could adversely affect our ability to conduct operations or result in substantial loss to us as a result of claims for: • injury or loss of life; • damage to and destruction of property, natural resources and equipment; • pollution and other environmental damage; • regulatory investigations and penalties; • suspension of our operations; • failure to perform contractual obligations; and • repair and remediation costs. Due to the scale of the **Terminal-Rio Grande LNG Facility**, we may encounter capacity limits in insurance markets, thereby limiting our ability to economically obtain insurance with our desired level of coverage limits and

terms. With respect to the ~~Terminal~~ **Rio Grande LNG Facility** or CCS projects, we may elect not to obtain insurance for any or all of these risks if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, contractual liabilities and pollution and environmental risks generally are not fully insurable. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations. We may experience increased labor costs, and the unavailability of skilled workers or our failure to attract and retain qualified personnel could adversely affect us. In addition, changes in our senior management or other key personnel could affect our business operations. We are dependent upon the available labor pool of skilled employees authorized to work in the U. S. We compete with other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our facilities and pipelines and to provide our customers with the highest quality service. A shortage in the labor pool of skilled workers able to legally work in the U. S. or other general inflationary pressures or changes in applicable laws and regulations could make it more difficult for us to attract and retain qualified personnel and could require an increase in the wage and benefits packages that we offer, thereby increasing our operating costs. Any increase in our operating costs could materially and adversely affect our business, financial condition, operating results, liquidity and prospects. We depend on our executive officers for various activities. We do not maintain key person life insurance policies on any of our personnel. Although we have arrangements relating to compensation and benefits with certain of our executive officers, we do not have any employment contracts or other agreements with key personnel binding them to provide services for any particular term. The loss of the services of any of these individuals could have a material adverse effect on our business. Technological innovation, competition or other factors may negatively impact our anticipated competitive advantage or our processes. Our success will depend on our ability to create and maintain a competitive position in the natural gas liquefaction and carbon capture and storage industries. We do not have any exclusive rights to any of the liquefaction technologies that we will be utilizing in the ~~Terminal~~ **Rio Grande LNG Facility**. In addition, the LNG technology we ~~anticipate are~~ using in the ~~Terminal~~ **Rio Grande LNG Facility** may face competition due to the technological advances of other companies or solutions, including more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others. Although we have applied for and obtained patents relating to our CCS processes and rely on other procedures to protect our intellectual property, we may be unable to prevent third parties from utilizing our intellectual property; see “ — We depend on our intellectual property for our CCS projects, and our failure to protect that intellectual property could adversely affect the future growth and success of our CCS business. ” Continuing technological changes in the market for carbon capture solutions could make our CCS projects less competitive or obsolete, either generally or for particular applications. Our future success will depend upon our ability to develop and introduce a variety of new capabilities and enhancements to our CCS offerings to address the changing needs of the carbon capture markets. Delays in introducing enhancements, the failure to choose correctly among technical alternatives or the failure to offer innovative products or enhancements at competitive prices may cause existing and potential customers to utilize competing projects or solutions. We rely on a combination of internal procedures, nondisclosure agreements, licenses, patents, trademarks and copyright law to protect our intellectual property and know-how. Our intellectual property rights may not be successfully asserted in the future or may be invalidated, circumvented or challenged. For example, we frequently explore and evaluate potential relationships and projects with other parties, which often require that we provide the potential partner with confidential technical information. While confidentiality agreements are typically put in place, there is a risk the potential partner could violate the confidentiality agreement and use our technical information for its own benefit or the benefit of others or compromise the confidentiality. We have applied for and obtained some U. S. patents and will continue to evaluate the registration of additional patents, as appropriate. We cannot guarantee that any of our pending applications will be approved. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge them. A failure to obtain registrations in the United States or elsewhere could limit our ability to protect our proprietary processes and could impede our business. Further, the protection of our intellectual property may require expensive investment in protracted litigation and the investment of substantial management time and there is no assurance we ultimately would prevail or that a successful outcome would lead to an economic benefit that is greater than the investment in the litigation. In addition, we may be unable to prevent third parties from using our intellectual property rights and know-how without our authorization or from independently developing intellectual property that is the same as or similar to ours. The unauthorized use of our know-how by third parties could reduce or eliminate any competitive advantage we have developed, cause us to lose sales or otherwise harm our CCS business or increase our expenses as we attempt to enforce our rights. Failure of exported LNG to be a competitive source of energy for international markets could adversely affect our customers and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Operations of the ~~Terminal~~ **Rio Grande LNG Facility** will be dependent upon our ability to deliver LNG supplies from the U. S., which is primarily dependent upon LNG being a competitive source of energy internationally. The success of the ~~Terminal~~ **Rio Grande LNG Facility** is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be supplied from North America and delivered to international markets at a lower cost than the cost of alternative energy sources. Through the use of improved exploration technologies, additional sources of natural gas may be discovered outside the U. S., which could increase the available supply of natural gas outside the U. S. and could result in natural gas in those markets being available at a lower cost than that of LNG exported to those markets. **The price of domestic natural gas, which is subject to change for reasons outside our control, also affects the competitiveness of U. S.- sourced LNG exports.** Additionally, the ~~Terminal~~ **Rio Grande LNG Facility** will be subject to the risk of LNG price competition at times when we need to replace any existing LNG sale and purchase contract, whether due to natural expiration, default or otherwise, or enter into new LNG sale and purchase contracts. Factors relating to competition may prevent us from entering into a new or replacement LNG sale and purchase contract on economically comparable terms as prior LNG sale and purchase contracts, or at all. Factors which may negatively affect potential demand for LNG from our liquefaction projects are

diverse and include, among others: • increases in worldwide LNG production capacity and availability of LNG for market supply; • decreases in demand for LNG or increases in demand for LNG, but at levels below those required to maintain current price equilibrium with respect to supply; • increases in the cost of natural gas feedstock supplied to any project; • decreases in the cost of competing sources of natural gas or alternate sources of energy such as coal, heavy fuel oil, diesel, nuclear, hydroelectric, wind and solar; • decrease in the price of non- U. S. LNG, including decreases in price as a result of contracts indexed to lower oil prices; • increases in capacity and utilization of nuclear power and related facilities; • increases in the cost of LNG shipping; and • displacement of LNG by pipeline natural gas or alternate fuels in locations where access to these energy sources is not currently available. Political instability in foreign countries that import natural gas, or strained relations between such countries and the U. S. may also impede the willingness or ability of LNG suppliers, purchasers and merchants in such countries to import LNG from the U. S. Furthermore, some foreign purchasers of LNG may have economic or other reasons to obtain their LNG from non- U. S. markets or our competitors' liquefaction facilities in the U. S. As a result of these and other factors, LNG may not be a competitive source of energy internationally. The failure of LNG to be a competitive supply alternative to local natural gas, oil and other alternative energy sources in markets accessible to our customers could adversely affect the ability of our customers to deliver LNG from the U. S. on a commercial basis. Any significant impediment to the ability to deliver LNG from the U. S. generally or from the **Terminal Rio Grande LNG Facility** specifically could have a material adverse effect on our customers and our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Decreases in the global demand for and price of natural gas (versus the price of imported LNG) could lead to reduced development of LNG projects worldwide. We are subject to risks associated with the development, operation and financing of domestic LNG facilities. The development of domestic LNG facilities and projects is generally based on assumptions about the future price of natural gas and LNG and the conditions of the global natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to remain in the future, volatile and subject to wide fluctuations that are difficult to predict. As a result, our activities will expose us to risks of commodity price movements, which we believe could be mitigated by entering into long- term LNG sales contracts. There can be no assurance that we will be successful in entering into **or maintaining** long- term LNG sales contracts. Additionally, the global LNG market could shift toward the use of shorter- term LNG sales contracts. Fluctuations in commodity prices may create a mismatch between natural gas and petroleum prices, which could have a significant impact on our future revenues. Commodity prices and volumes are volatile due to many factors over which we have no control, including competing liquefaction capacity in North America; the international supply and receiving capacity of LNG; LNG marine transportation capacity; weather conditions affecting production or transportation of LNG from the **Terminal Rio Grande LNG Facility**; domestic and global demand for natural gas; the effect of government regulation on the production, transportation and sale of natural gas; oil and natural gas exploration and production activities; the development of and changes in the cost of alternative energy sources for natural gas and political and economic conditions worldwide. Our activities are also dependent on the price and availability of materials for the construction of the **Terminal Rio Grande LNG Facility**, such as nickel, aluminum, pipe, and steel, which may be subject to import tariffs in the U. S. market and are all also subject to factors affecting commodity prices and volumes. In addition, authorities with jurisdiction over wholesale power rates in the U. S., Europe and elsewhere, as well as independent system operators overseeing some of these markets, may impose price limitations, bidding rules and other mechanisms which may adversely impact or otherwise limit trading margins and lead to diminished opportunities for gain. We cannot predict the impact energy trading may have on our business, results of operations or financial condition. Further, the development of the **Terminal Rio Grande LNG Facility** takes a substantial amount of time, requires significant capital investment, may be delayed by unforeseen and uncontrollable factors and is dependent on our financial viability and ability to market LNG internationally. The reduction or elimination of government incentives could adversely affect our business, financial condition, future results and cash flows. We expect our CCS projects, following successful construction and deployment, to generate revenue from a combination of sources, including fees from source facilities, government incentives and carbon credits. Government incentives include federal income tax credits under Section 45Q of the Internal Revenue Code, which currently provides a federal income tax credit per metric ton of carbon captured and permanently stored. The availability of these government incentives have a significant effect on the economics and viability of our CCS projects, and any reduction or elimination of such incentives could adversely affect the growth of our CCS business, our financial condition and our future results. Competition in the industries in which we operate is intense, and some of our competitors have greater financial, technological and other resources. We plan to operate in the highly competitive area of LNG production and face intense competition from independent, technology- driven companies as well as from both major and other independent oil and natural gas companies and utilities. Many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities and deployment of carbon capture processes in North America. We may face competition from major energy companies and others in pursuing our proposed business strategy. Some of these competitors have longer operating histories, more development experience, greater name recognition, superior tax incentives, more employees and substantially greater financial, technical and marketing resources than we currently possess. NEXT Carbon Solutions will compete with other providers of CCS services, traditional original **end- equipment** manufacturers, EPC firms and midstream transportation and storage companies in offering CCS solutions. Our competitors in the CCS space may have greater financial, technical and marketing resources than we currently possess. The superior resources that some of these competitors have available for deployment could allow them to compete successfully against us, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. There may be shortages of LNG vessels worldwide, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. The construction and delivery of LNG vessels requires significant capital and long construction lead times, and the availability of the vessels could be delayed to the detriment of our business and customers due to the following: • an inadequate number of shipyards constructing LNG vessels and a backlog of orders at these shipyards; • political or economic disturbances

in the countries where the vessels are being constructed; • changes in governmental regulations or maritime self-regulatory organizations; • work stoppages or other labor disturbances at the shipyards; • bankruptcies or other financial crises of shipbuilders; • quality or engineering problems; • weather interference or catastrophic events, such as a major earthquake, tsunami, or fire; or • shortages of or delays in the receipt of necessary construction materials. We will rely on third-party engineers to estimate the future capacity ratings and performance capabilities of the ~~Terminal~~ **Rio Grande LNG Facility** and CCS projects, and these estimates may prove to be inaccurate. We will rely on third parties for the design and engineering services underlying our estimates of the future capacity ratings and performance capabilities of the ~~Terminal~~ **Rio Grande LNG Facility** and CCS projects. Any of such facilities, when constructed, may not have the capacity ratings and performance capabilities that we intend or estimate. Failure of any of our facilities to achieve our intended capacity ratings and performance capabilities could prevent us from achieving the commercial start dates or otherwise impact the generation of revenue under our future commercial agreements and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. Carbon credit markets may not develop as quickly or efficiently as we anticipate or at all. The continued development of global carbon credit marketplaces will be crucial for the successful deployment of our CCS processes, as we expect carbon credits to be a significant source of future revenue. The efficiency of the voluntary carbon credit market is currently affected by several concerns, including insufficiency of demand, the risk that reduction credits could be counted multiple times and a lack of standardization of credit verification. Delayed development of a global carbon credit market could negatively impact the commercial viability of our CCS projects and could limit the growth of the business and adversely impact our financial condition and future results. The operation of the ~~Terminal~~ **Rio Grande LNG Facility** and any CCS project may be subject to significant operating hazards and uninsured risks, one or more of which may create significant liabilities and losses that could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. The plan of operations for the ~~Terminal~~ **Rio Grande LNG Facility** is subject to the inherent risks associated with LNG operations, including explosions, pollution, release of toxic substances, fires, hurricanes and other adverse weather conditions, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and / or result in damage to or destruction of the ~~Terminal~~ **Rio Grande LNG Facility** and assets or damage to persons and property. These risks may similarly affect CCS projects and their host facilities. We do not, nor do we intend to, maintain insurance against all these risks and losses. We may not be able to maintain desired or required insurance in the future at rates that we consider reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. We are dependent on a limited number of customers for the purchase of LNG. The number of potential LNG customers is limited. Some potential purchasers of the LNG to be produced from the ~~Terminal~~ **Rio Grande LNG Facility** are new to the LNG business and have limited experience in the industry. We will be reliant upon the ability of these customers to enter into satisfactory downstream arrangements in their home markets for the licenses to import and sell re-gasified/regasified LNG. Some of these jurisdictions are heavily regulated and dominated by state entities. In certain instances, customers may require credit enhancement measures in order to satisfy project-financing requirements. Objections from local communities or environmental groups can delay the ~~Terminal~~ **Rio Grande LNG Facility**. Some local communities and / or environmental groups have voiced opposition to the proposed construction and operation of the ~~Terminal~~ **Rio Grande LNG Facility** as negatively impacting the environment, wildlife, cultural heritage sites or the public health of residents. Objections from local communities or environmental groups could cause delays, limit access to or increase the cost of construction capital, cause reputational damage and impede us in obtaining or renewing permits. For instance, environmental activists have attempted to intervene in the permitting process of the ~~Terminal~~ **Rio Grande LNG Facility** and persuade regulators to deny necessary permits or seek to overturn permits that have been issued. These third-party actions can materially increase the costs and cause delays in the permitting process and could cause us to not proceed with the development of the ~~Terminal~~ **Rio Grande LNG Facility**. The ~~Terminal~~ **Rio Grande LNG Facility** will be dependent on the availability of gas supply at the Agua Dulce supply area. The Pipeline is expected to collect and transport natural gas to the ~~Terminal~~ **Rio Grande LNG Facility**. The header system at the upstream end of the Pipeline is expected to have multiple interconnects to the existing natural gas pipeline grid located in the Agua Dulce supply area (the “Agua Dulce Hub”). The Agua Dulce Hub includes deliveries from, but not limited to, ConocoPhillips’ 1, 100-mile South Texas intrastate and gas gathering pipeline system and ExxonMobil’s 925 MMcf / d King Ranch processing facility. As the Pipeline system interconnects are expected to be relatively close to the Agua Dulce Hub, it is expected that gas will be available for purchase in large volumes at commercially acceptable prices. Nonetheless, disruptions in upstream supply sources or increased market demand could impact the availability of gas supply to the Pipeline header system, which would result in curtailments at the ~~Terminal~~ **Rio Grande LNG Facility**. Each liquefaction train for the ~~Terminal~~ **Rio Grande LNG Facility** is expected to involve the transportation and on the Pipeline for liquefaction of approximately 0.9 Bcf / day of natural gas, for a total of 4.5 Bcf / day for five liquefaction trains at full build-out. Gas sales agreements for the supply of these volumes could entail negotiations with multiple parties for firm and interruptible gas supply and transportation services to the Pipeline header system, as well as pipeline interconnects and ancillary operational agreements. Delays caused by third parties in the course of negotiating agreements and constructing the required interconnects could delay the start of commercial operations for the ~~Terminal~~ **Rio Grande LNG Facility**. Litigation could expose us to significant costs and adversely affect our business, financial condition, and results of operations. We are, or may become, party to various lawsuits, arbitrations, mediations, regulatory proceedings and claims, which may include lawsuits, arbitrations, mediations, regulatory proceedings or claims relating to commercial liability, product recalls, product liability, product claims, employment matters, environmental matters, breach of contract, intellectual property, indemnification, stockholder suits, derivative actions or other aspects of our business. Litigation (including the other types of proceedings identified above) is inherently unpredictable, and although we may believe we have meaningful defenses in these matters, we may incur judgments or enter into settlements

of claims that could have a material adverse effect on our business, financial condition, and results of operations. The costs of responding to or defending litigation may be significant and may divert the attention of management away from our strategic objectives. There may also be adverse publicity associated with litigation that may decrease customer confidence in our business or our management, regardless of whether the allegations are valid or whether we are ultimately found liable. Risks Related to Governmental Regulation The construction and operation of the ~~Terminal~~ **Rio Grande LNG Facility** remains subject to further governmental approvals, and some approvals may be subject to further conditions, review and / or revocation and other legal and regulatory risks, which may result in delays, increased costs or decreased cash flows. We are required to obtain governmental approvals and authorizations to implement our proposed business strategy, which includes the design, construction and operation of the ~~Terminal~~ **Rio Grande LNG Facility** and the export of LNG from the U. S. to foreign countries. As described above under “ Business – Governmental Permits, Approvals and Authorizations, ” the design, construction and operation of LNG export ~~terminals~~ **facilities** is a highly regulated activity in the U. S., subject to a number of permitting requirements, regulatory approvals and ongoing safety and operational compliance programs. There is no guarantee that we will obtain or, ~~if once~~ **obtained**, maintain these governmental authorizations, approvals and permits. **While the FERC has authorized the construction and operation of the Rio Grande LNG Facility, additional approvals from FERC Staff will be required as we proceed with its construction and commissioning.** Failure to obtain, or failure to obtain on a timely basis, or failure to maintain any of these governmental authorizations, approvals and permits could have a material adverse effect on our business, results of operations, financial condition and prospects. Authorizations obtained from the FERC, the DOE and other federal and state regulatory agencies also contain ongoing conditions **and compliance requirements**, and additional approval and permit requirements may be imposed. We do not know whether or when any such approvals or permits can be obtained, or whether any existing or potential interventions or other actions by third parties will interfere with our ability to obtain and maintain such permits or approvals. If we are unable to obtain and maintain the necessary approvals and permits, including as a result of untimely notices or filings, we may not be able to recover our investment in the ~~Terminal~~ **Rio Grande LNG Facility**. Additionally, government disruptions, such as a U. S. government shutdown **or the lack of quorum to issue decisions in regulatory agencies**, may delay or halt our ability to obtain and maintain necessary approvals and permits. There is no assurance that we will obtain and maintain these governmental permits, approvals and authorizations, or that we will be able to obtain them on a timely basis, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. In **the future, additional regulatory approvals may be required or significant costs may be incurred due to changes in laws and regulations or for other reasons.** In addition, some of these governmental authorizations, approvals and permits require extensive environmental review. **We cannot predict or control whether our authorizations, approvals or permits will attract significant opposition or whether the permitting process will be lengthened due to complexities and appeals.** Some groups have perceived, and other groups could perceive, that the proposed construction and operation of the ~~Terminal~~ **Rio Grande LNG Facility** could negatively impact the environment or cultural heritage sites. Objections from such groups could cause delays, damage to reputation and difficulties in obtaining governmental authorizations, approvals or permits or prevent the obtaining of such authorizations, approvals or permits altogether. Although the necessary authorizations, approvals and permits to construct and operate the ~~Terminal~~ **Rio Grande LNG Facility** **have been** obtained, such authorizations, approvals and permits may be subject to ongoing conditions imposed by regulatory agencies or may be subject to legal proceedings not involving us, which is customary for U. S. LNG projects. The ~~Terminal~~ **Rio Grande LNG Facility** will be subject to a number of environmental laws and regulations that impose significant compliance costs, and existing and future environmental and similar laws and regulations could result in increased compliance costs, liabilities or additional operating restrictions. Our business will be subject to extensive federal, state and local regulations and laws, including regulations and restrictions on discharges and releases to the air, land and water and the handling, storage and disposal of hazardous materials and wastes in connection with the development, construction and operation of the ~~Terminal~~ **Rio Grande LNG Facility**. Failure to comply with these regulations and laws could result in the imposition of administrative, civil and criminal sanctions. These regulations and laws, which include the **federal Clean Air Act, the Oil Pollution Act, the National Environmental Policy Act, the Clean Water Act, the Safe Drinking Water Act, the Endangered Species Act, the Natural Gas Pipeline Safety Act** and the Resource Conservation and Recovery Act, and analogous state and local laws and regulations, will restrict, prohibit or otherwise regulate the types, quantities and concentration of substances that can be released into the environment in connection with the construction and operation of our facilities. Additionally, these regulations and laws, ~~including the National Environmental Policy Act,~~ will require and have required us to obtain and maintain permits, with respect to our facilities, prepare environmental impact assessments, provide governmental authorities with access to our facilities for inspection and provide reports related to compliance. Violation of these laws and regulations could lead to substantial liabilities, fines and penalties, the denial or revocation of permits necessary for our operations, governmental orders to shut down our facilities or to capital expenditures related to pollution control or remediation equipment that could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of the ~~Terminal~~ **Rio Grande LNG Facility** and CCS systems, we could be liable for the costs of cleaning up hazardous substances released into the environment and for damage to natural resources. In addition, future federal, state and local legislation and regulations, such as regulations regarding greenhouse gas emissions, the transportation of LNG, and the sequestration of carbon dioxide may impose unforeseen burdens and increased costs on our business that could have a material adverse effect on our financial results. As an international shipper of LNG, our operations could also be impacted by environmental laws applicable under international treaties or foreign jurisdictions. Unethical conduct and non- compliance with applicable laws could have a significant adverse effect on our business. Incidents of unethical

behavior, fraudulent activity, corruption or non-compliance with applicable laws and regulations could be damaging to our operations and reputation and may subject us to criminal and civil penalties or loss of operating licenses. ~~We have implemented an anti-corruption policy which applies to all employees and contractors without exception and we are a member of TRACE International, an internationally recognized anti-bribery compliance organization. Our legal team screens potential partners, agents and advisors in multiple databases to which it has access and regularly conducts due diligence interviews with potential counterparties.~~ Due to the global nature of the LNG business and the diversity of jurisdictions in which our customers operate, it is possible that a prospective counterparty could be accused of behavior that falls short of our expectations in this regard, leading to reputational damage and potential legal liabilities, notwithstanding our best efforts to prevent such behaviors. Changes in legislation and regulations or interpretations thereof, such as those relating to the importation and exportation of LNG and incentives for reduction of emissions, could have a material adverse effect on our business, results of operations, financial condition, liquidity and prospects and could cause additional expenditures and delays in connection with the ~~Terminal Rio Grande LNG Facility~~ and CCS projects and their construction. The laws, rules and regulations applicable to our business, including federal agencies' interpretations of and policies under such laws rules and regulations, are subject to change, either through new or modified regulations enacted on the federal, state or local level or by a change in policy of the agencies charged with enforcing such regulations. For example, the provisions of the Energy Policy Act of 2005 that codified the FERC's policy of not regulating the terms and conditions of service for LNG import or export facilities expired in 2015. Although the FERC has not indicated that it intends to depart from this policy, there can be no assurance it will not do so in the future. The nature and extent of any changes in these laws, rules, regulations and policies may be unpredictable and may have material **adverse** effects on our business. Future legislation and regulations or changes in existing legislation and regulations, or interpretations thereof, such as those relating to (i) the liquefaction, storage, or regasification of LNG, or its transportation, and (ii) the capture of CO₂, its transportation and sequestration, could cause additional expenditures, restrictions and delays in connection with our operations as well as other future projects, the extent of which cannot be predicted and which may require us to limit substantially, delay or cease operations in some circumstances. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating costs and restrictions could have **an a material** adverse effect on our business, the ability to expand our business, including into new markets, results of operations, financial condition, liquidity and prospects. In addition, our CCS systems may benefit from federal, state and local governmental incentives, mandates or other programs promoting the reduction of emissions. Any changes to or termination of these programs could reduce demand for our CCS systems, impair our ability to obtain financing, and adversely impact our business, financial condition and results of operations. We may not be able to utilize any future federal income tax credits. Our LNG and CCS activities are in the **construction stage and** development stage, **respectively**, and have not historically generated any revenue; consequently, as of December 31, **2022-2023**, we had significant deferred tax assets primarily resulting from net operating losses for federal income tax purposes. See Note **13—15** — Income Taxes in Notes to Consolidated Financial Statements. ~~Any~~ **To the extent we are not able to monetize** federal income tax credits that we **generate** become entitled to under Section 45Q or a successor provision, **either by transferring** will increase our net operating losses until such time as **credit or electing to receive a direct payment equal to such credit**, we generate taxable income that **would have to take** such federal income tax credits **against our taxable income** may be used to offset. There is no assurance that we will **be able to transfer these federal income tax credits or** generate taxable income or otherwise be able to monetize the value represented by these federal income tax credits. Our ability to utilize our net operating loss carryforwards ("NOLs") may be limited as a result of ownership changes under Section 382 of the Code. The Tax Reform Act of 1986 (as amended) contains provisions that limit the utilization of NOL and tax credit carryforwards if there has been a change in ownership as described in Section 382 of the Internal Revenue Code ("Section 382"). Such an ownership change occurs if the aggregate stock ownership of certain stockholders, generally stockholders beneficially owning five percent or more of a corporation's common stock, applying certain look-through and aggregation rules, increases by more than 50 percentage points over such stockholders' lowest percentage ownership during the testing period, generally three years. Substantial changes in the Company's ownership have occurred that may limit or reduce the amount of NOL carryforwards that the Company could utilize in the future to offset taxable income. At December 31, **2022-2023**, we had federal net operating loss ("NOL") carryforwards of approximately \$ **175-260.47** million. Approximately \$ 26.1 million of these NOL carryforwards will expire between 2034 and 2038. Limitations imposed on our ability to use NOLs to offset future taxable income may cause U. S. federal income taxes to be paid earlier than otherwise would be paid if such limitations were not in effect and could cause such NOLs and other tax attributes to expire unused. Similar rules and limitations may apply for state and foreign income tax purposes. If we experience such an ownership change, it is possible that a significant portion of our tax attributes could be limited for use to offset future taxable income. Risks Relating to our Securities Our common stock could be delisted from Nasdaq. Our common stock is currently listed on Nasdaq. However, we cannot assure you that we will be able to comply with the continued listing standards of Nasdaq. If we fail to comply with the continued listing standards of Nasdaq, our common stock may become subject to delisting. If Nasdaq delists our common stock from trading on its exchange for failure to meet the continued listing standards, we and our stockholders could face significant material adverse consequences including: • a limited availability of market quotations for our securities; • a limited amount of analyst coverage; and • a decreased ability for us to issue additional securities or obtain additional financing in the future. The market price of our common stock has fluctuated in the past and is likely to fluctuate in the future. Holders of our common stock could lose all or part of their investment. The securities markets in general and our common stock have experienced significant price and volume volatility. The market price and trading volume of our common stock may continue to experience significant fluctuations due not only to general stock market conditions but also to a change in sentiment in the market regarding our operations, business prospects or those of companies in our industry. In addition to the other risk factors discussed in this section, the price and volume volatility of our common stock may be affected by: • domestic and worldwide supply of and demand for natural gas and

corresponding fluctuations in the price of natural gas; • fluctuations in our quarterly or annual financial results or those of other companies in our industry; • issuance of additional equity securities which causes further dilution to stockholders; • sales of a high volume of shares of our common stock by our stockholders (including sales by our directors, executive officers, and other employees) or the perception or expectation that such sales may occur; • short sales, hedging, and other derivative transactions on shares of our common stock; • the volume of shares of our common stock available for public sale; • operating and stock price performance of companies that investors deem comparable to us; • events affecting other companies that the market deems comparable to us; • changes in government regulation or proposals applicable to us; • actual or potential non-performance by any customer or a counterparty under any agreement; • announcements made by us or our competitors of significant contracts; • changes in accounting standards, policies, guidance, interpretations or principles; • general conditions in the industries in which we operate; • general economic conditions; and • the failure of securities analysts to cover our common stock or changes in financial or other estimates by analysts. The stock prices of companies in the LNG industry have experienced wide fluctuations that have often been unrelated to the operating performance of these companies. Following periods of volatility in the market price of a company's securities, securities class action litigation often has been initiated against a company. If any class action litigation is initiated against us, we may incur substantial costs and our management's attention may be diverted from our operations, which could materially adversely affect our business and financial condition. Raising additional capital may cause dilution to existing stockholders, restrict our operations or require us to relinquish rights. Additionally, sales of a substantial number of shares of our common stock or other securities in the public market could cause our stock price to fall. We may seek the additional capital necessary to fund our operations through public or private equity offerings and debt financings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, existing stockholders' ownership interests will be diluted, and the terms may include liquidation or other preferences that adversely affect their rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. In addition, sales of a substantial number of shares of our common stock or other securities in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. Our Second Amended and Restated Certificate of Incorporation grants our board of directors the power to designate and issue additional shares of common and / or preferred stock. Our authorized capital consists of 480,000,000 shares of common stock and 1,000,000 shares of preferred stock. Our preferred stock may be designated into series pursuant to authority granted by our Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), and on approval from our board of directors (the "Board of Directors" or "Board"). ~~166,364 shares of preferred stock have been designated as Series A Convertible Preferred Stock, par value \$ 0.0001 per share (the "Series A Preferred Stock"), 166,364 shares of preferred stock have been designated as Series B Convertible Preferred Stock, par value \$ 0.0001 per share (the "Series B Preferred Stock"), and 166,364 shares of preferred stock have been designated as Series C Convertible Preferred Stock, par value \$ 0.0001 per share (the "Series C Preferred Stock" and together with the Series A Preferred Stock and Series B Preferred Stock, the "Convertible Preferred Stock"), in each case which are convertible into shares of common stock upon the occurrence of certain events.~~ The Board of Directors, without any action by our common stockholders, may designate and issue additional shares of preferred stock in such classes or series as it deems appropriate and establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights, ~~subject to the limitations of the Convertible Preferred Stock as further described in the risk factor titled "Holders of the Convertible Preferred Stock have certain voting and other rights that may adversely affect holders of our common stock, and the holders of Convertible Preferred Stock may have different interests from and vote their shares in a manner deemed adverse to, holders of our common stock."~~ The rights of holders of other classes or series of stock that may be issued could be superior to the rights of holders of our common stock. The designation and issuance of shares of capital stock having preferential rights could adversely affect other rights appurtenant to shares of our common stock. ~~The dividend, liquidation, and redemption rights of the holders of the Convertible Preferred Stock may adversely affect our financial position and the rights of the holders of our common stock. At March 2, 2023, we had 85,454 shares of Series A Preferred Stock, 81,629 shares of Series B Preferred Stock, and 61,156 shares of Series C Preferred Stock outstanding. The shares of Convertible Preferred Stock bear dividends at a rate of 12 % per annum, which are cumulative and accrue daily from the date of issuance on the \$ 1,000 stated value. Such dividends are payable quarterly and may be paid in cash or in-kind. No dividends may be paid to holders of our common stock while accumulated dividends remain unpaid on the Convertible Preferred Stock. Further, we are required, on the earlier of (i) ten (10) business days following a FID Event (as defined in the certificates of designations of the Convertible Preferred Stock) and (ii) the date that is the tenth (10th) anniversary of the closings of the issuances of the Convertible Preferred Stock, as applicable, to convert all of the (i) the Series A Preferred Stock into shares of Company common stock at a conversion price of \$ 5.48 per share of Company common stock, (ii) the Series B Preferred Stock into shares of Company common stock at a conversion price of \$ 5.53 per share of Company common stock and (iii) the Series C Preferred Stock into shares of Company common stock at a weighted average conversion price of \$ 2.98 per share of Company common stock, with such conversion prices in each case calculated as of December 31, 2022. The conversion of the Convertible Preferred Stock would directly dilute the holders of our common stock. In the event we are liquidated while shares of Convertible Preferred Stock are outstanding, holders of Convertible Preferred Stock will be entitled to receive a preferred liquidation distribution, plus any accumulated and unpaid dividends, before holders of our common stock receive any distributions. The holders of Convertible Preferred Stock vote on an "as-converted" basis with the holders of our common stock on all matters brought before the holders of our common stock. In addition, prior to the conversion of the Convertible Preferred Stock, the consent of the holders of at least a majority of each of the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock then outstanding, in each case voting together as a single class, will be required for the Company to take certain actions, including, among others, (i) authorizing, creating or approving the issuance of~~

any shares, or of any security convertible into, or convertible or exchangeable for shares of, senior to the Convertible Preferred Stock; (ii) authorizing, creating or approving the issuance of any shares of, or of any security convertible into, or convertible or exchangeable for shares of, Parity Stock (as defined in the certificates of designations of the Convertible Preferred Stock), subject to certain exceptions; (iii) adversely affecting the rights, preferences or privileges of the Convertible Preferred Stock, as applicable, subject to certain exceptions; (iv) amending, altering or repealing any of the provisions of the Certificate of Incorporation in a manner that would adversely affect the powers, designations, preferences or rights of the Convertible Preferred Stock, as applicable; or (v) amending, altering or repealing any of the provisions of the certificates of designations of the Convertible Preferred Stock, as applicable. Further, the holders of Convertible Preferred Stock have the right to purchase their pro rata share of any future issuance of preferred stock of the Company. The holders of Convertible Preferred Stock may have different interests from the holders of our common stock and could vote their shares in a manner deemed adverse to the holders of our common stock. Our largest stockholders will substantially influence our Company for the foreseeable future, including the outcome of matters requiring shareholder approval, and such control may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause our stock price to decline. As of March 24, 2023-2024, affiliates of York Capital Management, L. P., TotalEnergies SE, Valinor Capital Partners, L. P. Bardin Hill Investment Partners LP, HGC NEXT INV LLC and Ninteenth Investment Company (collectively, the “ Funds Large Stockholders ”) beneficially own, in the aggregate, approximately 67-60 % of the combined voting power of our outstanding shares of preferred stock and common stock. Additionally, three-four members of our Board of Directors are affiliated with certain of the Funds Large Stockholders . As a result, the Funds Large Stockholders have the ability to influence the election of our directors and the outcome of corporate actions requiring shareholder stockholder approval, such as: (i) a merger or a sale of our Company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other shareholders stockholders and be disadvantageous to our shareholders stockholders with interests different from those entities and individuals. The Funds Large Stockholders also have significant control over our business, policies and affairs by their affiliates serving as directors of our Company. They may also exert influence in delaying or preventing a change in control of the Company, even if such change in control would benefit the other stockholders of the Company. In addition, the significant concentration of stock ownership may adversely affect the market value of the Company’s common stock due to investors’ perception that conflicts of interest may exist or arise. The exercise of outstanding warrants may have a dilutive effect on our common stock. We issued warrants together with the issuances of our Convertible Preferred Stock (the “ Common Stock Warrants ”). As of December 31, 2022-2023, the outstanding Common Stock Warrants represented the right to acquire in the aggregate a number of shares of our common stock equal to approximately 71 basis points (0. 71 %) of all outstanding shares of Company common stock, measured on a fully diluted basis, on the applicable exercise date with a strike price of \$ 0. 01 per share. The Common Stock Warrants have a fixed three- year term that commenced on the closings of the issuances of the associated Convertible Preferred Stock. The Common Stock Warrants may only be exercised by holders of the Common Stock Warrants at the expiration of such three- year term ; except that the Company can force the exercise of the Common Stock Warrants prior to expiration of such term if the volume weighted average trading price of shares of common stock for each trading day during any 60 of the prior 90 trading days is equal to or greater than 175 % of the conversion price of the Series A Preferred Stock and Series B Preferred Stock and, with respect to the Series B Warrants and Series C Warrants, the Company simultaneously elects to force a mandatory exercise of all other warrants then outstanding and un- exercised and held by any holder of parity stock . To the extent the Common Stock Warrants are exercised, additional shares of our common stock will be issued, which will result in dilution to the holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock. Provisions of our charter documents or Delaware law could discourage, delay or prevent us from being acquired even if being acquired would be beneficial to our stockholders and could make it more difficult to change management. Provisions of the Certificate of Incorporation and our Amended and Restated Bylaws (the “ Bylaws ”) may discourage, delay or prevent a merger, acquisition or other change in control that stockholders might otherwise consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. In addition, these provisions may frustrate or prevent any attempt by our stockholders to replace or remove our current management by making it more difficult to replace or remove our Board of Directors. Among other things, these provisions include: • elimination of our stockholders’ ability to call special meetings of stockholders; • elimination of our stockholders’ ability to act by written consent; • an advance notice requirement for stockholder proposals and nominations for members of our Board of Directors; • a classified Board of Directors, the members of which serve staggered three- year terms; • the express authority of our Board of Directors to make, alter or repeal the Bylaws; • the authority of our Board of Directors to determine the number of director seats on our Board of Directors; and • the authority of our Board of Directors to issue preferred stock with such terms as it may determine. In addition, the Certificate of Incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any claims, including (i) any derivative actions or proceedings brought on our behalf, (ii) any action asserting a claim of a breach of a fiduciary duty owed by, or any wrongdoing by, a director, officer or employee or (iii) any action asserting a claim pursuant to any provision of the Delaware General Corporation Law, the Certificate of Incorporation or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws or (v) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions described above. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other

employees or stockholders which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision that is contained in the Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, operating results and financial condition. Increasing attention to environmental, social and governance matters may impact our business, financial results or stock price and climate change concerns may pose challenges to our operating model. In recent years, increasing attention has been given to corporate activities related to environmental, social and governance matters in public discourse and the investment community. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including through the investment and voting practices of investment advisers, public pension funds, universities and other members of the investing community. These activities include increasing attention and demands for action related to climate change, promoting the use of substitutes to fossil fuel products, and encouraging the divestment of companies in the fossil fuel industry. These activities could negatively impact negotiations with potential customers or financial counterparties, reduce demand for our products, reduce our profits, increase the potential for investigations and litigation, impair our brand and have negative impacts on the price of our common stock and access to capital markets. In October 2020, we announced that we have developed proprietary CCS processes, which we intend to deploy at the **Terminal Rio Grande LNG Facility** to significantly reduce its expected CO₂ emissions. However, the **Terminal Rio Grande LNG Facility** CCS project may ultimately be unsuccessful or, even if successful, may not satisfy the demands or expectations of certain members of the investing community focused on ESG matters. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings systems for evaluating companies on their approach to ESG matters. Recently, there has been an acceleration in investor demand for ESG investing opportunities, and many large institutional investors have committed to increasing the percentage of their portfolios that are allocated towards ESG- focused investments. As a result, there has been a proliferation of ESG- focused investment funds seeking ESG- oriented investment products. If we are unable to meet the ESG ratings or investment or lending criteria set by these investors and funds, we may lose investors, investors may allocate a portion of their capital away from us, our cost of capital may increase, the price of our common stock may be negatively impacted, and our reputation may also be negatively affected. Furthermore, we also could face an increased risk of climate - related litigation suits with respect to our operations or disclosures. Claims have been made against certain energy companies alleging that greenhouse gas emissions from oil, gas and LNG operations constitute a public nuisance under federal and state law. Private individuals or public entities also could attempt to enforce environmental laws and regulations against us and could seek personal injury and property damages or other remedies. Additionally, governments and private parties are also increasingly filing suits, or initiating regulatory action, based on allegations that certain public statements regarding ESG- related matters by companies are false and misleading “greenwashing” campaigns that violate deceptive trade practices and consumer protection statutes or that climate-related disclosures made by companies are inadequate. Similar issues can also arise when aspirational statements such as net-zero or carbon neutrality targets are made without clear plans. Although we are not a party to any such climate- related or “greenwashing” litigation currently, unfavorable rulings against us in any such case brought against us in the future could significantly impact our operations and could have an adverse impact on our financial condition.

General Risk Factors The COVID- 19 pandemic, Russia- Ukraine conflict, **conflict in the Middle East** and other sources of volatility in the energy markets may materially and adversely affect our business, financial condition, operating results, cash flow, liquidity and prospects, including our efforts to reach a final investment decision with respect to the **Terminal Rio Grande LNG Facility**. The COVID- 19 pandemic has resulted in significant disruption globally. Actions taken by various governmental authorities, individuals and companies around the world to prevent the spread of COVID- 19 have restricted travel, business operations, and the overall level of individual movement and in- person interaction across the globe. Furthermore, the impact of the pandemic, including its effect on the demand for natural gas, led to significant global economic contraction generally and in our industry in particular. Prospects for the development and financing of the **Terminal Rio Grande LNG Facility** are based in part on factors including global economic conditions that have been, and are likely to continue to be, adversely affected by the COVID- 19 pandemic. The COVID- 19 pandemic has caused us to modify our business practices, including by restricting employee travel, requiring employees to work remotely and cancelling physical participation in meetings, events and conferences, and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID- 19 or otherwise be satisfactory to government authorities. If a number of our employees were to contract COVID- 19 at the same time, our operations could be adversely affected. In February 2022, Russia, one of the world’s largest producers of natural gas, launched an invasion of Ukraine. These actions resulted in a number of countries, including the United States and members of the European Union, announcing sanctions against Russia. Additionally, the Nord Stream 2 gas pipeline project, which was built to provide 55 billion cubic meters of natural gas to Europe annually, has been affected by geopolitical issues and incurred damage that has been investigated as possible sabotage. The current geopolitical climate in Europe is unstable and conflict may further escalate. While it is difficult to anticipate the impact the sanctions announced to date may have on our operations, any further sanctions imposed or actions taken by the U. S. or other countries, and any retaliatory measures by Russia in response, such as restrictions on energy supplies from Russia to countries in the region, could have a significant and uncertain impact on the natural gas industry. **In addition, the Israel- Hamas war and maritime attacks in the Red Sea have caused further geopolitical uncertainty, especially as it related to the energy industry.** A sustained disruption in the capital markets from the COVID- 19 pandemic or the Russia- Ukraine conflict **and hostilities in the Middle East**, specifically with respect to the energy industry, could negatively impact our ability to raise capital. In the past, we have financed our operations by the issuance of equity and equity- based securities. However, we cannot predict when macro-economic disruption stemming from COVID- 19 or outbreaks of the virus or geopolitical uncertainty may occur.

This macro- economic disruption may disrupt our ability to raise additional capital to finance our operations in the future, which could materially and adversely affect our business, financial condition and prospects, and could ultimately cause our business to fail. The COVID- 19 pandemic and Russia- Ukraine conflict may also have the effect of heightening many of the other risks described in this Annual Report on Form 10- K, such as risks related to the development of the CCS projects and the ~~Terminal~~ **Rio Grande LNG Facility**, including postponement in making a positive FID on the ~~Terminal~~ **Rio Grande LNG Facility**, doing business in foreign countries, obtaining governmental approvals, and exported LNG remaining a competitive source of energy for international markets, global demand for and price of natural gas, and fluctuation in the price of our common stock. The extent to which COVID- 19 ultimately impacts our business, results of operations and financial condition depends on future developments, which are uncertain and cannot be predicted, including, but not limited to, the duration and spread of COVID- 19, its severity, the actions to contain COVID- 19 or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Additionally, the ultimate outcome of Russia' s invasion of Ukraine, including resulting tensions among the United States, North Atlantic Treaty Organization and Russia, disruption to the production and supply of natural gas throughout Europe, cyberwarfare and economic instability, could impact our operations or disrupt our ability to access the capital markets. The duration of the impact of the COVID- 19 pandemic ~~and~~, the Russia- Ukraine conflict ~~and~~ **hostilities in the Middle East** is uncertain, and we may continue to experience materially adverse impacts to our business as a result of their global economic impact, including any recession that has occurred or may occur in the future, and lasting effects on the price of natural gas. Cyberattacks targeting systems and infrastructure used in our business may adversely impact our operations. We depend on digital technology in many aspects of our business, including the processing and recording of financial and operating data, analysis of information, and communications with our employees and third parties. Cyberattacks on our systems and those of third- party vendors and other counterparties occur frequently and have grown in sophistication. A successful cyberattack on us or a vendor or other counterparty could have a variety of adverse consequences, including theft of proprietary or commercially sensitive information, data corruption, interruption in communications, disruptions to our existing or planned activities or transactions, and damage to third parties, any of which could have a material adverse impact on us. Further, as cyberattacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyberattacks. Terrorist attacks, including cyberterrorism, or military campaigns involving us or our projects could result in delays in, or cancellation of, construction or closure of the ~~Terminal~~ **Rio Grande LNG Facility**. A terrorist or military incident involving the ~~Terminal~~ **Rio Grande LNG Facility** or any industrial facility that hosts a CCS project may result in delays in, or cancellation of, construction of the ~~Terminal~~ **Rio Grande LNG Facility** or the relevant CCS project, which would increase our costs and prevent us from obtaining expected cash flows. A terrorist incident could also result in temporary or permanent closure of the ~~Terminal~~ **Rio Grande LNG Facility** or such host industrial facility, which could increase costs and decrease cash flows, depending on the duration of the closure. Operations at the ~~Terminal~~ **Rio Grande LNG Facility** and CCS projects could also become subject to increased governmental scrutiny that may result in additional security measures at a significant incremental cost. In addition, the threat of terrorism and the impact of military campaigns may lead to continued volatility in prices for natural gas that could adversely affect our business and customers, including the ability of our suppliers or customers to satisfy their respective obligations under our commercial agreements. Instability in the financial markets as a result of terrorism, including cyberterrorism, or war, including the Russia- Ukraine conflict ~~or~~ **hostilities in the Middle East**, could also materially adversely affect our ability to raise capital. The continuation of these developments may subject our construction and operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.