

Update – 3

25 July 2017

Hi All

This is a short update on what we have been up to at the Norwood Resource. Over the last couple of months.

We have been fairly busy

The South East of South Australia

Beach Energy are pushing ahead with their plans for a conventional (target gas) well (aim late August 17) in the SE of SA, which will be within the vicinity of Penola. It is a conventional well – No fracking involved.

As mentioned in our last update (12 May), there had been an upsurge in letters and articles from the anti-fossil fuel protestors carried in the local newspapers (The Border Watch and the Penola Pennant). These protestors – the local version of Lock the Gate namely the Limestone Coast Protection Alliance (LCPA) has taken aim at Beach for having the temerity to drill in the SE! despite the well being a conventional well.

Beach Energy held 4 community consultations in late May at different locations in the area – however one of the locations was so harassed by anti fossil fuel protestors it withdrew the venue for one of the meetings – thereby loosing revenue and the staff being harassed. The LCPA members also held a ‘silent’ vigil outside the Beach community consultations – except they were not so silent – horns honking, and they also followed people into the places where Beach Energy was having their presentations / discussion with members of the public, standing around close to the members of the interested public, some who told the protestors to ‘bugger off’.

Intimidation and harassment seem to be stock in trade of the local LCPA.

So, we challenged the LCPA in the Border Watch with a letter which was published in the Border Watch and the Penola Pennant.

Of course there was responses from local activists – some saying it was their ‘Duty of Care’ to warn the venue of reaction to the Beach Energy community engagement sessions (laugh now!) and the local LCPA responded claiming they had 95% support (how would anyone know except those that make up the numbers of course) and they didn’t owe the venue or Beach an apology, etc etc.

We responded (which was published in The Border Watch 7 July) particularly in regard to the LCPA claim of ‘appointed bastions for the preservation of all life forms in the SE’

The start of our letter was

Gas ‘push poll’ irrelevant

Loaded questions eliminate chance of fracking support

I AM writing in relation to an opinion piece by Marilyn Paxton of the Limestone Coast Protection Alliance (LCPA), published June 16, which was in response to my letter of June 9.

I have put this series of letters together so the reader can follow the sequence. These are listed separately under 'Letters June / July The Border Watch.

It is also interesting to note in the SE that a new (and improved?) anti fossil (anti fracking) group is trying to form. Seems there is dissent in the ranks for the protestors, which can't be a bad thing!

The Narrabri CSG Project – NSW

As you are probably aware, the Narrabri Gas Project (NGP) which is operated by Santos lodged its Development Plan and EIS with the NSW Govt a couple of months ago, and submission closed 23 May 2017.

Submission to the NSW Department of Planning and Environment were a record for any request for submissions numbering some 22,000 plus – yup that many.

The Department collated the submissions and gave a summary of them – one of the statistics was that out of some 500 submissions from Narrabri area around 300 were for the project going ahead – which of course puts a huge credibility dint into the activists claims for 90 plus percent of local being against the project.

Many of the submissions (Form Letters) (around 5,000) were from other States outside NSW, with Interesting enough some 500 submissions were from overseas – it seems the protestors mobilised all and sundry to write a submission!

TNR replicated what we did for the NT fracking Inquiry, we produced a 'Form Letter' – or a suggested response (supporting the Narrabri Gas Project) and sent it off to our members. This Form Letter profile was picked up by PESA which also sent off to their members.

I have not gone through the submissions to the NSW Dept. of Planning and Environment to work out how many used the TNR suggested Form letter, but hopefully it was a lot - hopefully it countered some of the thousands of Form Letters from the Protestors.

If it is any guide though, even though we only got this Form Letter out a few days prior to the cut-off date, which is similar to what we did for the NT Fracking Inquiry, out of around 230 submissions to the NT fracking Inquiry – there were around 45 submissions which used the TNR Form Letter guide. So we were pretty happy about that, and thanks to everyone who made a submission.

There has been a huge drop off in the protestor campaigning against the Narrabri Gas Project since the cut off date for submissions though – which some to the local residents are happy about, as the local newspaper is more about local news rather than ideological saving the planet items.

The Northern Territory (NT)

As you are probably aware the NT Fracking Inquiry is ongoing – submissions for comments of issues in their Discussion Paper were due by 30 April 2017, and we sent out a 'Form Letter' for those interested to make a submission.

As mentioned above I counted some 45 submissions which used the outline of the Form letter, which is great. Thanks to all that participated.

It should be noted however, that the date of 30 April for submissions was for submissions against the issues and points which were contained in the NT Fracking Inquiry discussion paper.

This means (and I have checked with the Inquiry Panel) they are still accepting submissions, so anyone else who might like to make a submission – they are still receiving submissions, and I urge you to send something very soon, as their interim report is expected to come out soon.

If you would like to use the Form Letter which I spoke about above – it is set out below for your reference and use if appropriate.

Please feel free to amend to suit yourself etc.-

To;

fracking.inquiry@nt.gov.au

Dear Panel

My name is _____, and I submit the following for your review into the use of unconventional gas and the use of hydraulic fracturing in the Northern Territory.

There have been many Inquiries on this and similar subjects around the world and in Australia in recent times. Virtually all credible (non political) Inquiries have arrived at similar conclusions, in that exploring for and developing gas and oil from unconventional sources (shale) with the use of hydraulic fracturing (fracking) is unlikely to pose any significant risk to groundwater (aquifers) or to human health, providing appropriate robust regulations (including environmental aspects) are in place, which are adhered to and enforced, such that the risk is acceptable and as low as reasonably practical (ALARP).

The following is some of the recent outcomes of such credible Inquiries

- A *The Discussion Paper refers to (page 11) the previous work undertaken through the Hawke Reports (2014 and 2015) as well as the 2016 Hunter Report. These should be the building base for the current Panel's work.*

- B *Prior to the Hawke Report 2014 The Australian Council of Learned Academies (ACOLA) Report "Engineering Energy: Unconventional Gas Production A Study of Shale Gas in Australia" 2013, found that with appropriate safeguards in place shale gas (unconventional) with the use of fracking represents no greater risk than conventional gas. Although certain regulatory oversight needs to be maintained and adhered to maintain a risk profile which is acceptable and as low as practical (ALARP).*

- C *The NSW Chief Scientist and Engineer, Professor Mary O'Kane conducted a review of Coal Seam Gas (CSG) and while we note that CSG is not the subject of the panel's Inquiry, we believe her findings are pertinent to this Panel's deliberations. On page 7 of her Report (30 Sept 2014) "There is a perception in some parts of the community that CSG extraction is potentially more damaging and dangerous than other extractive industries. This perception was heightened following the release of the American movie Gasland in 2010. The Review examined this issue in detail and concluded that while the CSG industry has several aspects that need careful attention, as do almost all industries, it is not significantly more likely to be more damaging or dangerous than other extractive industries". The relevancy is twofold, in that the NSW Chief Scientist and Engineer's Review debunked the hype associated with the movie Gasland, and*

recognised each extractive industry has its own unique characteristics which must be recognised, managed and regulated appropriately to achieve ALARP.

- D The Western Australian Upper House reviewed the issue of fracking, and after two years of examining evidence etc. concluded (Nov 15) that fracking can be carried out safely if regulated appropriately. It found the impact on human health and the environment were 'negligible' despite widespread concerns about the practice.
- E The South Australian (SA) Natural Resources Committee recently completed a two year Inquiry into unconventional gas and the use of fracking, and issued its final Report on 30 November 2016. It's key recommendation against its first Term of Reference was **that unconventional gas (fracking) is unlikely to have any impact on groundwater (aquifers).**
- F As mentioned, there have been many Inquiries worldwide, but the UK is also very relevant to Australia, as its ownership to mineral rights is similar to Australia. The UK had a very rigorous inquiry carried out by the Royal Society and the Royal Academy of Engineering specifically to do a report on hydraulic fracturing and shale gas. Professor Sir Mark Walport UK Chief Scientist gave a speech predominantly focussed on Risk and Innovation in Germany in September 2014, summed up the findings, with the following

*"There are really 3 science and engineering concerns about hydraulic fracturing (fracking). The first of these is: will it cause earth tremors? The second is: will you get contamination of the water table? And the third is: will there be fugitive release of the methane gas? (In other words if you leak all the gas then you lose the advantage of it as a fossil fuel). And what the science and the engineering tells you is that this is a drilling technology and no drilling technology is completely risk-free. **But if it is done well, if it is engineered well, if it is governed well, then it is as safe as any other form of drilling**, recognising that there is no 'free lunch', there is nothing that is completely risk-free."* He went on to note

"Those are the engineering concerns, and that's what the Royal Academy of Engineers' report said and actually multiple other reports have all essentially said the same thing. But the public or publics who are protesting, at least in some parts of the world, about fracking are coming at it from a different angle. They're coming at it from the values angle and from the 'my pain, your gain' angle. And so there's a group that dislike fracking because they dislike fossil fuels, there's another group that dislike fracking because they actually just don't like big companies, and then there's a third group who just don't want the inconvenience of having something industrial happening in their back yard." The referenced speech can be found here <http://bit.ly/1CVyur7>

In line with the UK Inquiry and the recommended outcomes, the UK Infrastructure Bill 2014-15, was passed through the UK Parliament, and it, which among other things will permit fracking below 300 meters in the UK.

It is on this basis that I urge the Panel to adopt a factual and evidence based approach toward assessing the potential risks regarding the exploration for and the development of unconventional gas and oil, and the use of hydraulic fracturing to enhance its production, providing at all times, there is a robust regulatory regime which through strong enforcement enables the risk to be reduced to be ALARP.

Yours sincerely

Contact details:

References :

Royal Society report on fracking in the UK

Independent report by the Royal Society and Institute of Engineers in the UK re shale gas production and fracking.

<http://royalsociety.org/policy/projects/shale-gas-extraction/report/>

Australian Council of Learned Academies (ACOLA) "Engineering Energy: Unconventional Gas Production A Study of Shale Gas in Australia" Final Report.

<http://www.appea.com.au/wp-content/uploads/2013/07/ACOLA-Final-Report-Engineering-Energy-June-2013.pdf>

Great Australian Bight

Following the failed attempt by SA Senator Sarah Hanson Young to prevent any ongoing oil & gas exploration in the Great Australian Bight – she got herself into a bit of hot water since during September 2016, she decided to take her sick daughter on a tax funded tour of the GAB – much criticism in the press – although the tour didn't seem to make much of an impact on the outcome of the Inquiry she was chairing which basically recommended no change to exploration in the GAB.

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Oilorgasproduction45/Report

As many would be aware, Chevron are still progressing their plans for drilling in the GAB next year. In the meantime we are also aware that the Great Australian Bight Alliance (SA Wilderness Society, Sea Shepherd and some other eco charities specialising in advocacy and not much environmental work) are seeking funds and donations in preparation to protest etc against Chevron, and now Statoil which has picked up BP's former lease holds.

So, it will be game on again when more announcements by these two companies are made in relation to exploration in the GAB.

Some other interesting bits

1. TNR (John Hughes and I) attended APPEA with a lot of help from APPEA and we extend out thanks to them for this assistance.
2. APPEA was great – apart from getting around to people in the oil & gas industry, we also caught up with Mark Fraser from Darwin. Mark was a casualty of the NT Labor Party's moratorium on unconventional gas and fracking in the NT.
3. Mark headed up Oil Country Tubular Goods (OCTG) which is the standard industry acronym for all tubulars used in a typical O&G well bore, including all 'Casing' & 'Tubing' and their 'associated accessories', which are the key components required for maintaining well integrity etc. Prior to the NT moratorium Mark headed up a team of about a dozen employees, they were a highly specialised group supporting both offshore and onshore O&G activities. The announcement of the moratorium killed the business, with Mark having to lay off all staff, including himself. So, apart from these mythical scare stories created and perpetuated by the Lock the Gate and its various associates locking up gas exploration, we

are also losing a highly regarded skill base which will take years to rebuild, not to mention the mental and financial hardship to these workers.

4. Talking of Lock The Gate, at APPEA there were protestors. Day 1 – anti fossil fuelers with banners draped over a busy motorway bridge. So, John and I engaged them in conversation, like what are you doing and why? The lady I spoke to holding up her end for this very long banner just kept telling me to ‘Look at Europe’ (numerous times). So, I pointed out to her she was wearing (a raincoat) made from hydrocarbons, and so was her sign, and Europeans are using more fossil fuels than us etc – and asked her what she does for a living, and does she drive her car to work etc . Well, turned out she was a teacher (of languages) – Anyhow, after about 20 minutes John and I moved on laughing – we were not surprised that they didn’t turn up again.
5. We also encountered the MUA – protesting against Chevron and taxes, and when I quizzed them if they paid their taxes a few looked the other way – not sure what that meant – but we all ended up mates.
6. Not to be outdone – Lock the Gate were there – again – as Knitting Nanna’s – there were four sitting in front of the Convention Centre with their yellow Lock The Gate signs etc. So John and I had to have a chat with them. So, we asked them similar questions, like how did you get here without fossil fuels, and what are they doing. We got similar answers (nonsensical rhetoric) so what about the science? They claimed they had done their research and that’s why they were protesting – so I asked what does Australia’s Chief Scientist say about fracking? – answer was blank faces – Do you know who is our Chief Scientist? – blank faces (at this point two of the Knitting Nanna’s got up and moved away), so I told them that Alan Finkel says that fracking is safe. – Also what does the UK Chief Scientist say about fracking – blank looks again! Although, they did say that they got their research from ‘The Advocate’ – which as I recall is a regional newspaper perhaps in northern NSW. Anyhow, they packed up and ‘knicked off’ not to be seen again. So, yes APPEA was enjoyable!
- 7 I should alert you to yet another inquiry / Review currently underway – responses by 4th August. This Inquiry is being undertaken by the Federal Treasury ‘Tax Deduction Gift Recipient Reform Opportunities’
<http://www.treasury.gov.au/ConsultationsandReviews/Consultations/2017/Tax-Deductible-Gift-Recipient-Reform-Opportunities>

This is a follow on from The House of Representatives Inquiry into ‘Eco charities’ which was underway prior to the last Federal election. TNR made a submission and we (John Hughes and myself) also presented to the Inquiry Panel.

This review by Treasury has the eNGOs hot under the collar as there is a suggestion in the Treasury paper that eNGOs (Eco Charities) should demonstrate they spend up to 50% of their funds received on actual environmental work, or they will be subject to sanctions, such loss of their DGR (Tax deductability) for gifts. That is the donor cannot claim a gift (funds) to these Eco Charities as a tax deduction.

In original submission to the original House of Representatives Inquiry we advocated that Eco Charities should be subject to the Australian Consumer Law (ACL), administered by the ACCC, whereby Eco Charities would be subject to the same rules that Australian Corporations are subject to, such as ‘Truth in Advertising’.

Misinformation and misrepresentation are the ‘stock in trade’ of many Eco Charities, and they are competing for the donor dollars (the same as companies are when they advertise their wares) and so they are in fact ‘de facto companies’, and ought to be subject to sanctions, such as loss of DGR status, and fines if they conduct misleading practices.

Our submission to the Treasury review echoed these views.

It will be interesting to see what Treasury comes out with on this issue.

I hope all the above makes sense and please let me know if you have any questions, and a reminder to those that have not paid their dues, please do so when you have a spare minute or two.

Cheers and regards

Bruce Holland
Secretary
The Norwood Resource