

# Ineos in \$1bn bid to become UK's biggest fracking firm

November 20 2014, by Roland Jackson

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Ineos already has fracking licences near its plant at Grangemouth, pictured, but is applying for more in Scotland and northern England

Swiss-based petrochemical firm Ineos launched plans Thursday to become the biggest player in Britain's fracking sector with a \$1.0-billion investment in the nation's shale gas industry.

"Ineos has today announced it is planning to invest \$1.0 billion (800

million euros, £640 million) in UK [shale gas](#) exploration and appraisal," it said in a statement which also sparked anger from environmentalists over the controversial energy extraction method.

Ineos added that "substantial further investment would follow if the company moved into development and production".

The company already has fracking licences near its plant at Grangemouth in Scotland, but is applying for more in Scotland and northern England.

"If Ineos wins all the shale gas licences it has applied for, Ineos will be the biggest player in the UK shale gas industry," the statement added.

In order to extract shale gas, a high-pressure blend of water, sand and chemicals is blasted deep underground to release hydrocarbons trapped between layers of rock.

Campaigners argue that the controversial process—known as fracking, or hydraulic fracturing technology—causes water pollution and earth tremors, while energy groups say it drives down gas prices, creates jobs and boosts economic growth.

## **'Revolutionise' manufacturing?**

"I want Ineos to be the biggest player in the UK shale [gas industry](#)," said chairman Jim Ratcliffe.

"I believe shale gas could revolutionise UK manufacturing and I know Ineos has the resources to make it happen, the skills to extract the gas safely and the vision to realise that everyone must share in the rewards."



Jim Ratcliffe (L), chairman and chief executive of Swiss-based petrochemical firm Ineos, and Gary Haywood CEO of Ineos Upstream (R) attend a press conference in London on November 20, 2014

Ineos already has two fracking licences for over 120,000 acres, and has also invested £400 million in a project to bring US shale gas into Grangemouth, which is Scotland's only oil refinery.

The company has also pledged to give local communities six percent of the revenues from shale gas production.

Addressing a London news conference, Ratcliffe told reporters on Thursday that the offer to [local communities](#) was "generous" and could be worth up to £400 million over 15 years.

The Ineos boss conceded that some people could become millionaires, adding: "That's fine."

And he said that manufacturing in the UK had "collapsed" and needed a boost such as cheaper energy from shale gas. "It could be the saviour of manufacturing," he said.

Thursday's announcement was however slammed as "hype" and "risky" by Greenpeace.

## **'Spin-powered bandwagon'**

"Investment is essential to transform our energy system, but not giant speculative bets on unproven and risky resources," said Simon Clydesdale, energy campaigner at Greenpeace UK.

"Ineos have jumped on a spin-powered bandwagon which is going nowhere."

"Independent academics recently called out government ministers over the ludicrous levels of hype around shale gas, saying 'shale gas has been completely oversold'."

But the announcement was welcomed by British Prime Minister David Cameron's government.

Energy minister Matt Hancock tweeted that he was "delighted" at the news, which he described as "a strong stride forward for this important domestic energy source".

Cameron had announced in January that his government was going "all out for shale" as it seeks to create more jobs, boost taxation revenues and reduce Britain's reliance on foreign energy sources.

European Union states are however divided on fracking, with countries such as France banning the controversial process.

Oil output in the United States is meanwhile soaring as the nation embraces a shale [energy](#) revolution.

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