

Ineos Interview - BBC Radio 4 - Today

BBC Radio 4 - Today - Time 6:22 am - 11th April 2022

Interviewer : Sean Farrington (SF)

Interviewee: Tom Crotty, Director of Ineos

SF

Global energy company Ineos has written to the government saying that it wants to develop a shale test site to show that the technology works and can be safe its director Tom Crotty joins me now. Morning to you.

TC

Morning Sean.

SF

Why is your business so keen to be involved in this controversial issue?

TC

Well, I think it's because we did a huge amount of work spent about 250 million about five years ago and we felt that there was real potential for the for the economy a massive benefits to the economy a massive benefits to some of the worst areas in the country in terms of the deprivation so we think it's worth resurrecting from that point of view.

SF

We spoke to Iain Conn a couple of weeks ago, former Chief Executive of Centrica, about a variety of energy issues and he said when it comes to fracking, it's not possible to drill enough wells to be able to make a material difference to the UK supplies if it can't make a big difference what's the point?

TC

Well, I disagree with Iain I think there is a potential that there is a huge amount of shale gas down there the big question which we haven't answered because we haven't been allowed to do the science is how much of that can we extract safely? And that's what we were asking to do here now just do some science lets complete it we weren't allowed to complete it last time and then we can answer that question. But you know, I given the state of the the world economy and the state of the UKs energy position, why would you not do that? It just makes common sense in our view.

SF

Well the business secretary Kwasi Kwarteng said we don't have an energy security problem when it comes to gas. We get most of our gas from the seas around us anyway.

Our imports from reliable places such like the likes of Norway. Fracking won't budge the price of it, which is higher at the moment. So that's not where the security issue lies.

TC

Well sadly I'd have to disagree the issue on energy security is that we now buy half of our gas and we buy virtually all of that as liquid natural gas we are buying from all over the world and don't just rely on Norway. That would be great if that were the case but that's not the case. We are buying it from all over the world. And we're basically, yes you can guarantee security, if you are prepared to pay the highest price. We buy all of that on spot. So you have to bid against anybody on any day who wants that gas, but it doesn't feel to us like reliable long term energy security policy.

SF

But we are still part of the global economy or are you saying you would offer gas that you get out of sites would be offering at a discount to British consumer?

TC

We would be part of the global economy but you've got to bear in mind that gas that's extracted in the UK part of value add gas is going back to the to the government in terms of tax so you know looking at it that way, you're basically saying that gas is part of the price of gas your going across the world and that money is going into somebody else's economy. Why not keep that money in the UK? That seems to us a logical decision to make.

SF

A lot of people will be wondering where in the UK you think it is briefly. You've got some spots in mind.

TC

We have licences for all across the north of England to be literally west to east. And what we would do is work with the government work with British Geological Survey and the OGA, Oil and Gas Authority to select a site that we think would be and they think would be the best place to extract. You have to look for things like whether there are old coal seams, all of that sort of stuff but it runs across the whole of the north of the UK and it runs across as I have said, someone of the most deprived areas in the country. We've made a commitment and repeat that commitment the first 6% of the value of the gas not the profit, the value of the gas we will put straight back into that local community and believe me some of those communities really could do with that.

SF

Tom Crotty, Director of Ineos, thank you, it is definitely an issue that has many more questions and needs many more answers but Ineos are keen to get involved in all of that.

