

The Carbon Capture and Storage Association

Press Statement

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New Initiative Unites Industry to Combat Climate Change

An eleven-strong group of companies yesterday announced the formation of a new industry association – the Carbon Capture and Storage Association (CCSA) – with the aim of encouraging the development of carbon capture and storage (CCS) in the UK and ensuring that the UK plays a key role in delivering CCS technologies and projects worldwide.

The eleven founding companies – BP (Chair), E.ON UK (Vice-Chair), Progressive Energy (Vice-Chair), Air Products, Alstom Power UK, AMEC, ConocoPhillips, Mitsui Babcock, Schlumberger Oilfield UK, Scottish & Southern Energy and Shell - expect to be joined by a wide range of organisations with interests and expertise in significantly reducing green house gas emissions from fossil fuel use.

The founding members of the CCSA strongly believe that CCS technology can deliver major reductions in greenhouse gas emissions from fossil fuel based power generation. In doing so, CCS can play a significant role in enabling the UK to meet its Kyoto Protocol obligations, and may also extend the life of North Sea oil production by facilitating enhanced oil recovery (EOR) using the captured carbon dioxide.

The global market for CCS related technologies has tremendous potential because it has the potential to be used widely around the world, including the new large emerging energy economies. Additionally CCS technology may provide access to hydrogen from fossil fuels with no or low CO₂ emissions, helping to fuel a H₂ economy for power and transportation.

Commenting on carbon capture and storage, Margaret Beckett, Secretary of State for Environment and Rural Affairs, said, "...I am very pleased to hear about the launch of the Carbon Capture and Storage Association. Carbon capture and storage is expected to play a key part in the global response to the challenge of climate change and the UK is well placed to take a lead on communicating these technologies.

"The Chancellor in his April budget announced that the Government would examine the potential of economic incentives to encourage carbon capture and storage.. My colleague Malcolm Wicks recently launched the Carbon Abatement Technology Strategy and earmarked £25m support for technical development.

"For industry to respond to the challenge of large-scale delivery of this technology there must be technical and commercial collaboration between businesses and an ongoing dialogue with Government at the national and international level." "This is why at the recent EU – China Summit the Prime Minister announced that the EU and China would

collaborate to develop and demonstrate in China and the EU advanced near zero emissions coal technology through carbon capture and storage by 2020.”

Lord Oxburgh, former chairman of Shell Transport and Trading, and President of the newly-formed CCSA, said, “CCS is absolutely essential if the world is serious about limiting greenhouse gas emissions. The UK is very well placed not only to make use of this technology to reduce domestic emissions, but also to gain substantial revenue and employment from the enormous worldwide potential.”

CCSA Chairman, Gardiner Hill said, “I am honoured to have been asked to become the first chair of the Carbon Capture and Storage Association. This is an exciting technology with very significant potential as it can be applied in many different countries around the world. The UK has a unique opportunity to utilise CCS because the North Sea oil and gas fields turn out to be a good place to store CO₂ – effectively putting it back from where it came! The CCSA will provide an environment that encourages business co-operation and a focus to enable the successful application of this technology.

UK Trade and Investment, the Government organisation that supports companies in the UK trading internationally, has been supporting a stakeholder group for several years with a view to establishing a business cluster. Chief Executive, Sir Stephen Brown commented, “We are always pleased to assist industry in developing new markets and investment opportunities.”

More About Carbon Capture and Storage

CCS involves separating carbon dioxide from the combustion of fossil fuels in power stations and industrial plants, compressing the gas and returning it to underground structures where it can be safely and permanently stored. Several international projects have demonstrated the effectiveness of all the individual technologies involved in each step of the chain for eliminating the emission of the principal greenhouse gas, CO₂.

The North Sea alone has huge storage potential in oil fields, gas fields and in saline aquifers. Total storage capacity in just the UK sector of the North Sea has been estimated at more than 15 billion tonnes – enough to accommodate and store CO₂ from fossil fuel generating plant and other industrial sites for several centuries.

Since 1996 over seven million tonnes of CO₂ has been stored successfully deep underground in the Utsira formation in the central North Sea. The effectiveness of this project has been monitored by an international consortium of geological experts. Moreover, since the early 1970s CO₂ has been injected into oil fields, mainly in the United States, to enhance oil recovery. Its behaviour is well understood and predictable with currently more than 25 million tonnes injected annually.

One of the capture technologies involves producing a gas that is predominantly hydrogen and CO₂, then extracting the CO₂ for storage. In the future this technology may be used to provide carbon-free hydrogen to fuel our cars and homes.

CCS projects will help to recover substantially more oil from the UK continental shelf reserves, as well as enabling electricity and hydrogen production with very low CO₂ emissions. When injected into oil reservoirs it can substantially increase the yield of crude oil as has been demonstrated in the Permian Basin in North America over 30 years.

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