

**Goldboro LNG: Atlantic Canada's First LNG Export Terminal
Securing Shovel Worthy Jobs & Trade, Reconciliation, Net Zero Emissions
2020 Pre-Budget Submission**

Recommendations

Recommendation 1:

That the Government of Canada designate the proposed Goldboro LNG project in Nova Scotia as a priority “shovel ready – shovel worthy” COVID-19 federal recovery project.

Recommendation 2:

That the Government of Canada provide fiscal support to ensure the development of the proposed Goldboro LNG Project in Nova Scotia. Fiscal mechanisms including loan guarantees, infrastructure funding and other measures are required to ensure the Indigenous reconciliation, regional economic development and climate change benefits of this project can be realized.

Goldboro LNG – A Historic Opportunity

The Goldboro Liquefied Natural Gas (LNG) Project is set to become Atlantic Canada's first LNG export facility. Canadian natural gas supplies will be transported to Goldboro, Nova Scotia, using existing pipelines and exported by ship to international markets.

The project represents a historic opportunity for Canada to:

- Create good, well-paying middle-class jobs
- Generate significant economic activity across Canada
- Help reach Paris Climate Accord targets and;
- Contribute towards Indigenous reconciliation efforts

Designating this project as a priority COVID-19 federal recovery project – that is both shovel ready and shovel worthy - and supporting it financially through various fiscal measures is critical for spurring significant economic activity across Canada at a time when it is needed most.

Background and Overview

The Goldboro LNG site is a multi-billion-dollar facility that will be built in Nova Scotia, roughly 250 km northeast of Halifax. The site will be primarily composed of two liquefaction facilities (or “trains”), with each train producing 4.8 million tonnes of LNG per year. We will use existing pipelines to move Western Canadian gas to supply the Goldboro LNG Facility.

Production from the first train has already been sold to German energy company Uniper through a 20-year binding contract with an option for a 10-year extension. Development of the entire project has been designed to meet the needs of Uniper and to ensure their demand can be met. Having already established a customer before construction, as opposed to finding one post-construction, helps ensure the success of the project.

The output of the second train, which is still largely in development, has also been mostly claimed. In order to supply these trains, the majority of gas required for Train 1 will be sourced from Alberta, while gas from Newfoundland remains an option in order to supply Train 2.

Support to Date

Goldboro LNG is not a project that is in the early stages of its development. All major environmental, import, export and construction permits are in place. We have also received confirmation of eligibility in principle of a untied loan guarantee of up to US\$4.5 billion from the German federal government. Pieridae has also signed

an export contract with Germany's Uniper for 20 years, and we fully own the necessary conventional natural gas reserves to supply the majority of Goldboro's first train.

Over the past year, we have had many meetings with a wide variety of federal and provincial government entities, elected officials, First Nations, local communities, as well as the German federal government. We have garnered significant support from these institutions, and it has helped move the project forward and to solidify its value to all parties involved.

Jobs and Economic Impact

The Goldboro LNG project is projected to be one of Nova Scotia's largest ever "mega-projects", creating between 5,000-6,000 jobs during peak construction over four years, and roughly 200 full-time jobs to operate and maintain the plant once it is built. During the construction phase, we are increasing the population of Guysborough County by approximately 50%, which creates the potential for the creation of many secondary and tertiary businesses, and for spin-off benefits such as in catering, laundry services, money for restaurants, gas stations and more.

There are currently 'shovels in the ground' options that exist for this project to put Canadians to work at the project site as early as this fall, provided that there is a significant financial investment. That work would include such projects as site preparation/construction, highway re-alignment, marine facilities for LNG offloading, and a water pipeline.

A Canadian Solution to an International Problem

Over the next 15 years, the demand for liquid natural gas is expected to grow more than 50% across the globe. While global LNG demand is increasing significantly, natural gas production in Europe is falling - particularly as the UK and the Netherlands continue to produce less gas. The International Energy Agency (IEA) predicted this past Spring that Europe will need additional imports by 2025 to cover up to one-third of its anticipated consumption. Some analysts feel there is little on the horizon to stem the problem. One of the only alternatives is for Europe to either get more Russian natural gas by pipeline or import more LNG. We know from our experience that Germany is seeking to use more LNG, but it does not want to trade dependency on Russian gas for dependency on U.S. LNG. Canada is in an excellent position to fulfil this demand as an alternative.

The Goldboro LNG project offers a unique opportunity for Canada to contribute towards a solution to this international problem, with a made in Canada approach. This is a Canadian project that is led by a publicly traded Canadian company. Goldboro LNG is set to create a 30-year economic impact, with spending for the project stretching across most of Canada in a wide variety of ways such as in engineering, manufacturing, general labour, banking, software development, environmental monitoring and more.

LNG will play an essential role in Canada's transition to a green economy. We are proud to advance a project that contributes towards the Paris Climate Accord's goals of reducing global emissions while supporting Canada's energy sector.

Net Zero Emissions - Positive Environmental Impact

The Goldboro LNG Project is part of the solution of the Paris Climate Accord's goals of reducing global emissions. Based on Article 6 of the Accord, our project would ultimately help reduce Canada's net GHG emissions. Since LNG has significantly fewer emissions than coal (of which is the primary source of energy in Germany), Goldboro has the potential of gaining GHG credits of 10-15 mega tonnes (MT) through coal displacement. When combined with Pieridae's CO2 sequestration project in Alberta, there is a high probability that Pieridae's supply chain could be net negative for CO2.

Reconciliation

The Government of Canada has made it clear on numerous occasions that reconciliation is a top priority and that it will seek to support efforts that contribute towards advancing it. Benefit agreements are a common way for industry to contribute towards economic reconciliation efforts. We are proud to have signed a joint Benefits Agreement between Pieridae and the Assembly of Nova Scotia Mi'kmaq Chiefs. This historic agreement will allow for the creation and development of new partnerships, services, and local businesses. It will also allow for an opportunity for the Mi'kmaq to benefit economically from the development, construction and operation of Goldboro. We are continuing to work together with our Mi'kmaq partners to ensure this project is mutually beneficial. Moving this project forward would support the goal of Indigenous reconciliation. If work at the LNG site were to begin this fall, the Mi'kmaq would play a central role in construction of the large-scale work camp to house the thousands of construction workers.

Conclusion

Making this project a national priority today would result in the rapid creation of thousands of new, well-paying jobs for Canadians. It will help generate \$10 billion in economic activity at a time when Canada needs it most. This project will add towards the Paris Climate Accord's goals of reducing global emissions, all while supporting Canada's energy sector. Lastly, this project will contribute towards Canada's objective of reconciliation by supporting Indigenous jobs and businesses associated with this project. All significant environmental, import, export and construction permits are in place. We are shovel ready and eager to help Canada recover from the effects of COVID-19.

For more information:

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