

EUROPEAN ACTIVITY

Shales rich in thermogenic gas are known from many European sedimentary basins. Highlights of recent activity include:

- Shell is targeting Cambrian Alum shale in southern Sweden, in the Colonussänkan and Höllvikengraven areas. The Alum has been considered prospective for shale gas for years, and was one of the first areas targeted in Europe. TOC contents can be up to 15%, and the shale can be 100 meters thick. It's thermally mature and contains dry gas. Shell has a three-year exploratory term and is acquiring seismic.

- Austrian firm OMV is engaged in a three-year project in Austria's Vienna Basin, where the Upper Jurassic Mikulov marl is more than 1,500 meters thick and has TOC contents from 0.2% to 10%. It is a world-class source rock, and has a history of recorded shows. The target is deep, however; it occurs at depths of more than 5,000 meters. OMV has estimated shale-gas potential at 15 Tcf.

- Several areas in Poland are of high interest, because the country has both Silurian and Carboniferous shales. In addition to BNK Petroleum's ventures, U.K. firm 3Legs Resources is working on Polish shales through its subsidiary, Lane Energy Poland. Last year, the company was awarded five licenses to explore a million acres in the Baltic Basin region. Work programs on the four-year licenses call for acquisition of 3-D seismic and exploration drilling.

- ExxonMobil has drilled three exploration

wells in the Lower Saxony Basin in Germany, where it holds 750,000 acres. It has said that it views its German prospects as potentially world-class resources, although the project is still in the evaluation and testing stages. It plans another 10 wells in 2009.

- ExxonMobil also plans two shale-gas wells in Hungary, where it holds 400,000 acres. The company says these are the first time the shale there has been tested.

- A number of companies are interested in France. Dallas-based private operator Eurenergy Resource Corp. has been awarded 1.3 million acres in the East Paris Basin of France, in its Moselle concession. The company plans to identify prospective areas this year, and begin a drilling program in 2010. Toreador Resources Corp. recently moved its headquarters from Dallas to Paris, and is launching an effort to evaluate the potential for shale oil, à la the Bakken, on its acreage in the Paris Basin. Toreador sees intriguing potential in the Schistes Cartons, its first objective. The company holds 650,000 net acres in the basin, and has another 150,000 net acres pending approval. Additionally, several companies have applied for permits to pursue shale-gas projects in various French basins.

- Eurenergy Resource Corp. also has announced plans to drill for shale gas in southern England's Weald Basin, where it holds 123,000 acres. The five-year concessions allow for the exploration of oil and gas. The basin contains two shale formations; the company plans a horizontal well.