

Foreign investors help fuel U.S. shale boom

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Photograph by Spencer Platt/Getty Images
A hydraulic fracturing site in South Montrose, Pa.

China has about twice the estimated shale gas reserves as the U.S., but commercial production has been slow to ramp up on the mainland—because of a combination of challenging geology and an inflexible industry structure. Analysts predict it will be anywhere from three years to two decades before China’s commercial shale gas boom arrives.

In the meantime, Chinese companies have invested \$5.5 billion in U.S. tight oil and shale gas through joint-venture deals, according to data compiled by the U.S. Energy Information Administration. (The figures do not include other Chinese investments in Canada.) “They are not after developing the gas for profit, but after the idea of learning the technology,” says EIA energy economist Aloulou Fawzi. “They want to learn the technology and have a partner that may help them later to develop their own [domestic] shale resources.”

It’s not just Chinese firms that are seeking to profit from America’s energy boom. Roughly 20 percent of the \$133.7 billion invested in U.S. tight oil and shale gas from 2008 to 2012 came from abroad. To date, from Asia, Japanese companies have invested \$5.3 billion; Indian companies \$3.55 billion; and Korean companies \$1.55 billion. From Europe, U.K. companies have invested \$3.95 billion; French companies \$4.55 billion; and Norwegian companies \$3.38 billion. Fawzi believes the European companies have different aspirations than the Chinese: “My observation is that they have a lot of cash to recycle but not so many upstream [oil and gas development] opportunities in the rest of world.”

Notably, the U.S. partners in these joint ventures have not been energy majors like ExxonMobil (XOM), but rather, independent and midsize players such as Pioneer Energy Services (PES), Chesapeake Energy (CHK), and Hunt Oil. “Foreign companies, especially in Asia, are learning the techniques, while U.S. oil and gas companies without deep pockets can solve some of their financial issues,” says Fawzi.

Melanie Hart, an analyst at the Center for American Progress who tracks energy policy and China, warns that for Chinese companies the lessons from the U.S. may be limited. "You can't take exactly the techniques you use in Texas and apply them in China's mountainous Sichuan province," says Hart. "Shale gas extraction techniques vary depending on the geology." Another challenge in water-short China will be finding enough water to divert to hydraulic fracking. One of the major shale-rich areas, the Tarim basin, is largely desert.

The country's other major shale-rich region, the Sichuan basin, is seismically active. On Saturday morning a 6.6 magnitude earthquake rocked the city of Ya'an in Sichuan province, resulting in landslides, road closures, and building collapses that killed at least 186 people. (Another earthquake there in 2008 killed at least 70,000 people.) Recovery efforts are under way, and Premier Li Keqiang visited the Ya'an disaster zone over the weekend.

The EIA is working on a new global estimate of tight oil and shale gas reserves. While the prior report, released in 2011, looked at only two basins in China (in Sichuan province and Xinjiang autonomous region), the new report will cover seven.

Fonte: Bloomberg Businessweek. Disponível em:

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