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April 7, 2016

Office of Regulation and International Engagement
U.S. Department of Energy
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585
Attention: Benjamin Nussdorf

Re: In the Matter of Bear Head LNG Corporation and Bear Head LNG (USA), LLC
Semi-Annual Report
FE Docket No. 15-33-LNG

Dear Ben:

Bear Head LNG Corporation and Bear Head LNG (USA), LLC (together, "Bear Head LNG") respectfully submit their semi-annual report describing the progress of the proposed Bear Head LNG export facility to be located in Nova Scotia, Canada (the "Bear Head Project"). This filing is made in accordance with:

- (1) Paragraph J of the July 17, 2015 order issued by the Department of Energy, Office of Fossil Energy ("DOE/FE") in the above-referenced docket, granting Bear Head LNG long-term authorization to export natural gas to Canada and liquefied natural gas ("LNG") to other Free Trade Agreement ("FTA") nations,¹ and
- (2) Paragraph N of the February 5, 2016 order issued by DOE/FE in the above-referenced docket, granting Bear Head LNG long-term authorization to export natural gas to Canada for liquefaction and re-export to Non-Free Trade Agreement ("Non-FTA") nations.²

¹ See *Bear Head LNG Corporation and Bear Head LNG (USA), LLC, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Canada and to Other Free Trade Agreement Nations*, DOE/FE Order No. 3681, FE Docket No. 15-33-LNG (July 17, 2015), *Errata Notice* (July 21, 2015) (the "FTA Order"). See also *Bear Head LNG Corporation and Bear Head LNG (USA), LLC, Application for Long-Term Authorizations to Export Natural Gas to and to Export Liquefied Natural Gas from Canada to Free Trade Agreement and Non-Free Trade Agreement Nations*, FE Docket No. 15-33-LNG (Feb. 25, 2015).

² See *Bear Head LNG Corporation and Bear Head LNG (USA), LLC, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Canada and to Other Non-Free Trade Agreement Nations*, DOE/FE Order No. 3770, FE Docket No. 15-33-LNG (Feb. 5, 2016), (the "Non-FTA Order"). See also *Bear Head LNG Corporation and Bear*

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Specifically, Paragraph J of the FTA Order provides:

Bear Head LNG shall file...on a semi-annual basis, written reports describing the progress of the proposed Bear Head Project [including] information on the progress of the Bear Head 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.

Paragraph N of the Non-FTA Order provides:

Bear Head LNG shall file...on a semi-annual basis, written reports describing the status of the proposed Bear Head Project [including] information on the status of the Bear Head Project, the date the Bear Head Project is expected to commence first re-exports of LNG, and the status of the long-term contracts associated with the long-term re-export of LNG and any long-term supply contracts.

During the October 2015 to March 2016 reporting period, the most significant milestones for the Bear Head Project were related to U.S. LNG permitting and Canadian project development work. Specifically, on February 5, 2016, Bear Head LNG secured its long-term authorization to export natural gas to Canada and LNG to Non-FTA nations. On the same day, DOE/FE issued an order disclaiming jurisdiction under Section 3 of the Natural Gas Act over Bear Head LNG's proposed imports of Canadian natural gas travelling by pipeline through the United States on its way back to Canada (*i.e.*, in-transit shipments).³

On March 29, 2016, Bear Head LNG Corporation entered into a purchase and sale agreement with Nova Scotia Business Inc. for an additional 72 acres of land adjacent to the existing Bear Head Project site. As of March 2016, Bear Head LNG has an additional office located in Halifax, Nova Scotia, which supports Canadian development and regulatory activities related to the Bear Head Project.

Bear Head LNG continues to engage in robust discussions with potential liquefaction tolling customers and gas suppliers for the Bear Head Project. Additionally, Bear Head

Head LNG (USA), LLC, Application for Long-Term Authorizations to Export Natural Gas to and to Export Liquefied Natural Gas from Canada to Free Trade Agreement and Non-Free Trade Agreement Nations, FE Docket No. 15-33-LNG (Feb. 25, 2015).

³ See *Bear Head LNG Corporation & Bear Head LNG (USA), LLC*, DOE/FE Order No. 3769, FE docket. No. 15-14-NG (Feb 5, 2016).

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LNG engaged KBR, Inc., an EPC contractor, to perform additional engineering and construction planning work. To date, Bear Head LNG has not entered into long-term contracts associated with the export of U.S.-sourced natural gas as LNG. Nor has it entered into long-term supply contracts. Contingent on the execution of long-term contracts and a final investment decision, Bear Head LNG anticipates the Bear Head Project may begin commercial operations by January 1, 2023 or sooner.

Should you have any questions about this filing, please contact the undersigned at (212) 504-6060.

Respectfully submitted,

/s/ Tania S. Perez
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Attorneys for
Bear Head LNG Corporation and
Bear Head LNG (USA), LLC