PIERIDAE ENERGY

Condensed Consolidated Statements of Financial Position

Unaudited, in thousands of Canadian dollars		**March 31, 2020**	**December 31, 2019**
Assets			
Current			
Cash and cash equivalents		**14,044**	9,567
Restricted cash		**18,450**	19,152
Accounts receivable	(Note 13)	**49,906**	40,810
Prepaid expenses and deposits		**4,769**	3,535
Fair value of risk management contracts		**5**	-
Inventories		**23,506**	23,535
		110,680	96,599
Security deposits		**790**	600
Interests in associates		**3,707**	3,710
Property, plant and equipment	(Note 5)	**487,319**	495,048
Exploration and evaluation assets	(Note 6)	**2,177**	1,077
Right-of-use assets	(Note 7)	**4,764**	5,440
		609,437	602,474
Liabilities			
Current			
Accounts payable and accrued liabilities	(Note 13)	**87,926**	73,573
Current portion of decommissioning obligations	(Note 9)	**2,890**	-
Current portion of lease liabilities		**2,660**	2,701
Fair value of risk management contracts	(Note 13)	**-**	45
Other amounts payable		**1,608**	1,175
		95,084	77,494
Other amounts payable		**8,664**	8,364
Term debt	(Note 8)	**206,401**	202,913
Decommissioning obligations	(Note 9)	**204,716**	206,520
Lease liabilities		**2,236**	2,868
		517,101	498,159
Share capital	(Note 10)	**274,863**	274,799
Contributed surplus		**10,633**	10,458
Other comprehensive income		**1,629**	2,363
Warrants		**933**	933
Deficit		**(195,560)**	(184,076)
Equity attributable to equity holders of the company		**92,498**	104,477
Non-controlling interests		**(162)**	(162)
Total shareholders' equity		**92,336**	104,315
		609,437	602,474

Commitments (Note 15)
Subsequent event (Note 16)

Approved on behalf of the Board of Directors:

(signed) Charles Boulanger

Chair, Audit Committee

Condensed Consolidated Statements of Loss and Comprehensive Loss

Unaudited, in thousands of Canadian dollars (except share and per share amounts)		Three months ended March 31 2020	2019
Revenues			
Petroleum and natural gas	(Note 11)	**64,751**	23,306
Royalties		**(2,630)**	(936)
		62,121	22,370
Other income		**649**	1,268
Third party processing		**6,802**	-
		69,572	23,638
Realized gain (loss) on risk management contracts	(Note 13)	**4,485**	(657)
Unrealized (loss) gain on risk management contracts		**(83)**	1
		73,974	22,982
Expenses			
Operating expenses		**50,982**	16,194
Administrative expenses		**6,301**	3,724
Development expenses		**3,459**	308
Transportation expenses		**3,836**	1,629
Impairment of exploration and evaluation assets	(Note 6)	**-**	7,859
Share-based compensation		**175**	149
Gain on foreign exchange		**(178)**	(18)
Depletion and depreciation	(Note 5,7)	**9,334**	4,345
Financial expenses	(Note 12)	**11,546**	1,840
Share of net loss of associates		**3**	3
Gain on disposal		**-**	(55)
		85,458	35,978
Net loss before taxes		**(11,484)**	(12,996)
Deferred income tax recovery		**-**	-
Net loss for the period		**(11,484)**	(12,996)
Other comprehensive income, net of income tax			
Foreign currency translation gain (loss)		**(734)**	1,017
Total comprehensive loss for the period		**(12,218)**	(11,979)
Net loss attributable to			
Equity holders of the Company		**(11,484)**	(12,992)
Non-controlling interests		**-**	(4)
Net loss per share attributable to equity holders of the Company			
Basic	(Note 10)	**(0.07)**	(0.17)
Diluted	(Note 10)	**(0.07)**	(0.17)
Weighted average number of common shares			
Basic	(Note 10)	**157,609,947**	77,793,154
Diluted	(Note 10)	**157,609,947**	77,793,154

Condensed Consolidated Statements of Changes in Equity

Unaudited, in thousands of Canadian dollars except share amounts		Share Capital	Warrants	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total Equity attributable to equity holders	Non-controlling interests	Total Equity
As at December 31, 2018		193,270	933	8,960	(112,503)	1,240	91,900	(152)	91,748
Share-based compensation		31	-	149	-	-	180	-	180
Common shares and warrants issued on private placement		19,100	-	-	-	-	19,100	-	19,100
Share issue costs		(865)	-	-	-	-	(865)	-	(865)
Net loss attributable to equity holders of the Company		-	-	-	(12,992)	1,017	(11,975)	(4)	(11,979)
As at March 31, 2019		211,536	933	9,109	(125,495)	2,257	98,340	(156)	98,184
As at December 31, 2019	(Note 10)	**274,799**	**933**	**10,458**	**(184,076)**	**2,363**	**104,477**	**(162)**	**104,315**
Share-based compensation		64	-	175	-	-	239	-	239
Net loss attributable to equity holders of the Company		-	-	-	(11,484)	(734)	(12,218)	-	(12,218)
As at March 31, 2020	(Note 10)	**274,863**	**933**	**10,633**	**(195,560)**	**1,629**	**92,498**	**(162)**	**92,336**

Condensed Consolidated Statements of Statement of Cash Flows

Unaudited, in thousands of Canadian dollars		Three months ended March 31 2020	2019
Operating activities			
Net loss		**(11,484)**	(12,996)
Depletion and depreciation	(Note 5,7)	**9,334**	4,345
Amortization of financing fees	(Note 12)	**3,488**	-
Share-based compensation		**175**	149
Amortization of deferred lease inducements		-	(10)
Impairment of exploration and evaluation assets	(Note 6)	-	7,859
Accretion	(Note 9)	**211**	706
Share of net loss of associates		**3**	3
Gain on disposal		-	(55)
Decommissioning liability change in estimate	(Note 9)	**875**	(98)
Unrealized loss on risk management contracts		**(50)**	-
Foreign exchange gain		**(178)**	(18)
Changes in non-cash working capital	(Note 14)	**4,052**	(16,969)
Cash provided (used) in operating activities		**6,426**	(17,084)
Investing activities			
Additions to property, plant and equipment	(Note 5)	**(920)**	(306)
Additions to exploration and evaluation assets	(Note 6)	**(1,100)**	(116)
Proceeds from disposal of property, plant and equipment		-	(150)
Cash used in investing activities		**(2,020)**	(572)
Financing activities			
Issuance of share capital, net of costs	(Note 10)	**64**	18,266
Restricted cash		**512**	5,507
Repayment of bank debt		-	(2)
Payments on lease obligations		**(682)**	(95)
Cash (used in) provided by financing activities		**(106)**	23,676
Increase in cash and cash equivalents		**4,300**	6,020
Cash and cash equivalents, beginning of period		**9,567**	9,112
Effect of foreign exchange on cash		**177**	1,026
Cash and cash equivalents, end of period		**14,044**	16,158
Cash paid:			
Interest		**6,434**	7

Notes to the Condensed Consolidated Unaudited Interim Financial Statements

1. Corporate Information

Pieridae Energy Limited (the "Company" or "Pieridae") is a publicly traded, Canadian based Company in the business of developing, producing and processing natural gas, and the production of natural gas liquids ("NGLs"). It is also engaged in the development of a fully integrated liquefied natural gas ("LNG") project to be built in Goldboro, Nova Scotia. The common shares of Pieridae trade on the Toronto Venture Exchange ("TSX") under the symbol PEA.V.

The Company was incorporated on May 29, 2012 under the laws of Canada. It is headquartered at 3100, 308 - 4th Avenue SW, Calgary, Alberta, T2P 0H7.

The condensed consolidated unaudited interim financial statements ("Interim Financial Statements") include the accounts of Pieridae, its subsidiary companies, partnerships and any investments in associates and joint arrangements as at and for the three months ended March 31, 2020.

2. Basis of Presentation

The Interim Financial Statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These Interim Financial Statements have been prepared following the same accounting policies and methods of computation as the Company’s annual consolidated financial statements as at and for the year-ended December 31, 2019 (“Consolidated Financial Statements”) and should be read in conjunction with those Consolidated Financial Statements. Comparative amounts have been reclassified to match the current period presentation.

The Company is subject to a number of business risks. These are outlined in greater detail in the Management Discussion & Analysis (“MD&A”) and Annual Information Form for the year ended December 31, 2019, and in the MD&A for the period ended March 31, 2020. The current challenging economic climate due to the COVID-19 pandemic and supply concerns stemming from failed negotiations between OPEC countries on production curtailments, may have significant adverse impacts to the Company, including but not limited to:

- Material declines in revenue and cash flows due to reduced commodity prices
- Material decline in future revenues, which may result in potential impairment on non-financial assets
- Increase in the risk of non-performance by our customers, resulting in the risk of higher customer defaults

These Interim Financial Statements were approved by the Board of Directors of Pieridae on May 27, 2020.

Significant accounting judgments and estimates

The preparation of these Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures with respect to contingent assets and liabilities. Pieridae bases judgments, estimates and assumptions on current facts, historical experience and various other factors that are reasonable under the circumstances. The economic environment could also impact certain judgments, estimates and discount rates necessary to prepare these Interim Financial Statements, including significant estimates and judgments used in assessing for impairment indicators in the current economic environment. Actual results could differ materially from estimates and assumptions. Pieridae reviews estimates and underlying assumptions on an ongoing basis and make revisions as determined necessary by management. Such revisions are recognized in the period in which the estimates are revised and may impact future periods as well.

Critical accounting judgments and estimates used in preparing the Interim Financial Statements are described in Pieridae's Consolidated Financial Statements and MD&A for the year ended December 31, 2019. Current conditions have increased the complexity in making judgments, estimates and assumptions used to prepare the Interim Financial Statements, particularly related to the following:

(i) Impairment of petroleum and natural gas assets

For the purposes of determining whether impairment of petroleum and natural gas assets has occurred, and the extent of any impairment or its reversal, the key assumptions the Company uses in estimating future cash flows are forecasted petroleum and natural gas prices, expected production volumes and anticipated recoverable quantities of proved and probable reserves. These assumptions are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates. Changes in the aforementioned assumptions could affect the carrying amounts of assets. Impairment charges and reversals are recognized in profit or loss. The impact of COVID-19, or the assessment of future prices, have not triggered impairment indicators as at March 31, 2020.

3. Changes in Accounting Policies

These Interim Financial Statements and the notes thereto have been prepared using the same accounting policies as used in the preparation of the Consolidated Financial Statements as at and for the year-ended December 31, 2019, except for the adoption of amended standards, and interpretations effective as of January 1, 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Definition of a Business (Amendments to IFRS 3)
Effective January 1, 2020, the Company adopted the amendment to IFRS 3 which clarifies that, in order to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the Interim Financial Statements.

4. Segmented Financial Information

Pieridae's reportable segments are determined based on the nature of the underlying operations, and the operations of the separate subsidiaries involved in these activities. The breakdown of the Company's respective lines of business are as follows:

Upstream – The upstream segment is comprised predominantly by the petroleum and natural gas production operations and properties acquired from Shell and Ikkuma. It also includes the Company's upstream operations in Eastern Canada, and certain corporate overhead activities associated with these operations. Upstream is currently the only segment generating operating revenues.

LNG – The LNG segment contains all activities associated with the development of the Company's proposed LNG facility in Goldboro, Nova Scotia and the majority of Pieridae's corporate overhead activities.

Segmented Information	**Three months ended March 31**					
	Upstream		**LNG**		**Consolidated**	
(Unaudited, in thousands of Canadian dollars)	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Revenue						
Petroleum and natural gas	**64,751**	23,306	**-**	-	**64,751**	23,306
Royalties	**(2,630)**	(936)	**-**	-	**(2,630)**	(936)
	62,121	**22,370**	**-**	**-**	**62,121**	**22,370**
Other income	**649**	1,268	**-**	-	**649**	1,268
Third party processing	**6,802**	-	**-**	-	**6,802**	-
	69,572	23,638	**-**	-	**69,572**	23,638
Realized gain (loss) on risk manangement contracts	**4,485**	(657)	**-**	-	**4,485**	(657)
Unrealized (loss) gain on risk management contracts	**(83)**	1	**-**	-	**(83)**	1
	73,974	22,982	**-**	-	**73,974**	22,982
Expenses						
Operating expenses	**50,982**	16,194	**-**	-	**50,982**	16,194
Administrative expenses	**3,190**	1,339	**3,111**	2,385	**6,301**	3,724
Development expenses	**-**	-	**3,459**	308	**3,459**	308
Transportation expenses	**3,836**	1,629	**-**	-	**3,836**	1,629
Impairment of exploration and evaluation assets	**-**	7,859	**-**	-	**-**	7,859
Share-based compensation	**72**	30	**103**	119	**175**	149
Loss on foreign exchange	**(178)**	(8)	**-**	(10)	**(178)**	(18)
Depletion and depreciation	**9,162**	4,345	**172**	-	**9,334**	4,345
Financial expenses	**11,546**	1,840	**-**	-	**11,546**	1,840
Share of net loss of associates	**3**	3	**-**	-	**3**	3
Gain on disposal	**-**	(55)	**-**	-	**-**	(55)
	78,613	33,176	**6,845**	2,802	**85,458**	35,978
Loss before income tax	**(4,639)**	(10,194)	**(6,845)**	(2,802)	**(11,484)**	(12,996)
Deferred tax recovery	**-**	-	**-**	-	**-**	-
Net loss	**(4,639)**	(10,194)	**(6,845)**	(2,802)	**(11,484)**	(12,996)

As at	**March 31,**	**December**
($ 000)	**2020**	**31, 2019**
Upstream assets	**596,592**	590,213
LNG assets	**12,845**	12,261
Total consolidated assets	**609,437**	602,474

Upstream assets include materials inventory acquired as part of the Acquisition on October 16, 2019 (see Note 5 in the Consolidated Financial Statements). Materials inventory is comprised of consumables, materials and supplies and is carried at the lower of cost and net realizable value. As at March 31, 2020, the Company held $23.5 million of materials inventory (December 31, 2019: $23.5 million).

5. Property, Plant and Equipment

($ 000s)	
Historical Cost	
Balance at December 31, 2019	516,575
Additions	929
Balance at March 31, 2020	**517,504**

Accumulated Depletion & Depreciation	
Balance at December 31, 2019	21,527
Depletion and depreciation (1)	8,658
Balance at March 31, 2020	**30,185**

Net Book Value	
Balance at December 31, 2019	495,048
Balance at March 31, 2020	**487,319**

(1) Does not include $0.7 million of right-of-use assets depreciation (Note 7).

As of March 31, 2020, the Company determined that no impairment indicators existed in any of the Company's Cash Generating Units, therefore no impairment tests were performed.

6. Exploration and Evaluation Assets

($ 000s)	
Balance at December 31, 2019	1,077
Additions	1,100
Balance at March 31, 2020	**2,177**

Exploration and evaluation ("E&E") assets consist of unevaluated seismic data on the Company's exploration projects which are pending the determination of proved or probable reserves. E&E assets totaled $2.2 million as at March 31, 2020, compared to $1.1 million as at December 31, 2019, and were not subject to depletions or transfers to property, plant and equipment. During the three months ended March 31, 2020, additions of $1.1 million were incurred. As of March 31, 2020, the Company determined that no impairment indicators for its E&E assets, therefore no impairment tests were performed.

In Q1 2019 management re-evaluated the Company's prospects in Quebec and compared these to other opportunities available to the Company. Management concluded that renewing certain petroleum licenses in Quebec was not in the best interests of the Company. Consequently, only licenses for properties which held the most promise and likelihood of exploratory success were renewed, the remainder were relinquished. This was deemed as an indicator of impairment for the related properties, and as at March 31, 2019 an impairment provision of $7.9 million was recorded. Refer to the Consolidated Financial Statements for the year ended December 31, 2019 for additional information on impairment recognized in 2019.

7. Leases

Right-of-use-assets
The Company enters into arrangements to secure access to assets necessary for operating the business. Leased (right-of-use) assets include office, vehicles and equipment.

($ 000s)	**Office**	**Vehicles**	**Equipment**	**Total**
Historical Cost				
Balance at December 31, 2019	2,194	4,361	26	6,581
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at March 31, 2020	**2,194**	**4,361**	**26**	**6,581**
Accumulated Depreciation				
Balance at December 31, 2019	410	722	9	1,141
Depreciation	133	541	2	676
Disposals	-	-	-	-
Balance at March 31, 2020	**543**	**1,263**	**11**	**1,817**
Net Book Value				
Balance at December 31, 2019	1,784	3,639	17	5,440
Balance at March 31, 2020	**1,651**	**3,098**	**15**	**4,764**

8. Term Debt

On October 16, 2019 the Company entered into a $206.0 million senior secured fully drawn non-revolving term loan facility (the "Credit Agreement"). The Credit Agreement bears interest at a fixed rate of 12.0% per annum from the date of issue, accrued daily and payable quarterly in cash. Additional interest of 3.0% per annum is payable quarterly in cash or, at the option of the Company and subject to the lender's approval, payable in kind by way of accruing to the principal outstanding. The Credit Agreement is repayable in full on October 16, 2023, however the Company may repay the principal in whole or in part any time prior to October 16, 2023 upon 90 days written notice to the agent, without penalty. Refer to the Consolidated Financial Statements for the year ended December 31, 2019 for additional information on the Credit Agreement.

The term loan facility balance on March 31, 2020 and December 31, 2019 is shown in the following table:

($ 000s)	**March 31, 2020**	**December 31, 2019**
Term loan facility	206,000	206,000
Accretion of deferred fee (1)	5,715	2,601
Unamortized transaction costs	(5,314)	(5,688)
Term debt	**206,401**	**202,913**

(1) Total accretion of the deferred fee and transaction costs is $3.5 million for the period ended March 31, 2020

Effective March 17, 2020, a waiver was provided by the agent and lender to remove the requirement to hedge at least 60% of production volumes on an 18 -month rolling average until the end of August 2020. Effective March 31, 2020, a waiver was provided by the agent and lender to defer the financial covenant relating to market capitalization until June 30, 2021. Pieridae was in compliance with all covenants as of March 31, 2020.

9. Decommissioning Obligations

($ 000s)	**March 31, 2020**
Balance at December 31, 2019	206,520
Change in estimate	875
Accretion	211
Balance at March 31, 2020	**207,606**
Less: Current portion	2,890
Long-term balance	**204,716**

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company estimates the total undiscounted amount of cash flows required to settle its decommissioning obligations is approximately $243 million (December 31, 2019: 239.7 million).

The Company applied a risk-free real rate return rate of 0.41% (December 31, 2019: 0.41%) to estimate the present value of the decommissioning provision. Changes in the measurement of the decommissioning provision are added to, or deducted from, the cost of the related property, plant and equipment or evaluation and exploration asset.

10. Share Capital

Issued and outstanding common shares

($ 000s, except as noted)	**Number of common shares** *(000s)*	**Common share capital**
Balance at December 31, 2019	157,561	274,799
Share-based compensation	81	64
Balance at March 31, 2020	**157,642**	**274,863**

On February 5, 2020, 80,697 common shares were granted to non-employee directors as part of the Company's share-based compensation policy for directors.

Net loss per share – Basic and Diluted

	Three months ended March 31	
($ 000s except share amount)	**2020**	**2019**
Net loss for the period attributable to equity holders of the Company	(10,442)	(12,996)
Weighted average number of common shares (*000s of shares*)	157,610	77,793
Effect of dilutive securities (*000s of shares*)	-	-
Weighted average number of common shares adjusted for dilution (*000s of shares*)	157,610	77,793
Net loss per shares (*$ per share*)		
Basic	(0.07)	(0.17)
Diluted	(0.07)	(0.17)

11. Petroleum and Natural Gas Sales

The Company's revenues from the sale of petroleum and natural gas are comprised of sales from the production of natural gas, condensate, natural gas liquids and sulphur, as set out below.

	Three months ended March 31	
($ 000s)	**2020**	**2019**
Natural Gas	40,479	20,743
Condensate	17,519	175
NGL	5,856	646
Sulphur	897	1,742
Total petroleum and natural gas sales	**64,751**	**23,306**

12. Finance Expenses

($ 000s)	Three months ended March 31 2020	2019
Interest expense	7,839	1,165
Accretion on financing costs	3,488	-
Interest income	(32)	(37)
Accretion of decommissioning obligations (Note 9)	211	706
Interest on lease liabilities	40	6
Total financial expenses	**11,546**	**1,840**

13. Financial Instruments and Risk Management

Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure based on methods as set out in the Consolidated Financial Statements. These methods have been applied consistently to all periods presented in these Interim Financial Statements.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Interim Financial Statements, are shown in the table below. Fair values for risk management contracts are determined using external counterparty information, which is compared to observable market data. Certain non-derivative financial instruments measured at amortized cost including cash and cash equivalents, trade receivables and trade payables have been excluded because they have carrying amounts that approximate their fair value due to the nature of the item or the short time to maturity. These instruments would be classified as Level II of the fair value hierarchy.

($ 000s)	March 31, 2020			December 31, 2019		
	Carrying Value	Fair Value Level	Fair Value	Carrying Value	Fair Value Level	Fair Value
Financial assets at fair value						
Fair value of risk management contracts	5	II	5	-	-	-
Financial liabilities at fair value						
Fair value of risk management contracts	-	-	-	45	II	45
Financial liabilities at amortized cost						
Term debt	206,401	II	206,000	202,913	II	206,000

Pieridae has exposure to counterparty credit risk, liquidity risk and market risk and recognizes that effective management of these risks is a critical success factor in managing organization and shareholder value. Risk management strategies, policies and limits ensure risks and exposures are aligned to Pieridae's business strategy and risk tolerance. Pieridae's Board of Directors is responsible for providing risk management oversight and oversees how management assesses and monitors risk. The following analysis provides an assessment of those risks at March 31, 2020.

Counterparty credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivable from partners in jointly owned assets, natural gas marketers and counterparties to derivative financial contracts. The impact from COVID-19 on credit risk remains low as Pieridae continues to maintain communication with our customers and work towards timely payment of accounts receivable. To date, the Company has not experienced significant counterparty non-performance. In light of COVID-19, Pieridae assessed the financial stability and liquidity of our customers as at March 31, 2020. No significant adjustments were made to net accounts receivable in connection with this assessment. Pieridae will continue to monitor the impact of COVID-19 on an ongoing basis and make revisions as determined necessary by management. Such revisions are recognized in the period in which the estimates are revised and may impact future periods as well.

Substantially all of the Company's petroleum and natural gas production is marketed under standard industry terms. Sales from petroleum and natural gas marketers are normally collected on the 25th day of the month following sale. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with creditworthy purchasers. The Company historically has not experienced any material collection issues with its petroleum and natural gas marketers. Receivables from partners in jointly owned assets are typically collected within one to three months of the bill being issued to the partner. The Company attempts to mitigate the risk from receivables from partners in jointly owned assets by obtaining partner approval of significant capital expenditures prior to the expenditure. However, the receivables are from participants in the petroleum and natural gas sector, and collection of the outstanding balances can be impacted by industry factors such as commodity price fluctuations, limited capital availability and unsuccessful drilling programs. The Company does not typically obtain collateral from petroleum and natural gas marketers or partners in jointly owned assets; however, the Company can cash call for major projects and does have the ability, in most cases, to withhold production from these partners in the event of non-payment.

The carrying amount of accounts receivable represents the maximum credit exposure. As of March 31, 2020, and December 31, 2019, the Company's accounts receivables consisted of:

($ 000s)	**March 31, 2020**	**December 31, 2019**
Petroleum and natural gas marketers	31,286	29,965
Receivables from partners in jointly owned assets	16,607	8,877
Other (primarily governmental entities)	2,013	1,968
Total accounts receivable	**49,906**	**40,810**

As of December 31, 2019, and 2018, the Company's accounts receivables are aged as follows:

($ 000s)	**March 31, 2020**	**December 31, 2019**
Current (less than 90 days)	43,243	35,564
Past due (more than 90 days)	6,663	5,246
Total accounts receivable	**49,906**	**40,810**

The Company has assessed the past due receivables and determined that no provision is required as of March 31, 2020 or December 31, 2019.

Liquidity and funding risk

Liquidity and funding risk is the risk that the Company may be unable to obtain sufficient cash or its equivalent in a timely and cost-effective manner in order to meet its commitments as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements as they become due. The Company manages its liquidity risk by forecasting cash flows over a 12-month rolling time period to identify capital requirements. These requirements are then addressed through management of Pieridae's capital structure, being its share capital and debt facilities, and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. As at March 31, 2020, there has been no impact to liquidity and funding risk from COVID-19.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

(a) Price risk

The Company's petroleum and natural gas production is directly subject to fluctuations in commodity prices. Fluctuations in commodity prices, both absolute and associated with changes in the Canadian to U.S. dollar exchange rate, and specifically the prices for natural gas, condensate and NGLs, could have significant impact on the Company's cash flows and its ability to sustain its operations. Excess supply, coupled with ongoing pipeline capacity constraints, continue to weigh on petroleum and natural gas prices in Western Canada. This depressed pricing environment, could also have a significant impact on the Company's ability to attract the necessary investment to ultimately fund construction of its Goldboro LNG project. As the Company advances toward a final investment decision for the LNG project, it will evaluate a number of options to potentially manage this risk. The impact from COVID-19 on price risk to date has been minimal as current and future pricing for natural gas remains stable; however, the totality of risks arising from COVID-19 will continue to be monitored and assessed as required.

Pieridae utilizes fixed price physical delivery contracts and derivative financial instruments as part of its overall risk management strategy to assist in managing the exposure to commodity price risk, and the cost of power. Physical contracts are considered normal sales contracts and are not recorded at fair value in the Interim Financial Statements. Pieridae does not trade financial instruments for speculative purposes.

Pieridae had the following fixed price physical commodity sales contracts in place at March 31, 2020.

Type of contract	Quantity	Time Period	Contract Price
Fixed Price - Natural Gas	175,000 GJ/d	April - October 2020	CAD $1.58/GJ
Fixed Price - Natural Gas	92,500 GJ/d	November - December 2020	CAD $2.07/GJ
Fixed Price - Natural Gas	92,500 GJ/d	January - March 2021	CAD $2.07/GJ
Fixed Price - Condensate	1,900 bbl/d	April - December 2020	USD $56.30/bbl

During the first quarter, Pieridae monetized a portion of its commodity derivative contracts resulting in cash proceeds of $4.5 million and a realized gain of the same amount.

14. Presentation in Consolidated Statements of Cash Flows

The below table provides supplemental information for the statement of cash flows:

	Three months ended March 31	
($ 000s)	**2020**	**2019**
Accounts receivable	(9,096)	(982)
Prepaid expenses and deposits	(1,234)	(339)
Inventories	29	-
Accounts payable and accrued liabilities	14,353	(15,648)
Change in non-cash working capital	**4,052**	**(16,969)**

15. Commitments

($ 000s)	2020	2021	2022	2023	Thereafter	Total
License fees	46	46	46	46	46	230
Interest on debt	23,235	30,900	30,900	24,466	-	109,501
Deferred fee	-	50,000	-	-	-	50,000
Firm transportation	6,978	8,113	3,427	1,506	1,968	21,992
Total	**30,259**	**89,059**	**34,373**	**26,018**	**2,014**	**181,723**

16. Subsequent Event

Extension of long-term LNG agreement and financial investment decision (“FID”)
On May 5, 2020, Pieridae announced extensions of key deadlines under its 20-year agreement with German energy company Uniper Global Commodities (“Uniper”). These include expected commercial deliveries of gas to Uniper to start between August 31, 2025 and February 28, 2026; and the extension to June 30, 2021 of the deadline to make a positive final investment decision for the Company’s proposed Goldboro LNG Facility. The 20-year agreement with Uniper is for 4.8 million tonnes per annum of LNG produced at Train One from the proposed facility.

Alberta Energy Regulator decision regarding license transfer application
On May 13, 2020 the Alberta Energy Regulator (“AER”) made the decision to deny Shell Canada Limited’s (“Shell”) application to transfer the licences associated with assets acquired by Pieridae on October 16, 2019 to Pieridae. This denial is due to structural concerns regarding the application to split the liability associated with Jumping Pound and Waterton gas processing facilities whereby Shell will retain the liability associated with subsurface Sulfinol contamination. Pieridae and Shell are working together to resolve the AER's concerns, and management does not anticipate any changes to its financial position or future cash flows as a result of this decision.