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3 June 2014

Dr Allan Hawke AC
Hydraulic Fracturing Inquiry
GPO Box 4396
Darwin NT 0801

Via Email: hydraulicfracturing.inquiry@nt.gov.au

Dear Dr Hawke

NT Government Hydraulic Fracturing Inquiry

Eni Australia Limited (Eni) appreciates the opportunity to provide input into the Northern Territory Government's Hydraulic Fracturing Inquiry.

Eni is active in 90 countries with 78,000 employees and is one of the largest energy companies in the world, operating in oil and gas exploration and production, international gas transportation and marketing, power generation, refining and marketing, chemicals and oilfield services.

Eni is a relevant stakeholder in the Northern Territory as the provider of the majority of domestic natural gas to the Northern Territory through the Blacktip Gas project. Eni is also a shareholder in the Darwin LNG plant, a significant asset and currently, the only liquefied natural gas production project in the Northern Territory.

As a member of APPEA, we support its recent submission to the Northern Territory Government's Hydraulic Fracturing Inquiry.

While Eni has not acquired any shale gas acreage in the Northern Territory, we remain highly supportive of the development of the onshore gas industry as a means to expand the Northern Territory gas market which, in turn, will improve broader energy security and attract investment in gas pipeline infrastructure for new resources and manufacturing industries.

However, globally, Eni has a portfolio of Unconventional Resources inclusive of shale and coal seam gas projects in different areas including USA, Europe, North Africa, West Africa, Asia and the Far East and provides the following comments on the use of hydraulic fracturing:



Eni Australia B.V.

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Hydraulic Fracturing

The use of hydraulic fracturing is currently required to produce gas from shale and in certain specific cases CBM. Hydraulic fracturing fluids consist of more than 99 per cent water and sand (necessary to keep open the freshly made fractures). The remaining one per cent contains chemical substances such as those found in domestic cleaners, cosmetics and food (necessary to allow the water and sand mixture successfully fracturing the rocks).

Eni is a member of the Oil and Gas Producers (OGP) in Europe and supports the public disclosure of the additives used in hydraulic fracturing online and, as part of our efforts, Eni has supported a full transparent approach to the whole issue by participating, for European drilling projects to the NGSFACTS initiative – www.NGSFACTS.org. It is a public hydraulic fracturing disclosure website where members of the public can search for nearby well sites that have been hydraulically fractured to see what chemicals were used to fracture natural gas resources on a well-by-well basis.

With the same attitude Eni has encouraged operators in the United States with which it is in a Joint Venture, to make the same chemicals disclosure on the USA twin web repository FRAC FOCUS (that is covering all Unconventional wells in the USA and Canada).

We encourage the Northern Territory Government to work with the Federal Government and other states to develop a similar chemicals disclosure website and consistency in the regulation of hydraulic fracturing and shale gas production projects.

While hydraulic fracturing requires the use of large amounts of water, a report by the International Association for Energy Economics, *Water Management Economics in the Development and Production of Shale Resources*, shows the water intensity use of natural gas from shale ranks amongst the lowest of all fuel sources, with as much as 70 per cent of the water used for hydraulic fracturing being recovered during the first two to three weeks of hydrocarbon production.

As a major investor in the Northern Territory, Eni will continue to monitor the development of the shale gas industry and looks forward to its ongoing consultation with the Northern Territory Government.

Sincerely

ERNIE DELFOS
Managing Director
Eni Australia B.V.