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October 1, 2018

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 September 30, 2018  
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 September 30, 2018 (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 August 23, 2017 Pieridae and Ikkuma Resources Corp. (IKM-TSXV) ("Ikkuma") entered into a definitive agreement (the "Arrangement Agreement") providing for the acquisition by Pieridae of all of the issued and outstanding shares of Ikkuma to be effected by way of a plan of arrangement (the "Arrangement") under section 193 of the *Business Corporations Act* (Alberta).

The completion of the Arrangement, which is subject to certain conditions precedent, will provide 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 will be completed at metrics significantly below the cost of similar reserves and resources in other parts of North America and is expected to provide one of its long-term competitive advantages for delivering liquefied natural gas to European and other markets. The cost of acquisition represents less than 1.5% of the total cost of Pieridae CA’s proposed Goldboro LNG project and constitutes a significant step towards reaching a positive final investment decision (FID) in late 2018 or early 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 is expected to provide 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 and, under the terms of the Arrangement Agreement, Pieridae will retain 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.

On March 7, 2018 Pieridae CA applied to the Nova Scotia Utility and Review Board for a permit to construct the Goldboro LNG facility based on the its front-end engineering design. The permit to construct is expected to be issued, with conditions, in October 2018 with construction commencing immediately after FID and operations anticipated to commence by the end of 2022.

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

Yours truly,

[*signed*]

Thomas Ciz  
General Counsel