

Green Light for Hydrofracking

Shale Gas Exploration Now Permitted in the UK

CNG Services Ltd welcomes the announcement today that shale gas extraction should be permitted to continue in the UK following investigations into the earthquake risk associated with hydrofracking.

With the cost of importing oil and gas increasing, shale gas exploration will be an important step towards security of supply for the UK. Whilst offshore wind can provide some of the UK's electrical demand, at times of low wind, gas-fired back up generators are required and hence there is forecast to be high levels of gas imports from 2020.

Cuadrilla estimates their reserves to be about 200 tcf. UK gas consumption is around 90 bcm so if 20% of the reserves are recoverable, this would meet domestic consumer demand for around 25 years. This gas could save more than £350 billion of imported gas from abroad which could instead be invested into the renewables sector.

CSL Managing Director, John Baldwin said: *"CNG Services welcomes this announcement as it's an important step for natural gas resources and security of supply in the UK. With rising energy costs, the UK must take all necessary steps to reduce the oil import bill and domestic gas offers a way to shift our 100,000 HGVs onto natural gas, with around a 25% reduction in CO₂ emissions. In addition, the taxes paid by shale gas developers can be invested into developing the renewables sector and to fund insulation to reduce energy demand.*

More information can be found on the CSL website: www.cngservices.co.uk

About CNG Services Ltd

CNG Services Ltd ("CSL") supports the development of CNG and LNG as vehicle fuels in the UK with a range of services including:

- Feasibility studies in relation to CNG and LNG fuelled vehicles and infrastructure
- Independent 'Owners Engineer' service
- CNG and LNG virtual pipelines
- Production and use of biomethane as a vehicle fuel

