

September 29, 2017

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U.S. Department of Energy (FE-34)
Office of Fossil Energy
Office of Natural Gas Regulatory Activities
P.O. Box 44375
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Attention: Natural Gas Reports

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**Re: Bear Head LNG, LLC
DOE Semi-Annual Report
DOE/FE Order No. 3681, FE Docket No. 15-33-LNG
DOE/FE Order No. 3770, FE Docket No. 15-33-LNG**

To: Office of Natural Gas Regulatory Activities:

Pursuant to Ordering Paragraph J of DOE/FE Order 3681 and Ordering Paragraph N of DOE/FE Order 3770, please accept this progress report for Bear Head LNG, LLC ("Bear Head LNG"). Due to prior administrative error, this report covers the period from April 1, 2016, through September 30, 2017. Consistent with Ordering Paragraphs J and N, respectively, Bear Head LNG will continue to file semi-annual reports with the Department.

Any questions regarding this correspondence may be directed to the undersigned counsel at 202.778.9014 or david.wochner@klgates.com.



David L. Wochner
Counsel for Bear Head LNG, LLC

Enclosure

Bear Head LNG Corporation Inc.
FE Docket No. 15-33-LNG
DOE/FE Order Nos. 3681 and 3770
Semi-Annual Report
Period Ending September 30, 2017

Progress at the Proposed Bear Head LNG Terminal

As brief background, Bear Head LNG, located near in Point Tupper, Nova Scotia, Canada, first received its Canadian federal, provincial, and local agency permits in 2004. Bear Head LNG's parent company, Liquefied Natural Gas Limited (LNG), acquired Bear Head LNG in 2014.

On July 17, 2015, in Order No. 3681 in FE Docket No. 15-33-LNG, the U.S. Department of Energy's Office of Fossil Energy (DOE/FE) issued an order authorizing Bear Head LNG to (1) export natural gas to Canada via pipeline for end-use in Canada, and to (2) re-export U.S.-sourced natural gas, after liquefaction in Canada, to countries with which the United States has a free trade agreement requiring national treatment for trade in natural gas (FTA countries).

On August 13, 2015, in Licence Nos. GL-315 and GL-316 and file number OF-EI-Gas-GL-B275-2014-01 01, Canada's National Energy Board (NEB) issued an order granting Bear Head LNG licenses to both export and import natural gas, respectively.

On February 5, 2016, in Order No. 3770 in FE Docket No. 15-33-LNG, DOE/FE issued an order authorizing Bear Head LNG to export liquefied natural gas to any other country with which trade is not prohibited by United States law or policy (non-FTA countries). The same day, in Order No. 3769 in FE Docket No. 15-14-NG, DOE/FE issued an order disclaiming jurisdiction over Bear Head LNG's proposed imports of Canadian natural gas via pipelines through the United States on its way back to Canada (*i.e.*, in-transit shipments).

The following updates have occurred since Bear Head LNG's last report.

First, on May 26, 2016, the NEB sent to Bear Head LNG its final licenses to export and import natural gas (Licence Nos. GL-315 and GL-316).

Second, on July 7, 2016, Nova Scotia Environment approved the Bear Head LNG Greenhouse Gas Management Plan.

Third, on August 3, 2016, Nova Scotia Utility and Review Board issued approval to construct to Bear Paw Pipeline Corporation Inc. (Bear Paw Pipeline), a 38.8 mile pipeline project indirectly owned by LNG that will serve Bear Head LNG.

Fourth, on December 22, 2016, Nova Scotia Environment issued its environmental assessment approval for Bear Paw Pipeline.

Fifth, in addition to the NEB's review, Bear Head LNG also participated in the Canadian government's Technical Review Process of Marine Terminal Systems and Transshipment Sites (TERMPOL). The TERMPOL Review Process is a technical review of marine terminal systems and transshipment sites that focuses on:

- (1) a design vessel's selected route in waters under Canadian jurisdiction to its berth at the proposed Bear Head LNG terminal; and

- (2) the process of cargo handling between vessels, or off-loading from vessel to shore or vice-versa including single point mooring facilities.

On March 20, 2017, the TERMPOL Review Committee completed its review of the Bear Head LNG project and issued its recommendations. Bear Head LNG has agreed to comply with all of the TERMPOL Review Committee's recommendations.

Bear Head LNG continues to engage in robust discussions with potential customers. To date, Bear Head LNG has not entered into any long-term contracts associated with the export of U.S.-sourced natural gas as LNG, nor has it entered into any long-term natural gas supply contracts.

Bear Head LNG has not commenced construction on any of the planned LNG trains or associated plant facilities. The project is in the process of contracting for minor maintenance services on the existing site facilities that were present at acquisition. This includes mowing of seasonal brush growth, repair of temporary fencing around tank foundations and inspection of storm water drainage facilities to ensure proper performance.

Bear Head LNG currently anticipates the Project will be operational by 2022 or 2023.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 29th day of September 2017.

/s/ Gillian R. Giannetti

Gillian R. Giannetti

Counsel for Bear Head LNG, LLC