



BAN FRACKING IN IRELAND!

This newsletter aims to be an open, international information platform about unconventional shale gas extraction. I see my role as a facilitator for all concerned people, to inform them and post their comments (like a letter to the editor in a newspaper). For that reason I aim to be as neutral as possible and I am not liaised to any anti-fracking group or political party.
Ineke Scholte

contact: ineke@frackingfreeireland.org

visit: www.frackingfreeireland.org

facebook: [NO FRACKING IRELAND](#)

[No Fracking Northern Ireland](#)

Twitter: @BANfrackingNI

[fracking ireland google groups](#), apply for membership: charlie2williams@gmail.com

For an overview of all groups, websites and contact details visit:
<http://frackingfreeireland.org/contact/contact-local-groups/>



No Fracking sign in Co. Clare, Loop Head.



No Fracking sign in Co. Clare, Loop Head, besides the road to the light house.

EVENTS and other CAMPAIGN news

RTE Radio 1 will be doing a piece on fracking for their Saturday 16th February Countrywide programme (8am - 9am). RTE Radio 1 Reporter Frances Shanahan attended the meeting in Kilkee last Sun night and interviewed a few different people.

Jessica Ernst will visit Ireland and the UK

**Jessica Ernst is coming to Ireland and the UK: 1-12 March 2013
she will visit: clare, belfast, blackpool, sussex, dublin**

This is her schedule:

4 march clare
6 march belfast
7 march blackpool
8 march sussex
9 and 10 march free
11 march dublin
12 march canada

Contact: youthmardingo@gmail.com

Jessica will be in the Old Ground Hotel in Ennis on Monday 4th March at 8pm.

Portret of Jessica Ernst: <http://www.youtube.com/watch?v=aU6DJE9h6uca>



The Truth about Clare Shale – the geological perspective on fracking in Clare.

From left to right : Professor Pat Shannon, Dr Peter Haughton, Róisín Ni Ghairbhith, Kevin Heapes, Professor Geoff Clayton

PRESS RELEASE

by Lorraine Hughes Clare Fracking Concerned

There was a large turnout for the public lecture with 3 prominent Geologists - Dr Geoff Clayton, Dr Peter Haughton and Professor Pat Shannon last Sunday night in the Stella Maris hotel in Kilkee.

The three highly esteemed geologists demonstrated how the Clare shale rock may be unsuitable for 'fracking' for a number of reasons.

The first speaker on the night was Dr. Peter Haughton and he showed how the Clare Shales appear to be buckled and that its depth varies. Also, a natural fault line borders the target area, running along the North coast of the Loop Head Peninsula and there is evidence of natural fracturing in the overlying sandstone layers. This means that there is a chance for any induced cracks from a fracking operation may propropagate and join up with the existing natural fractures, thereby presenting the danger of natural gas migrating uncontrollably. Also, fracking is not recommended within 600m of the bottom of the water table, given the variable depth of the Clare Shales, Clare Fracking Concerned believes that it would be foolhardy to frack in this area.

Second up was Professor Geoff Clayton who demonstrated that published and peer-reviewed papers show that the 'thermal maturity' of the Clare Shales is too high for any gas to be present. It was stated that the reserves that Enegi Oil Plc claimed for the Clare Shales is larger than the reserves claimed for the Corrib field! It is believed that Enegi Oil Plc may be talking up the prospect with a view to presenting an 'optimistic' picture to potential investors.

To conclude the Geology lecture, Professor Pat Shannon explained that exploratory drilling in the 1960's and again in the 1980's in this particular area of Loophead showed no prospect of gas at all. The evening was very engaging and informative and even though the information provided may be widely known in Geology circles, Enegi Oil Plc seems to know different and is still interested in exploring the possibility of drilling for gas in West Clare.

After the success of last Sunday night's event Clare Fracking Concerned announced details that world famous Activist Jessica Ernst will be coming to County Clare early next month. Jessica will be in the Old Ground Hotel in Ennis on Monday 4th March at 8pm.

Jessica Ernst is from Alberta in Canada and went public after her well water was contaminated by nearby fracking and spoke of the problems caused by the gas company EnCana in 2006. Jessica is coming in early March and will only make 4 public appearances while in Ireland - Stormont in Belfast, Dublin, Leitrim and Ennis.

A spokesperson for Clare Fracking Concerned said *"this is quite a coup to get Jessica Ernst to appear in Ennis as part of her short trip to Ireland"*.

Jessica says she's *"still getting used to"* being compared to Erin Brockovich (the environmental activist made famous by Julia Roberts in a movie of the same name 13 years ago). The comparison comes easy because the outspoken Ernst, a landowner in the town of Rosebud, Alberta, is one of the few Albertans who have publicly criticised hydraulic fracturing ('fracking'). This is a technology used by the oil and gas industry to access *"unconventional"* natural gas deposits trapped in shale, coalbed, and tight-sand formations - potentially at the expense of underground water supplies.

After her well water was contaminated by nearby fracking, Ernst decided to go public in 2006, showing visiting reporters how she could light her tap water on fire, and speaking out about Alberta land owners' problems with the industry, especially Calgary-based EnCana. EnCana is Canada's second biggest energy company (after Suncor) and is now also a major player in BC, with hundreds of natural-gas wells in the province.

Ernst, a biologist and environmental consultant to the oil and gas industry, says EnCana *"told us 'we would never fracture near your water.' But the company fracked into our aquifer in that same year [2004]."* By 2005, she says, *"My water began dramatically changing, going bad. I was getting horrible burns and rashes from taking a shower, and then my dogs refused to drink the water. That's when I began to pay attention."* At least fifteen water-wells had gone bad in the little community. Tests revealed high levels of ethane, methane, and benzene in Ernst's water. *"EnCana told us they use the same gelled [fracking] fluids as in the States."* Fracking has become a huge controversy in the US, with pending legislation that would impact its regulation. Ernst says she heard from *"at least fifty other landowners the first year"* she went public, and she continues to get calls. Groundwater contamination from fracking *"is pretty widespread"* in Alberta, *"but they're trying to keep it hidden."*

Chromium-6 in the Water

Being an activist on behalf of her community is not the only connection Ernst has with Brockovich. Through expensive Freedom of Information requests, Ernst obtained **post-fracking water well monitoring data that showed the Alberta Environment people had found hexavalent chromium in Rosebud's well water. "The government hasn't told this to people" says Ernst.**

Hexavalent chromium, otherwise known as chromium-6, is the extremely toxic substance Brockovich found in the drinking water in Hinkley, California, which led to a major class action lawsuit against Pacific Gas & Electric, which finally paid the plaintiffs more than \$200 million in 2006.

Ernst, who knows the industry well having worked within in for years, says that chromium-6 *"is used in fracking and drilling."*

In an odd coincidence, Erin Brockovich herself is currently involved in investigating a mile-long plume of chromium-6 contamination of drinking water - apparently caused by fracking and drilling - in Midland, Texas. In July 2009, Brockovich investigators told the

press they have evidence that hydraulic fracturing specialist Schlumberger is to blame. In the continuing case, Brockovich is representing 40 householders whose water has been contaminated.

ARTISTS AGAINST FRACKING IRELAND

Artists Against Fracking - <http://artistsagainstfracking.com/>

Artists Against Fracking Ireland - www.Trillions.ie

Artists Against Fracking Ireland is a collaboration of artists, musicians who care about the health of our people and environment..

Artists Against Fracking Ireland is a collaboration of artists and musicians who care about the health of our people and environment.

Our purpose is to inform the general public how unethical and immoral it would be to leave a poisoned land and waters for our children and grandchildren to inherit. All for the sake of some short term profit that will predominantly benefit foreign companies.

Our aim is to highlight 3 things:

1) the dangers to peoples' health and the health of our environment that would be caused by hydraulic fracturing for shale gas in Ireland

2) the Great Irish Oil and Gas Giveaway that is happening off the coast of Ireland at the moment

and,

3) the need for citizens of Ireland to awaken their elected representatives to the enormous potential Ireland has to develop a state owned renewable energy industry here that will create over 100,000 sustainable jobs and see Ireland become a net exporter of renewable electricity to the UK and Europe, with the evolving European supergrid. As an island, Ireland will soon be an exporter of renewable energy (see www.EnergyBridge.ie, www.GreenWire.ie and www.friendsofthesupergrid.eu) ... and the industry is capable of growing a lot more into the future with the latest wave and tidal power technologies. Many of these are indigenous technologies being researched and developed by Irish companies - see www.Trillions.ie for an introduction to same.

If we do not get focused quickly the industry will be overtaken by foreign multinationals and Irish citizens will not benefit from our abundant natural resources and wealth.

We are proposing that the indigenous offshore oil and gas is owned by the Irish state (not by predominantly foreign multinationals (as is the situation with current exploration licenses) and the initial revenue from offshore oil and gas reserves are invested in the creation of an Irish state owned renewable energy company that will help Ireland become a carbon neutral nation in the near future.

The proposed onshore fracking industry for shale gas is extremely dangerous to the health of Irish people and has been proven to contaminate drinking water in many communities globally where it is practiced (see www.Trillions.ie). Ireland is an aquifer rich country renowned for its clean water and would be adversely affected if fracking were allowed here. Our potential for Ecotourism is enormous as our proven indigenous industries help us to recover from this current economic recession.

Artists Against Fracking Ireland are completely against fracking in Ireland. However, we are in favour of the development of a state owned offshore oil and gas industry that benefits Irish people in a similar way to the Norwegian state owned oil company (Statoil), investing 75% of revenue in her people. If the initial revenue of Irish offshore oil and gas is used to catalyze a state owned renewable energy industry here, involving manufacturing of the relevant tidal and wave and wind technologies in Ireland, along with renewable power export, we will become an example to the world of a sustainable modern society. This is very easily achieved with such a small population.

The Artists Against Fracking Ireland initiative has the support of a growing number of musicians and artists who want to make a difference in Ireland. Artists like Liam O'Maonlai of The Hothouse Flowers, Kila, Steve Wickham of The Waterboys, Christy Moore and Declan Sinnott, Glen Hansard and Colm Mac Con Iomaire of The Frames, Eurovision Song Contest singer Mickey Harte, Victoria Mary Clarke, Delorentos, Celtic artist Jim Fitzpatrick and Mark Geary are voicing their concern over proposed fracking and highlighting the possibilities for renewable energies. We are also honoured to have author, journalist and humanitarian Arun Gandhi, grandson of Mohandas K. 'Mahatma' Gandhi, on the list of Artists Against Fracking Ireland. Arun once visited Ireland to commemorate The Great Hunger and is very fond of our country.

The Irish campaign is modelled on a campaign in the US that was started by Yoko Ono and her son Sean Ono Lennon to stop fracking in New York state, where proposed fracking is raising serious questions about public health and environment issues, with a plan to develop up to 100,000 frack wells. Yoko hopes that her work will help raise concerns of the dangers of fracking globally and Artists Against Fracking Ireland are supporting her efforts.

If any musicians or artists would like to join the campaign please Follow @aafrackingeire on Twitter. We will put your website link on the No Fracking webpage to promote your work too.

Our website is called Trillions.ie because we literally have trillions of euro worth of natural resources in Ireland and if we do not stand up and demand that these resources are used to benefit Irish citizens soon we will be forever held in debt to European banks and bondholders. We have the opportunity to be in profit for the first time in modern history as a nation if we act soon and get our elected public representatives working for us. Imagine with the inventiveness of the Irish people what we will be able to do with our present and future wealth as the most giving people per capita in the world... Everything is possible.

Micheál, co-ordinator

Artists Against Fracking Ireland

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Information is Power. Share it.



€ Trillions.ie - <http://www.trillions.ie/#/no-fracking/4572447479>
Twitter account: <https://twitter.com/afrackingeire>

Let's develop Ireland's new found wealth ethically and sustainably

NO FRACKING

Fracking for gas under Irish land is potentially very dangerous. In recent years it has been proven to contaminate drinking water supplies and cause minor earthquakes in other countries. Let's focus on our natural wealth offshore and creating Europe's leading renewable energy industry before we go near fracking (or hydraulic fracturing for natural gas) in this country. The horizontal fracking industry is at it's infancy and there have been too many problems associated with it. Large quantities of natural gas have been found in south County Clare, Leitrim, Roscommon, Fermanagh and Cavan.

Develop the less dangerous offshore oil and gas industry instead and catalyze a major renewable energy industry here with the initial revenue (including the associated manufacturing industry for wind turbines, wavebobs, and tidal flow technology). We will create over 100,000 sustainable jobs if we do.

Jan 2013: The Irish State is commissioning three separate pieces of research to determine if damage will be caused by companies hoping to find gas underneath the soil. The research will be carried out over the next 20 months.

The first study is a geological study that will determine the impacts that fracking may have on groundwater. The second will involve research into seismic impacts - tremors, earthquakes, subsidence. The third will deal with drawing up regulations in the area.

Voicing your opinion now will let the oil companies involved: Enegi, Tamboran and Lough Allen Gas Company know that the Irish public will never support fracking in Ireland. We want a permanent ban.

WHAT YOU CAN/MUST DO



You might print and hand out this flyer (please print in black and white)

(glue to telegraph poles, bus shelters, leave in shops, on supermarket shelves, under wipers of cars, notice boards of libraries, etc.). These will help bring people to the No Fracking page on www.Trillions.ie where they can see the Great Irish Oil and Gas Giveaway and Renewable Energy solutions

Sign the (various)petition(s) to ban Fracking. Visit www.frackingfreeireland.org

a.o.: Sign the AVAAZ online petition:

http://www.avaaz.org/en/petition/Ban_Fracking_Ireland/?tta

Submit to EPA (deadline 8 March)

Submit to the EU (deadline 23 March)inclusive a sample of submission

visit www.frackingfreeireland.org and <http://frackingfreeireland.org/contact/submissions/>

sample: <http://frackingfreeireland.org/contact/submissions/>

CORRESPONDENCE – LETTERS

In Fracking Matters Newsletter 06-13(96) I (Ineke) posted the following news

Fracking must be banned - www.fermanaghssouthtyronesf.com/news/23616

The article was followed by a comment from a campaigner: It's overdue that SF are coming out of their hideout...

I (Ineke) received the following reply:

Sinn Fein were the first major party to describe the horrors of fracking in the Oireachtas when Michael Colreavy, TD showed the Gasland movie there. In the past 18 months, numerous public statements (see list below) against fracking have been published by SF TDs Brian Stanley and Michael Colreavy, SF MLA Phil Flanagan, and by SF MEPs Bairbre DeBrun and Martina Anderson. Our monthly newspaper, An Phoblacht has published numerous anti-fracking stories (see the list below the public statement list). There has also been solid support for anti-fracking spoken on the radio (I have personally heard Deputy Colreavy discuss it multiple times on Ocean FM on the Naill Delaney show, 9-11 am). SF members and elected representatives have participated in meetings, rallies and protests both north and south. SF Councillors have proposed, supported, and passed anti-fracking motions at town, borough, and county-council meetings. Anti-fracking motions have been passed by the last 2 Ard Fheisanna (annual meetings) of the party – showing there is much popular support in the membership. I would hardly describe SF's level of involvement on the topic of fracking as being in a "hideout".

Sinn Fein will continue to be anti-fracking, not because it is politically expedient, but because it is the right thing to do



THOUGHTS – OPINION



Nailing my colours to the mast

Jim Connolly

In 2011 I decided to set up a new party. I published my reasons, my philosophy and my proposals for radical change in the way our country is governed.

www.irishcitizensparty.com

On page 18 I made a brief reference to Fracking: "The (party) will utterly oppose attempts to produce natural gas in Ireland by the process known as fracking. There are no ifs or buts about

this statement"

We live in a democracy; the only truly effective voice is a political voice. Having spent a lifetime in the voluntary sector fighting for the rights of rural people and setting up some national voluntary organisations in the process - Rural Resettlement Ireland and the Irish Rural Dwellers Association amongst them - at 74 I finally faced facts and decided that only a new party could give a strong voice to the voiceless.

I have no personal interest in seeking election. I want to promote a political philosophy based on humanitarian principles and equity - putting quality of life as a first priority. I believe my concept for the party can provide a unifying structure for new independent candidates from all walks of life who presently feel voiceless and unrepresented, to form a solid voting block at local and national level. The only commitment asked of candidates is a commitment to democracy and to the humanitarian principles described above.

In the general context outlined above, I believe it is time for anti-fracking candidates to come forward in all effected counties to contest the next local elections in 2014. This emerging World -wide problem of fracking is of such great concern that people will support dedicated candidates in order to have their voices heard at decision making level.

On page 13 of my booklet are examples of 14 other sectors and groups who may also feel they have no genuine political representation. I see no reason why people representing specific as well as general concerns in society cannot cooperate together to make sure they have a corporate voice at the highest decision making level.

My personal commitment to fight fracking in Ireland and Clare will not be effected by any or no outcome to this notice.

I can be contacted at 086 2433056 or info@irishcitizensparty.com

Jim Connolly

IRISH NEWS

IRISH ENERGY FUTURE - Selling renewable energy (to the UK to let them comply with the EU targets - 20% renewable energy - in 2010)

Mainstream wants wind-farm products to be made in Ireland

INTERNATIONAL makers of wind-energy and cabling products will be courted to set up major manufacturing operations in Ireland as part of a €6bn plan to export power from Ireland to the UK. It could lead to the creation of tens of thousands of jobs, it has been claimed.

Eddie O'Connor, the former [Bord na Mona](#) boss, who founded Mainstream Renewable Power, has said he is planning to hold a major supply-chain conference in Ireland in the coming months in an effort to persuade foreign manufacturers that they will need bases here to provide the infrastructure his firm will need.

Mainstream is developing a so-called 'Energy Bridge' project that aims **to export 5,000 megawatts of electricity from a massive Irish wind farm in the midlands to the UK.**

Full article: <http://www.independent.ie/business/irish/mainstream-wants-windfarm-products-to-be-made-in-ireland-3348916.html>



For immediate use

PRESS RELEASE

UK and Irish Energy MOU agreement brings Greenwire a step closer

Inter-governmental Agreement now the priority

London/Dublin Thursday 24th January 2013

Today, the UK and Irish Governments will formally sign a Memorandum of Understanding (MOU) on energy policy. Element Power, the company behind the proposed £6.5(€8) billion renewable energy export project Greenwire, welcomed today's agreement as it further opens the door for renewable energy trading between the two countries. Element Power supports the clear intention of both governments to build on their strong relationship and shared ideals in their efforts to formalise an inter-governmental agreement as a priority, thereby ensuring that arrangements for the export of clean electricity from projects like Greenwire can be in place well before 2020.

The agreement formalised between Ed Davey, UK Secretary of State for Energy and Climate Change, and Pat Rabbitte, Irish Minister for Communications, Energy and Natural Resources, at an official signing

UK and Irish Energy Memorandum of Understanding: Export of Renewable energy
<http://www.greenwire.ie/assets/Uploads/Press/Press-Releases/Press-release-MOU-UK-IE-24.01.13-FINAL.pdf>

A Once in a lifetime opportunity for Ireland- <http://www.energybridge.ie/>

The UK needs large quantities of renewable energy starting in 2017. Ireland has the vast wind resource to provide it. And Mainstream Renewable Power, Eddie O'Connor's global wind and solar company, has the vision and the know-how to deliver it. This is a once in a lifetime opportunity for Ireland.

What is Energy Bridge?

It's a private underground electricity network which will transport electricity from wind farms in Ireland - both on land and at sea - under the Irish seabed and into the UK.

It will be entirely independent of Ireland's existing electricity network.

Vitality, Mainstream has already applied to secure the connection into the UK by investing a significant amount of money in application fees to the UK's National Grid.

Contact us

If you are a landowner and are enquiring if your land is suitable for this project, please contact us by emailing us at info-energybridge@mainstreamrp.com with the following information:

Contact name and phone number Folio number(s) and Townland.

EU -NEWS

Please find below an excerpt of the report by
Geert Decock

Policy Officer - Food & Water Europe

[report back from 2013 European Unconventional Gas Summit](#)

Last week, I attended the [2013 European Unconventional Gas Summit](#) in Vienna. This is for 99% an industry event, but I got an invitation to speak on a panel about the 'public acceptability of shale gas in Europe'.

Lots of interesting discussion on *how* shale gas will proceed in Europe, not about *whether or not*. There was a firm conviction in the room that large-scale development will happen, if only European governments would allow a couple of 100 exploration wells to happen to improve the understanding about Europe's reserves. Once industry has some more credible figures on the table on the size of unconventional reserves, they are convinced (and I agree with them) that governments will not decline potential billions in royalties, jobs, economic activity, etc. If we want to ban shale gas, we need to stop it before exploration starts. Once the industry gets its foot in the door, it will be much harder.

There is a recognition among the industry that large-scale shale gas remains controversial, as Europeans have all seen the 'flaming tap scene' in Gasland. So, 'public acceptability' was the buzzword: Industry openly recognizes that the shale gas industry has its risks, but insists that the use of industry's best practice – developed in the US over the last 10 years – will adequately manage these risks. Industry is willing to engage with environmentalists and accept new regulations, as long as it is "goal-oriented and not too prescriptive" and "it has to remain commercially viable". So, some kind of conditional engagement ... even though industry operators are steadfast in denying the link between shale gas and the negative impacts on water, air, land, climate, etc. Shale gas companies mainly emphasize the – in their view – better environmental record of gas, compared to coal mining and combustion. In that context, risk management company DNV recently released its [best practices for shale gas operators](#) and I anticipate that these will be widely picked up in Europe as a baseline for shale gas operators (including by the European Commission). (...)

Upsetting news from Romania.

["In a widely expected U-turn, Romanian authorities yesterday \(31 January\) gave the American energy giant Chevron the certificates it needed to start exploring for shale gas in the eastern part of the country."](#)

The Romanian authorities reversed their decision from last April to suspend Chevron from gas exploration activities.

The decision takes place nine months after protests in southeast Romania, in particular in the town of Vama Veche, where shale gas exploration is due to take place.

The country's senate overwhelming rejected a motion to ban shale gas exploration. Prime Minister Victor [Ponta, who took office](#) in May, had proposed the legislation when his party was in opposition."

<http://www.euractiv.com/energy/romania-turn-shale-gas-news-517514>

GLOBAL NEWS

The European Bank for Reconstruction and Development (taxpayer backed international public financier mostly focused on central and eastern Europe) sounds keen on Ukraine...

Guest post: mid-sized companies must follow Shell into Ukraine energy (Feb 1)

<http://blogs.ft.com/beyond-brics/2013/02/01/guest-post-shell-is-good-for-ukrainian-shale-now-mid-sized-companies-must-follow/#axzz2JexXwr4m>

Ukraine has been an independent state for nearly 22 years. Yet its struggle for energy independence is still ongoing. Despite a generous endowment in both conventional and unconventional hydrocarbon reserves, Ukraine is still highly dependent on natural gas imports from Russia, which has impacts both on the country's budget and on its geopolitical situation.

Last week's reports from Davos heralded a new era for Ukraine: a €400m deal (with the potential to grow to €10bn) with Royal Dutch Shell to develop the country's huge shale gas reserves. Although production will not begin for some years, this news was widely reported as a major step towards energy independence.

The importance of this independence was highlighted two days later when the Russian state monopoly Gazprom presented Ukraine with a \$7bn fine under its take-or-pay obligations. Whether or not the two events are connected (the message from Russia is that this is just a coincidence), we can be fairly certain that the Shell deal was noticed in Moscow.

We at the EBRD believe the deals with Shell, and others with Chevron and Exxon-Mobil that will aim to develop separate gas deposits, mark a very important step forward towards more energy independence for the country.

The Ukrainian state clearly rates the importance of these deals very highly: there is talk of possibly stabilising Shell's taxes and the waiving of many fees and charges. There is vocal environmental opposition to the development of shale gas resources in Ukraine but, by and large, the deal was perceived a success.

The next step towards energy independence will be to attract a large number of medium-sized foreign investors to Ukraine: in the case of shale gas exploration, the necessary technology will need to come from abroad

Ukraine's shale gas reserves are very promising – the largest potential amount in central and eastern Europe. An IEA study estimates the country's shale gas reserves at 1.2 tcm (trillion cubic metres) and coalbed methane reserves at 3 tcm. The country consumes about 65 billion cm annually. If geography works out as hoped, this means that the estimated reserves cover domestic needs many times over. These are very attractive numbers. But will the state offer the same warm welcome to the backbone of the industry – mid-sized companies aiming to develop fields that the likes of Shell will not be interested in?

As the largest single investor in the country, we have been watching the market – so far mostly for conventional oil and gas – for many years. There have been examples – some of which we followed closely – of exploration licenses being disputed in courts, lengthy commercial disputes with state and private shareholders, pressure to pre-pay corporate income tax. These issues can be resolved at the very top level by a large, visible global

investor like Shell. They are more of an issue for mid-sized investors for whom legal protection, stability and predictability of the investment climate are key.

Investors will be encouraged by the highly publicised Shell deal. What they need now is certainty in the legal and regulatory framework, in the tax regime for production of hydrocarbons, and legal certainty of license attribution. Viktor Yanukovich, the country's president, has recently told his government to radically speed up reform in these areas. Once change starts to happen, mid-sized companies will follow the big boys and help Ukraine bring real energy independence closer.

Riccardo Puliti is managing director for energy and natural resources at the European Bank for Reconstruction and Development

Fracking California: Shale could spark new oil boom/Sac Bee -

<http://www.sacbee.com/2013/02/04/5162783/e-pefopej-fpsef-osejf-pesof-jopef.html>

Shale could spark new oil boom

By Norimitsu Onishi

The New York Times

Published: Monday, Feb. 4, 2013 - 12:00 am | Page 3A

Last Modified: Monday, Feb. 4, 2013 - 6:53 am

FELLOWS - Secure in this state's history and mythology, the venerable Midway-Sunset oil field near here keeps producing crude more than a century after Southern California's oil boom. Many of its bobbing pump jacks are relatively short, a telltale sign of the shallowness of the wells and the ease of extracting their prize.

But away from this forest of pump jacks on a flat, brown landscape, a road snakes up into nearby hills that are largely untouched, save for a handful of exploratory wells pumping oil from depths many times those of Midway-Sunset's. These wells are tapping crude directly from what is called the Monterey Shale, which could represent the future of California's oil industry - and a potential arena for conflict between drillers and the state's powerful environmental interests.

At one such exploratory site, tall pump jacks stood above two active wells on a small patch of federal land. For now, the operator, Venoco, has been storing the oil in two large tanks, but construction is to start soon on pipelines and more wells are planned.

Comprising two-thirds of the United States' total estimated shale oil reserves and covering 1,750 square miles from Southern to Central California, the Monterey Shale could turn California into the nation's top oil-producing state and yield the kind of riches that far smaller shale oil deposits have showered on North Dakota and Texas.

For decades, oilmen have been unable to extricate the Monterey Shale's crude because of its complex geological formation, which makes extraction quite expensive. But as the oil industry's technological advances succeed in unlocking oil from increasingly difficult locations, there is heady talk that California could be in store for a fresh oil boom.

Established companies are expanding into the Monterey Shale while newcomers are opening up offices in Bakersfield, the capital of California's oil industry, about 40 miles east of here. With oil prices remaining high, landmen are buying up leases on federal land, sometimes bidding more than a thousand dollars an acre in auctions that used to fetch the minimum of \$2.

"We've seen a significant increase in the last three to five years in the price paid from our sales," said Gabriel Garcia, assistant field manager at the federal Bureau of Land Management's office in Bakersfield. "Some of that has to do with speculation on new

technologies, and some of that has to do with the high price of oil."

The Monterey Shale has also galvanized California's powerful environmental groups. They are pressing the state to strictly regulate hydraulic fracturing, or fracking, the drilling technique that has fueled the shale oil and gas boom elsewhere but drawn opposition from many environmentalists. Last month, the state Department of Conservation released a draft of fracking rules, the first step in a yearlong process to establish regulations.

While oil is found less than 2,000 feet below the surface in fields like Midway-Sunset, companies must drill down to between 6,000 and 15,000 feet deep to tap shale oil in the Monterey.

Though production has been declining for years, California remains the country's fourth-biggest oil-producing state after Texas, North Dakota and Alaska. So far, little of the crude is derived from the Monterey Shale, whose untapped deposits are estimated at 15.4 billion barrels, or more than four times the reserves of the Bakken Shale in North Dakota, according to the United States Energy Information Administration.

"There are billions of barrels of oil buried in the Monterey Shale, and as far as I know, nobody's been able to find it yet," said Neil Ormond, president of Petroleum Land Management, a company based in Clovis. "But I think there's going to be more people looking for it. You can't let a few dry holes discourage the whole thing, because if you find oil, you make money."

A landman, Ormond bought leases on more than 10,000 acres of federal land in an auction organized last month by the Bureau of Land Management. Landmen usually work for oil companies, acquiring leases that let them explore and drill for oil.

Landmen have also been increasingly approaching individual landowners and buying mineral rights, though these private transactions are hard to track, said Tim Kustic, California's state oil and gas supervisor.

The two companies with the biggest stakes in the Monterey Shale, Occidental Petroleum and Venoco, are increasing their exploration efforts, including a joint three-dimensional seismic survey of one area.

Companies with experience exploiting the Bakken Shale, including the New York-based Hess, have recently set up operations in Bakersfield, too.

Jon Pepper, a spokesman for Hess, said in an email that it was "too early to talk in any definitive way" about the company's plans in the Monterey Shale.

But the oil companies' plans for the Monterey Shale are already drawing increasing scrutiny from environmental groups.

Though oil companies have engaged in fracking in California for decades, the process was only loosely monitored by state regulators.

The Monterey Shale's geological formation will require companies to engage in more intensive fracking and deeper, horizontal drilling, a dangerous prospect in a seismically active region like California, environmental groups say.

Environmental groups, including the Sierra Club and the Center for Biological Diversity, are suing the Bureau of Land Management and the Department of Conservation to prevent the opening of further land to oil exploration and to enforce stricter environmental practices.

"If and when the oil companies figure out how to exploit that shale oil, California could be transformed almost overnight," said Kassie Siegel, a lawyer at the Center for Biological Diversity. "Fracking poisons the air we breathe and the water we drink. It is one of the most, if

not the most, important environmental issue in California."

Tupper Hull, a spokesman for the Western States Petroleum Association, an industry lobbying group, said oil companies had safely used fracking for decades in California, mostly combined with traditional, vertical drilling.

After the California Department of Conservation released a draft of fracking regulations last month, environmental groups criticized a clause that would allow companies not to disclose the chemicals used in fracking, to protect trade secrets.

Jason Marshall, chief deputy director of the Department of Conservation, said that companies seeking to withhold such information would have to adhere to the state's trade secret protection laws. "It should be the exception when someone is trying to exercise a trade secret protection," he said.

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Shale gas boom sparks EU coal revival

By Guy Chazan and Gerrit Wiesmann

The shale gas boom in the US is having a surprise knock-on effect in Europe – a big increase in the burning of coal by European utilities, despite EU environmental policies designed to curb the share of polluting fossil fuels in the energy mix.

The trend shows how disruptive shale gas has become for traditional industries, leading to unforeseen – and often perverse – outcomes across the global energy system.

[North America's fracking revolution](#) pushed down US natural gas prices to 10-year lows last spring, prompting electricity generators to switch to gas from coal. Unwanted at home, US coal increasingly found its way on to European markets, where it has displaced more expensive gas as a feedstock for power stations.

But many experts believe coal's European revival will be shortlived, and that it is essentially the last gasp of a fuel with no long-term future.

The International Energy Agency says [the trend of rising European demand](#) is "close to peaking", and by 2017 it will drop to levels slightly above those in 2011.

Even coal's backers agree that the phenomenon is short-term. "We don't see this as a renaissance of coal," says Milton Catelin, head of the World Coal Association. "It's just economics."

Coal sceptics say the dirtiest of fossil fuels will inevitably be squeezed out in Europe as new solar and wind capacity comes on stream and ageing coal plants are shut down. Attempts to replace these creaking pieces of kit with new, efficient coal-fired stations are being stymied by environmentalist opposition and regulatory uncertainty, especially in Germany.

"New large-scale power plants and some existing assets are not economically viable in the current environment," says Matthias Hartung, chief executive of RWE Generation, which bundles RWE's German, Dutch and UK power plants.

According to figures from the European Climate Foundation, a think-tank, in 2008 European utilities had plans for 112 plants. Of these, only two have broken ground and 73 have been abandoned.

Long-term, policy analysts say, coal's comeback will inevitably fall foul of EU environmental policy, which calls for a 20 per cent reduction in carbon emissions from 1990 levels by 2020 and a growing role for solar, wind and biomass in electricity generation.

For the time being, however, the economics work in coal's favour. American coal exports to Europe increased by 29 per cent last year. The resulting oversupply, exacerbated by a slowdown in Chinese demand, sent European coal prices plummeting from \$130 a tonne in March 2011 to around \$86 now.

That coincided with a sharp fall in the price of carbon allowances under the EU's flagship emissions trading system and rising European prices for natural gas.

As a result, the German power generators' association, the BDEW, says gas-fired electricity output in Germany fell last year by 13bn kilowatt hours, or 16 per cent, while coal-fired plants upped output by the same amount, recording a 5 per cent increase to 275.8bn kWh.

"The economics are telling us to burn coal rather than gas," says Andrew Horstead, risk analyst at Utilyx, an energy consultancy.

Figures from Bloomberg New Energy Finance show power generators in Germany currently earn €25.2 per megawatt hour when they burn coal and lose €1.1/MWh when they burn gas.

There are also local factors in individual EU countries that have contributed to increased coal use. In the UK, several coal plants are due to close before the end of 2015 under the EU's Large Combustion Plants Directive, which is designed to limit emissions of pollutants from ageing plants.

The directive limits the number of hours they can operate before shutting down, and many coal plants are choosing to burn through their remaining permitted hours by April when the UK government introduces a carbon floor price. This will set a price for carbon that is higher than in the European trading scheme, and so entail much higher costs for coal-burners.

Another new policy, the emissions performance standard, currently moving through parliament, will prevent any new coal-fired stations being built in the UK that are not equipped with technology to capture and store carbon emissions.

Other countries are following similar paths. The Netherlands is introducing a coal tax, Denmark and Finland have announced phase-outs of coal and Spain says it will end coal subsidies.

Even Germany, which has huge domestic reserves of cheap lignite, is lowering its reliance on coal. [RWE](#), Germany's largest electricity generator, has reduced the proportion of coal-fired plants from 56 per cent of total capacity in 2006 to about 50 per cent at the end of 2011. By 2020, it sees that dropping to about 35 per cent as the proportion of renewables in the energy mix rises.

However, Germany and the Netherlands are due to build 12.5 gigawatts of new coal capacity between 2012 and 2015, offsetting the 11GW that will be retired in the UK over the next four years. "But a lot of the new plants are replacing older ones,"

says Brian Potkowski of BNEF. "So there is unlikely to be net growth in coal capacity in western Europe."

Full article

IRISH ENERGY FUTURE – renewable energy

Mainstream wants wind-farm products to be made in Ireland

<http://www.independent.ie/business/irish/mainstream-wants-windfarm-products-to-be-made-in-ireland-3348916.html>

INTERNATIONAL makers of wind-energy and cabling products will be courted to set up major manufacturing operations in Ireland as part of a €6bn plan to export power from Ireland to the UK. It could lead to the creation of tens of thousands of jobs, it has been claimed.

Eddie O'Connor, the former [Bord na Mona](#) boss, who founded Mainstream Renewable Power, has said he is planning to hold a major supply-chain conference in Ireland in the coming months in an effort to persuade foreign manufacturers that they will need bases here to provide the infrastructure his firm will need.

Mainstream is developing a so-called 'Energy Bridge' project that aims to export 5,000 megawatts of electricity from a massive Irish wind farm in the midlands to the UK.

The scheme will involve the erection of about 1,600 wind turbines and involve the laying of hundreds, if not thousands of miles of cabling.

It will also require the laying of undersea cables between Ireland and [Britain](#).

Speaking to the [Irish Independent](#), Mr O'Connor said that given the scale of the project, it would make more sense for the manufacturers to establish bases here. He has already held talks with firms in the UK, Germany and Switzerland.

Mainstream has just finalised a deal with the UK's [National Grid](#) to supply it with 5,000MW of power between 2017 and 2020.

Mr O'Connor, who made millions of euro from the 2008 sale of Airtricity, expects a planning application for the massive wind farm in the midlands to be submitted to [An Bord Pleanála](#) by 2015 and that it will be in a position to start generating power two years later.

The company has secured agreements with about half of the landowners from whom it needs to get permission in order to construct the wind farm. The remainder of the farmers are currently in final discussions.

Mr O'Connor said the project would "undoubtedly" involve investment from [China](#). Mainstream has already secured finance from China for some of its international projects.

China

"Between 2017 and 2021 we would require full-throttle manufacturing," said Mr O'Connor on Mainstream's demand for turbines and associated equipment.

The company has raised €273m since it was founded in 2008. Mr O'Connor said it would need to raise further funds.

It recently secured a €60m loan agreement with [Macquarie Group](#).

There are about 300 private investors in Mainstream, but Mr O'Connor said the particular finance well had "probably come to the end".

- John Mulligan

