

Algeria eyes return to controversial shale gas exploration

ALGIERS - Algerian authorities have called on state-owned oil giant Sonatrach to restart shale gas exploration work suspended after protests by locals in the Sahara desert, state media reported.



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Prime Minister Ahmed Ouyahia "encouraged" the management of the government-owned firm "to invest in the shale gas sector" during a visit to a refinery Sunday, national television said.

"It is time for Sonatrach to use all its energy in the service of business and the country," Ouyahia said.

"This is not adventurism, but an option aimed at guaranteeing the future in terms of energy," he said.

Angry demonstrations rocked Algeria's central desert town of In Salah in 2015 as anti-fracking protesters took to the streets after Sonatrach said it had successfully completed its first pilot drilling.

Sonatrach had announced plans to invest at least \$70bn over two decades to produce some 20bn cubic metres of shale gas per year from 200 drill sites.

In order to extract shale gas, a high-pressure mixture of water, sand and chemicals is blasted deep underground to release hydrocarbons trapped between layers of rock.

Environmentalists argue that the process -- known as fracking, or hydraulic fracturing technology -- may contaminate ground water and even cause small earthquakes.

Algeria has been hoping its vast shale gas reserves -- estimated to be the fourth biggest in the world -- can make up for a drop in income caused by the slump in global energy prices.

Revenues from energy sales from Algeria -- a key gas supplier to Europe -- have fallen by over half since the slump, with \$31bn (26 billion euros) expected in 2017.

Source: *AFP*

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