

Shale gas reserves in Germany are estimated at up to 22 trillion cubic meters

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The Federal Institute for Geosciences and Natural Resources has presented a survey concerning potential deposits of shale gas in Germany, which had been ordered by the federal government. According to the survey, entitled 'Shale gas reserves in Germany (as estimated in May 2012)', German deposits are estimated to range between 6.8 and even 22.6 trillion m³, of which approximately 10%, i.e. between 0.7 and 2.3 trillion m³, can be extracted with the application of currently available technologies. Most shale gas reserves are reportedly located in the north of the country: in Lower Saxony and North Rhine-Westphalia. The institute also conducted a study to assess the impact of the use of the hydraulic fracturing method on the natural environment. In the institute's opinion, the application of this method for unconventional gas production is economically feasible and safe for the environment. Shale gas exploration will continue up to 2015.

Commentary

- The estimates of the Federal Institute for Geosciences and Natural Resources prove that shale gas deposits in Germany are much larger than the first surveys indicated. Although it will take several years to make a final assessment of the total volume of these resources, the survey results presented by the institute are shedding new light on the possibilities of shale gas extraction in Germany. The documented shale gas resources suitable for immediate extraction are many times larger than the conventional gas reserves in Germany, which has a total of 150 billion m³ of its own conventional natural gas reserves.
- It is the first time that an official report based on data has stated that shale gas production has a low negative impact on the natural environment and human health. According to the Federal Institute for Geosciences and Natural Resources, the use of the hydraulic fracturing method is admissible. Expert opinions state that the issues of shale gas extraction by the hydraulic fracturing method and potable water protection are legally regulated to a sufficient extent in German legislation.
- Shale gas extraction using the hydraulic fracturing method has raised numerous controversies in Germany. The attempts taken by the Green Party and the SPD to impose a moratorium on extraction have not been supported by the CDU/CSU-FDP government coalition, which deemed that there were no sufficient reasons for this decision to be taken. However, some federal states, for example North Rhine-Westphalia, decided to introduce a moratorium on the use of hydraulic fracturing in response to protests from local

communities.

- The results of the survey have met with a positive reaction from German industrial circles. The share prices of Germany's BASF and Wintershall, a company controlled by BASF which is interested in gas extraction, went up on the stock exchange following the publication of the institute's report. The Economic Federation for the Production of Natural Gas and Crude Oil nie widze takiej potrzeby. It responded to the results of this survey with great enthusiasm and came to the conclusion that shale gas would make Germany independent from natural gas imports from other countries. Large-scale production of shale gas in Germany would reduce the costs of the energy transformation initiated by the government in June 2011, the implementation of which will require modern conventional power plants powered by natural gas.