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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
Washington, DC 20026-4375
Attention: Natural Gas Reports

**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"). This report covers the period from October 1, 2018, through March 31, 2019. 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 March 31, 2019

Progress at the Proposed Bear Head LNG Terminal

Bear Head LNG, located 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).

Bear Head LNG is marketing capacity sourced from three potential gas paths: United States; offshore Nova Scotia; and Western and Central Canada. Bear Head LNG is attracting increasing attention from Western Canadian basin gas producers as a viable alternative outlet for their production. Discussions with producers and pipeline partners in support of advancing Bear Head LNG toward an eventual final investment decision (FID) are ongoing. 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 contracted for minor maintenance services on the existing site facilities that were present at acquisition. This included mowing of seasonal brush growth, repair of temporary fencing around tank foundations and inspection of storm water drainage facilities to ensure proper performance.

On July 17, 2018, Bear Head LNG entered into a Memorandum of Agreement with Nova Scotia Construction Labour Relations Association Limited and Cape Breton Building and Construction Trades (Unions) in order to ensure access to the skilled workforce necessary for the construction, operation, and maintenance of the Bear Head LNG facility. On February 19, 2019,

Bear Head LNG signed a Project Labour Agreement with the Unions to define the terms of employment for Bear Head LNG's employees that the Unions represent. The agreement sets the goals of a diverse, safe, efficient, and respectful work environment and prioritizes employment for residents of Cape Breton Island and mainland Nova Scotia.

Also on February 19, 2019, Bear Head LNG signed a Mutual Benefits Agreement with the Assembly of Nova Scotia Mi'kmaq Chiefs. This agreement reflects the parties' commitment to develop the Bear Head LNG project in an environmentally sustainable manner.

In addition, during this period Bear Head LNG worked to close remaining conditions to fully permit the project for construction.