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Media Release

CHINA'S ENTRY INTO BRITISH COLUMBIA MEANS BIGGER TROUBLE, SAYS ALLIANCE

Vancouver: PetroChina, a company with an appalling human rights record, and one of China's two integrated, state-owned international oil and gas companies (the other, the Sinopec Group), just announced a \$5.4 billion bid for a 50-50 venture partnership with Encana Corporation over its northeast British Columbia and northwest Alberta deep shale gas Cutbank Ridge development. This is the largest single gas deal by PetroChina to date in North America, and closely follows on the heels of a January 27, 2011 approval by the National Energy Board (Canada's energy regulator) for a new major, 36 inch diameter, NOVA Gas Transmission Ltd. export pipeline project from BC's Horn River basin to Alberta. Though unannounced, the deal with PetroChina may also extend to Encana's more northern operations with partner Apache Canada in BC's Horn River Basin.

Recent media commentaries speculate that China's entry as a strategic, influential investment trigger to not only seal potential overseas export of BC's deep shale gas from a proposed LNG facility in the port of Kitimat, and for clout to support Enbridge's troubled oil pipeline proposal across BC, but to also promote controversial developments of BC's offshore oil and gas. The BC government, which has weakened and removed key provincial environmental legislation, has so far failed to consult the public on the issue of exporting its gas resources.

Encana's Cutbank Ridge assets are spread over a 257,000 hectare area straddling both BC and Alberta in populated farming areas, where residents have made numerous environmental-based complaints to BC's regulator, the BC Oil and Gas Commission, about Encana's operations. China's reputation, along with its tainted human-rights legacy in Tibet and the widespread pollution of its own watershed sources, has been strongly criticized about its state-owned foreign operations in Africa and elsewhere. Both Encana (Cenovus Energy) and PetroChina are developing Alberta's controversial tar sands.

BC Tap Water Alliance coordinator Will Koop recently appeared before the federal Standing Committee on Natural Resources studying Energy Security in Canada. Koop presented information on how the BC government failed to implement cumulative environmental effects studies in northeast BC, where thousands of hectares of public lands were leased to energy companies since 2003 to develop deep shale gas, a zone covering about 15 percent of BC's land base. He stated that the neglect of the BC government to conduct such studies as a primary condition in letting petroleum leases are "social and political failures", and recounted how Encana stated to the Committee that such studies "would not make sense". Encana has failed to release water and other resource use data to the Committee on one of its Horn River operations, the site of the world's largest hydraulic fracturing ("fracking") operation.

"British Columbians should be overwhelmingly opposed to having their natural resources tied to genocide," said Koop. "It is ironic that China, which may continue to make more deals in BC, has made a significant investment in deep shale gas while Canada is busy studying the issue of national energy security and the environmental consequences of developing much of that energy. From our point of view, and the view of many Quebecers and other Canadians, the shale gas developments across Canada are proceeding far too quickly without understanding the cumulative environmental and social consequences. Furthermore, we need stronger and better provincial and federal environmental laws to ensure the integrated integrity of Canada's future, and we need a engaging discussion on what energy security means for Canada over the long term."

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Will Koop may be reached at the email address, info@bctwa.org. A copy of his presentation to the federal Committee on Natural Resources can be found on the Alliance's website: www.bctwa.org/FrackingBC.html