

UK issues offshore drilling licences

Written by

Saturday, 31 December 2011 06:22 - Last Updated Saturday, 31 December 2011 06:44

The UK government has awarded 46 new exploratory drilling licences to firms, including Shell and Centrica, looking for oil and gas.

The awards were initially held back due to environmental concerns.

However the government says it is now confident exploring in the regions, including the English Channel, North Sea and West of Shetland, is safe.

Environmental groups have criticised the decision saying the drilling may put marine ecosystems at risk.

"There is insufficient data with regards to the complexity of the marine environment in these areas," said Adam Ma'anit from environmental pressure group Platform.

"It is highly irresponsible for [the Department of Energy and Climate Change] to sign off on any concomitant oil and gas expansion in the region."

However the government says safeguards have been put in place.

"Oil and gas remains crucial to the UK economy - contributing around 2% to the country's GDP," said energy minister Charles Hendry.

"These further licences have been subject to rigorous examination, and we are now satisfied that initial exploration can go ahead."

The licences are in the West of Shetland, North Sea Central area, the North Sea Southern area,

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the English Channel, the North Channel and Morecambe Bay.

However the licensing round, launched in 2010, excluded possible sites in the Moray Firth and in Cardigan Bay, in order to protect marine wildlife, and in the south-west approaches to the English Channel due to a lack of data.

Shell has been offered 6 exploration licences, alongside their partner in the project, Exxon-owned Esso.

GDF Suez, Centrica and RWE are amongst the other beneficiaries, who also include a range of smaller exploration companies.

It is not yet known how much oil and gas will be found in the region, but analysts expect the gas reserves may be larger than oil.

In the summer, BP announced that it and its partners would invest £3bn in redeveloping two oil fields off the Shetland Islands.

Source :bbc.co.uk