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PIERIDAE ENERGY (USA) LTD.

via electronic filing at: [FERGAS@HQ.DOE.GOV](mailto:FERGAS@HQ.DOE.GOV)

October 1, 2015

Department of Energy  
Office of Oil and Gas Global Security and Supply  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585  
United States of America

**Subject:** Pieridae Energy (USA) Ltd., FE Docket No. 14-179-LNG  
the semi-annual report for the period ending September 30, 2015  
filed pursuant to Ordering Paragraph J of DOE/FE Order No. 3639

Pursuant to Ordering Paragraph J of Order No. 3639 ("Order") granting long-term, multi-contract authorization to export natural gas to Canada and to other Free Trade Agreement Nations issued by the Department of Energy, Office of Fossil Energy ("DOE/FE") on May 22, 2015 in the above-referenced docket, Pieridae Energy (USA) Ltd. ("Pieridae") submits its first semi-annual report for the period ending September 30, 2015 (the "Reporting Date"). In particular, Ordering Paragraph J of the Order states:

"J. Pieridae shall file with the Office of Oil and Gas Global Security and Supply, on a semi-annual basis, written reports describing the progress of the proposed Goldboro LNG Project. The reports shall be filed on or by April 1 and October 1 of each year, and shall include information on the progress of the Goldboro LNG Project, the date the facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of U.S.-sourced natural gas as LNG and any long-term supply contracts."

The information as of the Reporting Date that is required by Ordering Paragraph J of the Order to be disclosed is set forth below. Unless otherwise stipulated herein, capitalized words have the meaning ascribed to them by the Order.

Final front end engineering design of the Goldboro LNG Project has commenced and Pieridae will make a final decision within the coming quarter on whether the Goldboro LNG Project will consist of

a single one train or two trains. It is anticipated the Goldboro LNG Project should be operational by year end of, 2020 as per its original schedule.

Pieridae CA is currently in advance negotiations with natural gas producers in Canada for long-term supply of Canadian-sourced natural gas and anticipates completing transactions within the commercial window necessary to undertake the final investment decision on schedule.

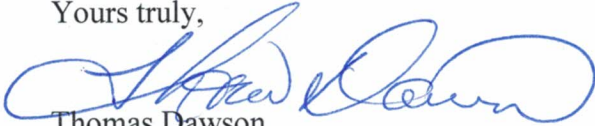
Pieridae is in commercial negotiations for long term supplies of natural gas with US based producers. However, U.S. producers are reluctant to enter into final negotiation activities with Pieridae in view of the fact that it has not yet received the Non-FTA Authorization. As of the Reporting Date, Pieridae has not executed any long-term contracts for the long-term supply of U.S.-sourced natural gas. In accordance with Ordering Paragraph D of the Order, Pieridae will file any such long-term contracts with the DOE/FE following their execution which has yet to occur.

In anticipation that (a) Pieridae will receive the Non-FTA Authorization on a timely basis, (b) Pieridae will procure a supply of U.S.-sourced natural gas and (c) Pieridae will export and sell that U.S.-sourced natural gas to Pieridae CA pursuant to the Natural Gas Sale and Purchase Agreement made between Pieridae and Pieridae CA, a copy of which was previously filed with the DOE/FE, Pieridae CA has initiated contact with several potential customers seeking to procure a long-term supply of LNG (including LNG produced from U.S.-sourced natural gas). As of the Reporting Date, Pieridae CA has not executed any long-term contracts associated with the long-term re-export of U.S.-sourced natural gas from Canada as LNG. In accordance with Ordering Paragraph D of the Order, Pieridae CA will file any such long-term contracts with the DOE/FE following their execution which has yet to occur.

The Application filed by Pieridae with the DOE/FE on October 24, 2014 included an application for authorization to re-export U.S.-sourced natural gas as LNG from Canada to non-FTA countries (the "Non-FTA Authorization"). Although Pieridae previously provided the DOE/FE with the necessary documentation showing that the relevant Canadian environmental review process for the Goldboro LNG Project has been completed and Pieridae believes that all necessary environmental information has been before the DOE/FE since, at the latest, August 17, 2015, the application remains pending in the above-referenced docket. As of this date Pieridae has no information relating to the timing of the conclusion of the application. Delay in receiving approval has resulting in commercial uncertainty relating to the potential gas flows available to the project. It is expected that failure to receive the approval by year end 2015 will eliminate the ability for US gas to participate in the project in any meaningful way.

If you have any questions or require any clarification, please contact Mr. Erik Swenson of Norton Rose Fulbright US LLP at 202.662.4555.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Thomas Dawson', written in a cursive style.

Thomas Dawson  
Chief Operating Officer