

# Briefing

October 2016



## Why Alinta Energy must stop supporting unconventional gas and fracking in the Mid West

### Summary

- *The Frack Free Future alliance (FFF) is calling on Alinta Energy to break its partnership with gas fracking company AWE. AWE is involved in fracking for shale and tight gas in the Mid West of Western Australia.*
- *People don't want this industry and are actively opposing it. Across the Mid West and throughout the State communities have signed 'Gasfield Free Declarations' telling gas companies to stay away.*
- *FFF is asking Alinta customers to stand with the people of the Mid West by telling the company to break its contract with AWE. AWE depends on Alinta – and by extension its customers – for the cash it needs to develop its unconventional gas fields.*
- *The unconventional gas and fracking industry has a proven track record of negative impacts on groundwater supplies, human health and air quality – including being as serious a contributor to climate change as coal.*

### Why target Alinta Energy?

Alinta and AWE signed a 2.5 year contract in early 2016 for AWE to supply gas to Alinta from its Mid West fields<sup>ii</sup>. AWE is looking to secure contracts for its next phase of gas extraction from the Mid West Waitsia field in 2017<sup>iii</sup>.

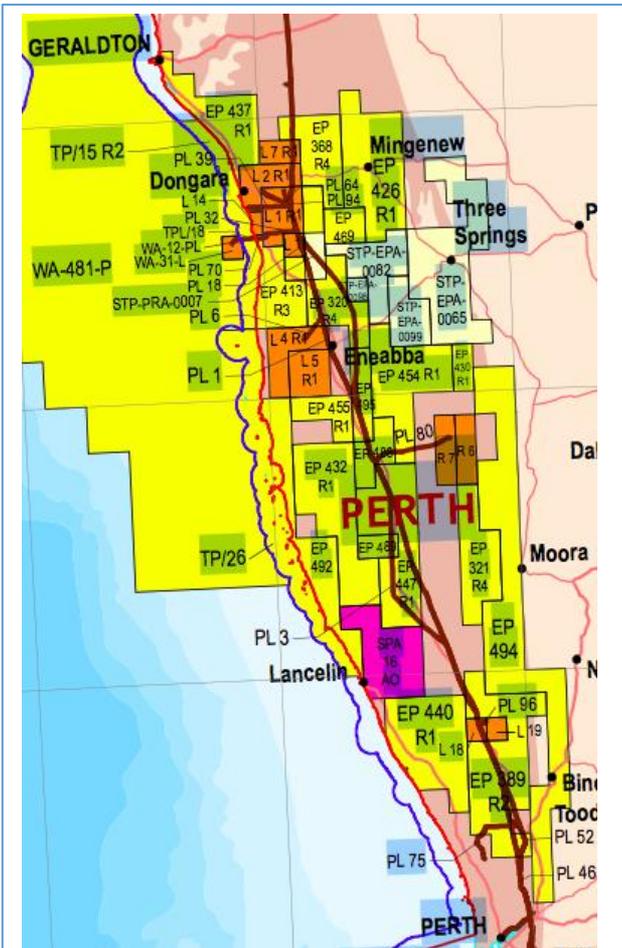
As AWE's customer, Alinta is providing the cash AWE needs to expand its unconventional gas and fracking operations in the Mid West. Without such custom, AWE will struggle to fund these activities.

Alinta Energy supplies<sup>iv</sup> 84% of the domestic piped gas market in WA, almost all of whom will be unaware of the impact their Alinta Energy gas bills are having on farmers and communities in the Mid West.

Alinta's domestic customers have therefore become unwitting supporters of AWE's invasion of valuable farmland and internationally renowned wildflower country. Home gas users are unintentionally at loggerheads with the vast majority of people in Mid West communities who oppose the industry.

*"Gas from the Waitsia field can be extracted by conventional means, but the project could also enable nearby "tight" gas fields that hold an additional 237 billion cubic feet of gas to be developed"*

AWE Chief Exec Bruce Clement



Gas exploration and production tenements across the Mid West of Western Australia.

Alinta is losing market share to rival Kleenheat, and is rumoured to be up for sale by its foreign owners<sup>v</sup>.

### What is AWE doing in the Mid West of Western Australia?

AWE's Mid West unconventional gas operations are amongst WA's most developed, making the region 'Ground Zero' for the fracking industry in the State.

The company has been pursuing conventional as well as unconventional gas interests in the region for several years, including fracking at a number of locations. It is currently producing gas from an unconventional well 'Corbyas-1' which was fracked in 2009<sup>vi</sup> and found to be leaking in 2012<sup>vii</sup>.

AWE stumbled across a significant conventional gas field whilst exploring for unconventional gas in the Waitsia area, and is using this to help fund its unconventional gas projects.

### Areas in the

### Mid West where AWE has already fracked include

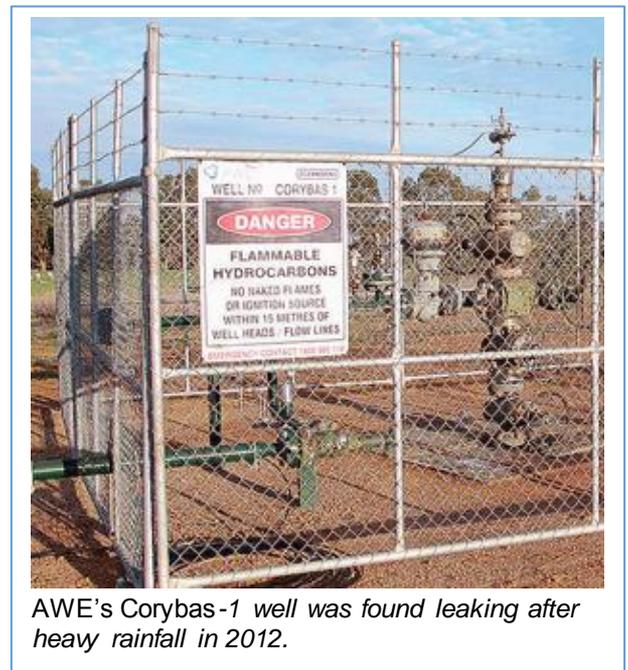
- Arrowsmith<sup>viii</sup>
- Woodada<sup>ix</sup>
- Senecio and Waitsia wells in Irwin shire<sup>x</sup>

AWE plans to increase its output from Dongara, Corybas and Senecio wells through further fracking<sup>xi</sup>.

### What do locals think of unconventional gas and fracking?

AWE test-fracked at its Drover site near Greenhead but abandoned plans to develop a fracking programme when it encountered heavy community opposition to the proposals. Locals were particularly concerned about their water supplies<sup>xii</sup>.

A number of declarations have been made on the back of surveys asking people whether they support calls for their area to be declared a 'Gasfield Free Community'.

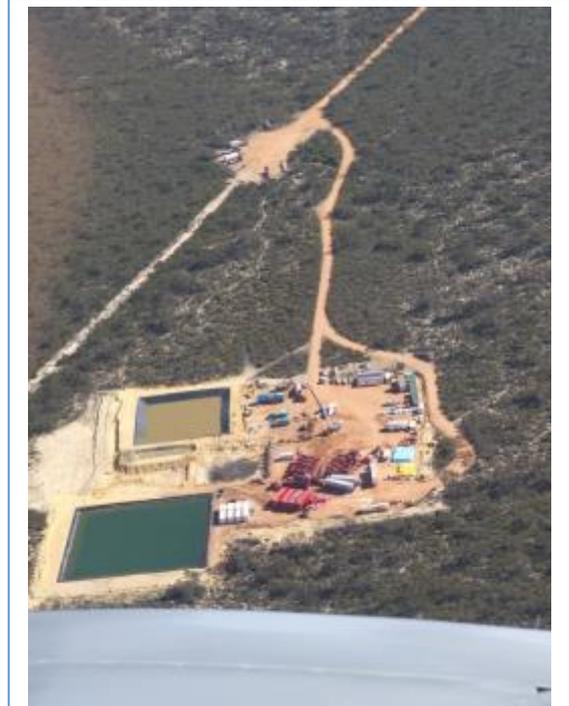


AWE's Corybas-1 well was found leaking after heavy rainfall in 2012.

Community surveys of support for Gasfield Free Community declarations include

- Carnamah 96% support
- Central Greenough 96% support
- Green Head 97% support
- Cervantes 95% support
- Leeman 98% support
- Irwin 98% support
- Jurien 90.5% support

Farmers have campaigned locally and travelled to Perth to protest against the industry. They are calling on government and business leaders to stop unconventional gas in the Mid West and across WA.



*AWE site in a Mid West nature reserve, including toxic fluid holding ponds and Halliburton trucks.*



*A Gasfield Free Community declaration celebrated in Irwin, Mid West WA. 97.7% of the community supported the declaration.*

### **What does Alinta have to say about its contract with AWE?**

Frack Free Future has been in contact with Alinta Energy, asking them to stop supporting fracking in the Mid West by terminating their contract with AWE.

Alinta has stated that its supplier claims not to be supplying fracked gas to the company at present. However it has failed to confirm

- whether it has received fracked gas in past;
- how it can prove it isn't receiving fracked gas now; and,
- that it won't receive fracked gas in future.



*AWE's Drover-1 unconventional gas exploration well.*

## How should Alinta Energy respond?

Alinta doesn't need to buy gas from unconventional gas and fracking companies – WA is already producing far more gas from offshore projects than it needs, and there is a global glut of gas supply.

Instead, Alinta's Directors need to be clear about the choice they are making – they can buy conventional gas from over-producing existing suppliers, or damage farmland and wildflower country through the company's contract with AWE.

Alinta Energy should terminate its contract with AWE and publicly state a commitment not to source gas from any unconventional sources.



*Halliburton pumping trucks at an AWE unconventional gas site in the Mid West.*



*The Jonas unconventional gas field in Wyoming, USA, shows how shale and tight gas fracking industrialises the countryside.*

For more information contact Jules Kirby at [jules@frackfreefuture.org.au](mailto:jules@frackfreefuture.org.au) or on 0421 969554.

## References

<sup>i</sup> <http://www.awemidwest.com.au/how-we-produce-gas/http://www.awemidwest.com.au/how-we-produce-gas/hydraulic-fracturing-work/>

<sup>ii</sup> <http://www.awexplore.com/IRM/PDF/2356/AWEapprovesfirststageWaitsiagasfielddevelopment>

<sup>iii</sup> <http://www.awexplore.com/irm/PDF/2529/AWEsCitConferencePresentation>

<sup>iv</sup> <http://www.theaustralian.com.au/business/dataroom/alinta-energys-ipo-tipped-to-raise-up-to-2bn/news-story/fd340c3748bd7d3df84e5720deab8566>

<sup>v</sup> <http://www.theaustralian.com.au/business/dataroom/alinta-energys-ipo-tipped-to-raise-up-to-2bn/news-story/fd340c3748bd7d3df84e5720deab8566>

<sup>vi</sup> <http://www.asx.com.au/asxpdf/20110504/pdf/41yq4fjlsn4lyh.pdf>

<sup>vii</sup> <https://au.news.yahoo.com/thewest/regional/gascoyne/a/14280202/corybas-leak-sparks-alarm/#page1>

<sup>viii</sup> <http://www.awemidwest.com.au/what-we-do/arrowsmith-exploration/>

<sup>ix</sup> <http://www.awemidwest.com.au/what-we-do/woodada-gas-field/>

<sup>x</sup> <http://www.awemidwest.com.au/what-we-do/seneciowaitsia/>

<sup>xi</sup> <http://www.asx.com.au/asxpdf/20110504/pdf/41yq4fjlsn4lyh.pdf>

<sup>xii</sup> <http://www.abc.net.au/news/2015-07-24/oil-and-gas-company-awe-aborts-mid-west-fracking-plan/6645898>