



Press Release

May 17, 2012

Poland is waiting for shale gas

The Polish people seem to have adopted a future-oriented perspective on shale gas extraction. They generally believe shale gas to be an important natural resource to both their country and the entire region. According to a recent study conducted by SMG/KRC for PKN ORLEN, Poles are also aware of the possible environmental and economic impacts of shale gas exploration and production. Nearly 70% of all respondents believe that the process of shale gas extraction is safe for the environment, while 97% reckon that its development will lead to the creation of new jobs.

The Ministry of Environment has already issued 113 licences for the exploration and appraisal of shale gas deposits in Poland. Although operators have only been drilling in search of this type of gas for less than two years, the awareness of various shale gas-related issues turns out to be relatively high among Poles.

Extraction of gas from shale formations raises hopes of the entire country, particularly among the inhabitants of regions where shale gas is to be produced. As many as 86% of respondents believe that access to unconventional gas deposits will give Poland independence from external suppliers and, consequently, strengthen the country's position internationally. According to the SMG/KRC polls, 88% of Poles think that shale gas extraction projects will stimulate the economic growth of regions where they will be carried out. This will be achieved primarily by creating new jobs (97%) and generating additional revenues for local budgets (91%).

A vast majority of Polish citizens believe that shale gas production is safe for the environment, and 78% do not support protests which are being staged to halt gas exploration. 60% of all Poles would not mind having a shale gas exploration project in their immediate surroundings.

While the awareness of opportunities and benefits resulting from shale gas exploration and production seems to be very high, people's knowledge of the resource itself and the extraction methods is decidedly lower. This issue should be addressed by authorities, educational institutions and operators. A large proportion of Poles (66%), when asked to compare conventional and unconventional gas resources, are unable to name any features characteristic of shale gas, and the majority of respondents (82%) know nothing of hydraulic fracturing (the only viable method of extraction in the case of unconventional gas resources).

Even though 43% of Poles feel that they have already received sufficient information on shale gas exploration and extraction, expectations regarding further education remain high. Relevant information is expected to be provided primarily by local authorities (55%), the government (54%), scientific institutions (54%) and gas exploration companies (48%). Accordingly, the successful exploration and optimal use of recoverable resources will require transfer of knowledge between R&D centres and the exploration and extraction industry.

With a view to meeting these expectations, PKN ORLEN – Poland's largest conglomerate – is actively involved in various initiatives aimed to develop scientific knowledge and popularise the relatively narrow field of interest related to the appraisal and exploitation of unconventional gas deposits in Poland. An example of such initiatives is the second ShaleScience conference, designed as a platform for sharing information and opinions between Polish and foreign scientists and experts with unique experience in the field. On May 16th 2012, the Copernicus Science Centre in Warsaw will host the second international ShaleScience conference organised by ORLEN Upstream, an ORLEN Group company specialising in the exploration and production of crude oil and natural gas, in cooperation with American partners: Energy and Geoscience Institute – University of Utah and the Schlumberger Innovation Center, SLC, USA.

"Knowledge and innovation are the key to success. Global economic growth would be impossible without a state-of-the-art minerals production sector endowed with advanced technological solutions and able to meet the ever-changing technical, environmental and economic challenges. The unceasing search for improved or novel technologies has enabled us to exploit unconventional resources. The fact that we can take advantage of the extensive – nearly 20 years long – experience of the shale gas industry in the US and Canada guarantees

reliability of the cutting-edge technologies we are planning to employ. I am absolutely certain that conferences such as ShaleScience are extremely necessary right now, at the onset of our journey towards commercial exploitation of shale gas. Not only do they provide a platform for expert debate, but also support us in the process of acquiring the much-needed know-how, which will be extremely useful in the years to come,” says Jacek Krawiec, CEO of PKN ORLEN.

This year’s edition of the ShaleScience conference is entitled “Developing the Mental Picture of Reservoir Quality and Completion Quality for Tight Shales” and will be attended by experts in geology, geophysics and petroleum engineering from all around the world, who will be discussing the nature of shale formations and the modern approach to effective extraction technologies which can be applied to gas trapped in such formations. This opportunity to exchange views with experienced international experts will contribute to know-how acquisition and help us design solutions tailored to the specific features of Polish deposits.

About the 2nd ShaleScience conference

Conference title: “Developing the Mental Picture of Reservoir Quality and Completion Quality for Tight Shales”

Dates: May 16th-17th 2012, Copernicus Science Centre, ul. Wybrzeże Kościuszkowskie 20, Warsaw, Poland

Organising committee: ORLEN Upstream; Energy and Geoscience Institute – University of Utah; and Schlumberger Innovation Center, SLC, USA.

How Poland will benefit from shale gas extraction according to Poles. The conference is organised under the aegis of the Ministry of Environment.

Press Office

PKN ORLEN