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NORTH WEST SET FOR SIGNIFICANT JOBS AND INVESTMENT BOOST AS SHALE GAS INDUSTRY GEARS UP FOR EXPANSION

Extracting shale gas in the North West's Ocean Gateway region could trigger a £10 billion boost for the region, according to an independent report published today.

Unlocking around 5 trillion cubic feet of shale gas in the region – covering Liverpool, Manchester, Cheshire and Warrington – could support up to 3500 jobs (in peak years) and open up a lucrative stream of supply chain opportunities for local businesses.

The report, *Potential Economic Impacts of Shale Gas in the Ocean Gateway*, published by Amion Consulting and commissioned jointly by IGas Energy plc and Peel Environmental Ltd, highlights significant potential gains from shale gas production.

The figures are based on developing 30 shale gas production sites across the area, getting the first three wells into production by 2017 and expanding year on year until 2031 when 300 wells (10 wells at 30 sites) will be operational

In the period 2015 to 2035 it is anticipated that production on this scale could result in:

- 3504 jobs, in peak years, in the Ocean Gateway area
- 15,542 jobs across the UK (derived solely from the Ocean Gateway production)
- A £9.8bn total spend associated with Ocean Gateway production, reaching £945m in its peak year and averaging £466.1m per year over the 20-year cycle
- Extensive supply chain opportunities for businesses in the region and beyond

IGas' chief operating officer, John Blaymires, said: "The findings of this report highlight that the Ocean Gateway region is sitting on a potential £10bn investment opportunity.

"We're looking to develop the capacity from within the region to meet the supply chain requirements so that as many local people and firms as possible benefit from our capital investment. The North West has a huge opportunity to become a centre of excellence for shale gas development and technologies. Over time, local companies will be able to export those skills nationally and ultimately abroad as other nations follow Britain's lead in developing a safe and sustainable industry."

The report also highlights a number of wider economic effects that shale gas exploitation within the Ocean Gateway region could potentially generate, including:

- Increased tax revenues through direct and indirect taxation.
- The potential for economic effects arising from natural gas upgrading and capital investment in new infrastructure.
- Increased business competitiveness and enhanced attractiveness of the Ocean Gateway corridor as a business location, arising from the use of gas in many manufacturing industries.

- Reduced market pressures on chemicals businesses concentrated in the North West that now face tough competition from their US counterparts due to price differentials on domestically-produced gas.
- While it is anticipated that the number of local residents with appropriate skills and training will be insufficient to meet demand in the first instance, local colleges and the development of a dedicated training institution could address this shortfall

Myles Kitcher, Managing Director, Peel Environmental said:

"The North West stands to benefit hugely from the emerging shale gas industry in the UK, not only in terms of energy security but also inward investment. We have a proud history of engineering and industry in the region and shale gas development could create over 3500 new jobs and develop skills for generations to come. This report highlights how expansion of the industry could provide a catalyst for the North West, increasing business competitiveness and driving economic growth."

Damian Waters, North West Regional Director of the CBI, said:

"Shale gas has a vital role in diversifying our energy mix and these findings demonstrate the tremendous potential that exists in providing a significant boost for the region's economy and bringing much-needed jobs to local communities."

Tom Crotty, Director at INEOS, said:

"INEOS believes that the UK needs to proceed with the development of shale gas urgently. We feel that these significant resources provide the potential to secure competitive energy and hydrocarbon feedstock supplies to underpin the future of the UK's chemical industry".

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About IGas Energy plc

IGas Energy plc is one of the leading explorers and producers of onshore hydrocarbons in the UK, producing approximately 3,000 barrels of oil and gas equivalent per day from 110 sites across the country. It operates assets in the North West of England, the East Midlands, the Weald Basin in Southern England and Northern Scotland.

IGas currently operates the UK's only Coal Bed Methane (CBM) pilot site at Warrington in the North West of England and is currently appraising and exploring its North West and East Midlands' acreage for its shale and CBM potential.

IGas has played a key role in Britain's onshore energy production, safely exploring, developing and producing oil and gas at its sites for over three decades. IGas management and technical teams have many years of experience in onshore energy production and most live and work in the communities in which it operates.

www.igasplc.com

About Peel Environmental

Peel Environmental owns, manages and develops properties in the waste, mineral and environmental technology sectors and is part of the Peel Land and Property Group.

Peel's diverse network of businesses ranges from ports to airports; land to leisure; media to hotels; wind farms to biomass, and a portfolio of investments in major public companies.

www.peel.co.uk

Ocean Gateway

Ocean Gateway encompasses Manchester, Liverpool and adjacent areas within Cheshire and Warrington. The focus is on the regeneration of land and assets fronting the Manchester Ship Canal and the River Mersey. Within this region, The Peel Group is working to bring more than 50 projects over 50 years with £50 billion of investment – a pioneering approach to the renaissance of this strategic corridor

www.oceangateway.co.uk