

RECEIVED

By DOE/FE at 3:25 pm, Mar 29, 2019



via electronic filing at: FERGAS@HQ.DOE.GOV

March 29, 2019

Department of Energy
Office of Oil and Gas Global Security and Supply
Docket Room 3F-056, FE-50
Office of Regulation and International Engagement
Docket Rooms 3E-042 and 3E-052, FE-34
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 March 31, 2019
filed pursuant to Ordering Paragraph J of DOE/FE Order No. 3639
and pursuant to Ordering Paragraph N of DOE/FE Order No. 3768

Pieridae Energy (USA) Ltd. ("Pieridae US") hereby submits its semi-annual report for the period ending March 31, 2019 (the "Reporting Date") pursuant to Ordering Paragraph J of Order No. 3639 ("Order 3639") issued by the Department of Energy, Office of Fossil Energy ("DOE/FE") on May 22, 2015 in the above-referenced docket, and Ordering Paragraph N of Order No. 3768 ("Order 3768") issued by the DOE/FE on February 5, 2016 in the above-referenced docket, granting long-term, multi-contract authorization to export natural gas to Canada and re-export to other free trade agreement nations and to non-free trade agreement nations, respectively. Unless otherwise stipulated herein, capitalized words have the meaning ascribed to them by Order 3768.

Pieridae US is wholly-owned by Pieridae Energy Limited ("Pieridae").

On December 20, 2018 Pieridae acquired all of the issued and outstanding shares of Ikkuma Resources Corp. ("Ikkuma") effected by way of a plan of arrangement (the "Arrangement") under section 193 of the *Business Corporations Act* (Alberta).

The completion of the Arrangement provides Pieridae with ownership of an extensive area of producing and gas-prone reserve and resource properties situated primarily in the central Alberta Foothills area (the "Natural Gas Properties").

The acquisition of Ikkuma is an important step in the execution of Pieridae's strategic plans for the procurement of natural gas reserves and resources in its integrated business model. Pieridae's acquisition of the Natural Gas Properties has been completed at metrics significantly below the cost of similar reserves and resources in other parts of North America and will provide a long-term competitive advantage for delivering liquefied natural gas to European and other markets. This acquisition constitutes a significant step towards reaching a positive final investment decision (FID) expected in late 2019. Moreover, as the Natural Gas Properties are primarily conventional in nature, it is expected that they will be developed without the use of hydraulic fracturing.

The acquisition of Ikkuma provides a basis for further consolidation of long-life natural gas properties in Alberta and British Columbia that are complementary to the feedstock requirements of Pieridae CA. Moreover, Pieridae has retained the experienced and well-regarded team of Ikkuma to lead the development of its natural gas properties both in Western and Eastern Canada.

The decision of whether the Goldboro LNG facility will consist of one train or two trains will depend in large measure on the degree of success that Pieridae CA achieves in securing long-term supply of natural gas for use as feed stock for a second train and in securing long-term offtake of the LNG produced from a second train.

The Nova Scotia Utility and Review Board (the "Board") issued order no. M08579, with effect as of November 5, 2018, permitting the construction of the Goldboro LNG facility based on the front-end engineering design that was submitted to the Board. The issuance of this order allows Pieridae CA to commence the construction of the Goldboro LNG facility immediately after FID and operations are anticipated to commence in 2024.

If you have any questions or require any clarification, please contact me at 778.385.8466.

Yours truly,

[signed]

Thomas Ciz
General Counsel