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## **PIERIDAE ENERGY ANNOUNCES 2018 YEAR END RESULTS, PROGRESS MADE ON GOLDBORO LNG PROJECT AND BOARD CHANGE**

**CALGARY, ALBERTA – April 24, 2019** - Pieridae Energy Limited (“Pieridae” or the “Corporation”) (PEA - TSXV) released its 2018 financial and operating results today, highlighting the fact it took some key steps forward last year in advancing its Goldboro liquefied natural gas (“LNG”) Project. In 2018, the company was issued a permit to construct the facility, received US\$1.5 billion in additional conditional loan support from the German Government, closed its purchase of Ikkuma Resources Corp. (“Ikkuma”) to obtain a portion of the supply of natural gas for Goldboro’s first LNG facility (Train 1), and signed a sale and purchase agreement to supply Europe with additional LNG from Goldboro’s second facility (Train 2).

“I am pleased with the progress we made in 2018 on the Goldboro project. Pieridae has Eastern Canada’s only fully permitted LNG facility with gas supplies, a pipeline route and an anchor customer – it is truly shovel ready,” said Alfred Sorensen, Pieridae’s Chief Executive Officer. “The project will create thousands of jobs across the country and establish a solid global market for Canadian natural gas for years to come.”

Financial and operational information is set out below and should be read in conjunction with Pieridae’s December 31, 2018 Annual Report which includes the Corporation’s audited annual financial statements and the related management's discussion and analysis ("MD&A"). In addition, the Corporation today announces the filing of its Annual Information Form ("AIF") for the year ended December 31, 2018 that contains the Corporation's reserves and other oil and natural gas information, as required under National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities. The AIF, Annual Report, audited financial statements and MD&A are available for review at [www.sedar.com](http://www.sedar.com) and on the Corporation's website.

**2018 Financial Summary:**

	(\$000s, except as noted)	2018	2017
<b>Financial</b>			
Revenue	\$	2,730	\$ 90
Net loss	\$	34,915	\$ 8,924
Net loss per common share – basic and diluted (\$/share)	\$	0.68	\$ 0.24
Cash flow from operating activities	\$	(8,407)	\$ (10,239)
Capital expenditures	\$	2,234	\$ 22
Project expenditures <sup>(1)</sup>	\$	9,286	\$ 6,640
Net Working Capital <sup>(1)</sup>	\$	(84,061)	\$ 10,989
Shareholders' equity	\$	91,900	\$ 59,469
<b>Operating</b>			
Daily production <sup>(2)</sup>			
Crude Oil and NGLs (bbl/d)		350	-
Natural gas (Mcf/d)		102,952	-
Barrels of oil equivalent (BOE/d) <sup>(3)</sup>		17,509	-
Gross proved plus probable reserves <sup>(4)</sup>			
Crude oil and NGLs (Mbbbl)		1,357	-
Natural gas (MMcf)		670,497	-
Barrels of oil equivalent (MBOE) <sup>(3)</sup>		113,106	-

1. Non-IFRS measure. See page 46 in the Corporation's MD&A.
2. Average daily production is from the commencement of active operations with the acquisition of Ikkuma Resources Corp on December 20, 2018.
3. A barrel of oil equivalent ("BOE") is derived by converting six thousand cubic feet of natural gas to one barrel of crude oil (6 Mcf:1 bbl). This conversion may be misleading, particularly if used in isolation, since the 6 Mcf:1 bbl ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In comparing the value ratio using current crude oil prices relative to natural gas prices, the 6 Mcf:1 bbl conversion ratio may be misleading as an indication of value.
4. Year-end proved plus probable reserves were prepared using forecast prices and costs.

**Financial Performance**

Pieridae's financial results for 2018 reflect the fact the company was still predominantly a development stage company for most of the year. Pieridae's 2018 consolidated financial statements include the results of operations of Ikkuma for the 11-day period after the December 20, 2018 acquisition closing date. This still represents a milestone for the company as it recorded its first ever petroleum and natural gas operating revenue. Pieridae recognized a portion of Ikkuma's petroleum and natural gas revenue, as well as operating, administrative and transportation expenses. This, coupled with the impairment of \$17.0 million recorded in Q3 of 2018, resulted in a loss before taxes of \$34.9 million for the year. This compares to a loss of \$9.3 million in 2017. Overall, the acquisition of Ikkuma contributed revenues of \$2.5 million and a net loss of \$1.0 million.

"Pieridae's share price has been under pressure as overall performance in the energy sector experienced difficulties in 2018," said Pieridae CEO Alfred Sorensen. "We recognize with projects the size of Goldboro, a number of stakeholders do not have the same timelines as Pieridae. If we continue to demonstrate progress towards a positive investment decision on Goldboro and begin construction activities, we're confident we will continue to lessen the gap in value of where our shares currently trade versus the true value of our company."

## **2018 Operating Developments:**

### **Goldboro LNG Sale and Purchase Agreement**

On May 7, 2018, Pieridae announced that it signed a term sheet with AXPO Trading A.G. to negotiate a binding LNG sale and purchase agreement to supply Canadian-sourced liquefied natural gas to Europe from the second facility (Train 2) of the Goldboro liquefaction facility in Nova Scotia.

Under the term sheet with Pieridae, the customer will purchase up to 1 million tonnes per annum (“MTPA”) of LNG. This contract is scheduled to begin once LNG starts being delivered, estimated to be the first quarter of 2023, and last for 10 years.

### **Ikkuma Acquisition**

On August 24, 2018, Pieridae and Ikkuma announced they had entered into a definitive agreement for Pieridae to acquire all of the issued and outstanding Ikkuma shares. On December 20, 2018, the acquisition was complete.

The acquisition provides Pieridae with ownership of an extensive area of gas-producing reserves in the central Alberta Foothills and northeast British Columbia. It also represents a transformative step in Pieridae implementing its core business model, as the company now owns natural gas assets to help supply the first LNG liquefaction and export facility (or Train 1) of Goldboro.

The cost of Ikkuma’s natural gas properties was significantly below the cost of similar reserves in other parts of North America. Pieridae also acquired instant expertise in natural gas exploration and development, as it looks to expand its portfolio of natural gas assets in the Western Canada Sedimentary Basin and acquire and develop other gas supplies. This is expected to provide Pieridae with a long term, competitive advantage for delivering LNG to European and other markets.

### **Québec Government Adopts New Oil & Gas Regulations**

On September 20, 2018 the Government of Québec adopted the Petroleum Resources Act. The new regulations impact oil and gas development near urban areas, water bodies and the hydraulic fracturing process. Pieridae reviewed the Act and determined it was not possible to continue oil and gas operations on certain properties in Québec. The Company is working with the Québec government to mitigate and manage these impacts.

### **Pieridae Receives Additional Conditional Loan Support from the German Government**

Pieridae announced on October 29, 2018 its proposed financing of upstream natural gas development to supply the Goldboro LNG Project had received written confirmation of eligibility in principle for up to US\$1.5 billion of untied loan guarantees by the German federal government under its UFK program. This confirmation marks an important milestone toward a final investment decision on Goldboro.

This loan guarantee is in addition to US\$3 billion of prospective German government loan guarantees previously announced to finance construction of Goldsboro’s first LNG facility (or Train 1). The terms and conditions of both guarantees are yet to be negotiated in the context of overall project financing. The guarantees will be subject to, among other things, a commitment that a specified amount of LNG produced annually from Goldboro will be delivered to Germany over a term of twenty years.

In 2013, German utility Uniper signed a 20-year agreement with Pieridae to purchase 5 million tons per annum of LNG produced from the first Goldboro facility (or Train 1).

### **Permit to Construct the Goldboro LNG Facility Issued**

The Nova Scotia Utility and Review Board issued the permit to construct the Goldboro LNG Facility on November 5, 2018. Pieridae now holds all required permits to build and operate the facility. The company remains focused on satisfying all of the permit's conditions and to begin construction of Goldboro as soon as a positive investment decision is made.

Pieridae engaged Hatch Ltd. ("Hatch) to act as its engineering adviser. Hatch was selected due to its expertise in the conversion, storage, handling and transportation of LNG, which is critical to ensuring a well-thought-out plan that incorporates all aspects of the project site. Hatch has a global network of 9,000 professionals spanning over 150 countries.

Pieridae continues to engage with First Nations so that the Mi'kmaq people will benefit economically from the project.

### **Reserves**

Reserves as at December 31, 2018 are as follows:

- Total proved reserves are 83,804 MBOE. Proved plus probable reserves are 113,106 MBOE. Proved developed producing reserves are 59,995 MBOE.
- The net present value of future net revenues, before income tax, discounted at 10%, is \$302.4 million for proved reserves and \$396.1 million for proved plus probable reserves. The net present value for proved developed producing reserves is \$245.0 million.

Prior to acquiring Ikkuma, Pieridae had no proved or probable reserves

### **2019 Developments, Outlook and Guidance:**

Guidance for 2019 average daily production is expected to be in the range of 16,000 – 18,000 BOE/d. Production guidance excludes potential acquisitions. Pieridae's 2019 upstream capital program will focus on necessary maintenance, equipping, tie-in and low cost, high-return optimization initiatives at a cost of approximately \$8 – 10 million. Depending on funding initiatives, Pieridae would expect to incur up to \$45 million in Goldboro development activities.

On February 4, 2019, the Company announced that the Nova Scotia Mi'kmaq Benefits Agreement, which it negotiated with the Assembly of Nova Scotia Mi'kmaq Chiefs, had been ratified. This Benefits Agreement establishes the framework under which the Mi'kmaq of Nova Scotia will benefit economically from the development, construction and operation of Goldboro.

On February 28, 2019, the Company announced that it had completed a brokered and non-brokered private placement of the Company's common shares at a price of \$2.00 per share. After giving effect to both the brokered and non-brokered tranches of the private placement, the Company issued 9,550,000 common shares for gross proceeds of \$19.1 million.

On April 1, 2019, the Company announced that it had engaged KBR to perform a review of an amended version of the previously prepared FEED study for Goldboro. KBR will also conduct an OBE necessary for entering into a lump sum EPC contract.

### **Board Change:**

The Corporation announced today that Matthew Rees has resigned as a Director of Pieridae. "We would like to thank Matthew for his tireless effort and many contributions to Pieridae and we wish him well in his future endeavours," said Pieridae Board Chair Myron Tétreault.

**About Pieridae**

Founded in 2011, Pieridae, a majority Canadian owned corporation based in Calgary, is focused on the development of integrated energy-related activities, from the exploration and extraction of natural gas to the development, construction and operation of the Goldboro LNG facility and the production of LNG for sale to Europe and other markets. Pieridae is on the leading edge of the re-integration of the LNG value chain in North America. Pieridae has 84,121,990 common shares issued and outstanding which trade on the TSX Venture Exchange (PEA).

**Forward-Looking Statements**

This news release contains forward-looking information. Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. Although Pieridae believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Pieridae can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Pieridae operates; the timely receipt of any required regulatory approvals; the ability of Pieridae to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects which Pieridae has an interest in, to operate the field in a safe, efficient and effective manner; the ability of Pieridae to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas resources through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of Pieridae to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Pieridae operates; timing and amount of capital expenditures, future sources of funding, production levels, weather conditions, success of exploration and development activities, access to gathering, processing and pipeline systems, advancing technologies, and the ability of Pieridae to successfully market its oil and natural gas products. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Special Note Regarding Non-IFRS Financial Measures**

This news release includes references to financial measures such as project expenditures and net working capital, that the Corporation believes is important to the understanding of the business activities. These financial measures are not defined by International Financial Reporting Standards (“IFRS”) and therefore are referred to as non-IFRS measures. The non-IFRS measures used by the Corporation may not be comparable to similar measures presented by other companies. The Corporation uses these non-IFRS measures to evaluate its performance. The non-IFRS measures should not be considered an alternative to or more meaningful than measures determined in accordance with IFRS, as an indication of the Corporation’s performance. The non-IFRS measures are reconciled to their closest IFRS measure on page 46 of the Corporation’s MD&A.

**Special Note Regarding Production and Reserves**

Reference is made to crude oil and natural gas in common units called barrel of oil equivalent ("BOE"). A BOE is derived by converting six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of crude oil (6 Mcf:1 bbl). This conversion may be misleading, particularly if used in isolation, since the 6 Mcf:1 bbl ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In comparing the value ratio using current crude oil prices relative to natural gas prices, the 6 Mcf:1 bbl conversion ratio may be misleading as an indication of value.

Additional information on factors that could affect operations and financial results are included in reports of Pieridae on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), and at Pieridae's website ([www.pieridaeenergy.com](http://www.pieridaeenergy.com)).

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