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Mr. John A. Anderson
Office of Fossil Energy
U.S. Department of Energy
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
Notice of Change in Control

Dear Mr. John A. Anderson;

Reference is made to the Notice of Change in Control which was filed by Pieridae Energy (USA) Ltd. ("Pieridae US") with the Department of Energy Office of Fossil Fuel ("DOE/FE") on May 21, 2017 pursuant to DOE/FE's Procedures for Changes in Control Affecting Applications and Authorizations To Import or Export Natural Gas.¹

The Notice of Change in Control confirmed that on May 15, 2017 Pieridae US was wholly-owned by Pieridae Energy Limited ("Former Pieridae") and that Former Pieridae and Pétrolia Inc. ("Pétrolia") entered into an agreement which contemplated that Pétrolia will acquire all of the issued and outstanding shares of Pieridae in exchange for shares of Pétrolia pursuant to a plan of arrangement effected under section 192 of the *Canada Business Corporations Act* (the "Plan of Arrangement") and immediately thereafter, Pétrolia and Former Pieridae will amalgamate (the "Amalgamation") to form a new entity to be named "Pieridae Energy Limited" ("Pieridae").

The Plan of Arrangement and Amalgamation (collectively, the "Arrangement") became effective on October 24, 2017, the date the certificate of arrangement was issued in respect of the Arrangement under section 192 of the *Canada Business Corporations Act*.

Pursuant to the Arrangement, the common shares in the capital of Pétrolia (the "Pétrolia Shares") were consolidated (the "Consolidation") on the basis of one post-Consolidation Pétrolia Share for each twelve Pétrolia Shares held by a Pétrolia shareholder (a "Pétrolia Shareholder") (subject to rounding) and Pieridae issued to the holders ("Former Pieridae Shareholders") of common shares

¹ U.S. Department of Energy, Procedures for Changes in Control Affecting Applications and Authorizations To Import or Export Natural Gas 79 Fed. Reg. 65,541 (November 5, 2014)


in the capital of Former Pieridae (“Former Pieridae Shares”) 2,205,752 common shares in the capital of Pieridae (“Pieridae Shares”) for each Former Pieridae Share held by a Former Pieridae Shareholder (subject to rounding), for aggregate consideration of 40,750,339 Pieridae Shares issuable to Former Pieridae Shareholders in exchange for the 18,474,574 Former Pieridae Shares which were outstanding at the effective time of the Arrangement. Similarly, at the effective time of the Arrangement, Pieridae issued to the Pétrolia Shareholders one Pieridae Share for each one Pétrolia Share held by a Pétrolia Shareholder in exchange for the 9,043,724 Pétrolia Shares (on a post-Consolidation basis) which were outstanding at the effective time of the Arrangement. Each Pieridae Share issuable to Former Pieridae Shareholders or to Pétrolia Shareholders pursuant to the Arrangement will be issued at a deemed price of \$5.667 per Pieridae Share (on a post-Consolidation basis). After giving effect to the Arrangement, there were approximately 49,794,063 Pieridae Shares issued and outstanding (calculated on a non-diluted basis).

Additionally, as a result of the Arrangement: (i) 343,747 share purchase warrants of Pétrolia (on a post-Consolidation basis) were replaced with 343,747 share purchase warrants of Pieridae with identical terms; (ii) 1,325,000 stock options of Former Pieridae were replaced with 2,922,618 stock options of Pieridae with substantially identical terms; and (iii) 641,019 stock options of Pétrolia (on a post-Consolidation basis) were replaced with 641,019 stock options of Pieridae with identical terms. In addition, the debenture of Former Pieridae held by Alfred Sorensen Holdings Ltd. was converted in full for 499,120 Former Pieridae Shares at a price of \$12.50 per share, which shares were exchanged for an aggregate of 1,100,935 Pieridae Shares pursuant to the Arrangement.

In connection with completion of the Arrangement on October 24, 2017, gross proceeds of \$24,650,000 were released from escrow to Pieridae and 1,970,600 Former Pieridae subscription receipts were automatically converted into 4,346,655 Pieridae Shares.

Please contact the undersigned if you have any questions or require any clarification.

Yours truly,



Thomas D. Ciz

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