

MEDIA RELEASE

3rd Feb 2011

Energy and Climate Change Inquiry Impact of Shale Gas

Following the dramatic growth in production of shale gas in the United States, the UK Energy and Climate Change Committee issued a request for written evidence for its inquiry into shale gas and its implications for UK energy and climate change policy.

CNG Services submitted a paper by way of response to the particular question of how global discoveries of shale gas will affect UK energy and climate change policy. The key points of this paper are outlined below:

- The use of '80% natural gas, 20% diesel' dual fuel truck emits around 25 – 30% less CO₂ than a diesel vehicle on a well to wheel basis
- The use of natural gas (stored on vehicles in compressed or liquid form) in dual fuel diesel engines for commercial vehicles can reduce the level of imported oil by 2020 which is good for security of supply and diversity
- As a result of the shale gas resource then natural gas prices can be expected to remain low compared to oil, on an energy basis the cost of gas is around 50% of that of oil

The UK has leading technology providers in relation to dual fuel trucks but a negligible market in relation to natural gas vehicles. The CNG Services paper demonstrates that the world's shale resource allows the UK to diversify away from 100% diesel in the haulage sector where there is not an electric alternative due to the weight of batteries, which makes their use impractical for large trucks.

A number of other countries are already introducing natural gas vehicles with around 13 million worldwide and the UK commercial vehicle sector should follow this path to deliver the prize of lower fuel costs and lower CO₂ emissions with no adverse 'food versus fuel' impact.

John Baldwin, MD of CNG Services Ltd said, "There are now no diesel buses in Los Angeles. A process was started in 1995 to move to natural gas and the last diesel bus went into the skip last week. Shale gas offers the UK the chance to begin a strategic shift to low CO₂ natural gas transport, on the pathway to running trucks on renewable natural gas by 2050".

The full report is available via the CNG Services Ltd website via the following link:

<http://www.cngservices.co.uk/shale-gas-enquiry-13th-january-201/>

About CNG Services Ltd

CNG Services Ltd ("CSL") supports the development of CNG and LNG as vehicle fuels in the UK with a range of services including:

- Feasibility studies in relation to CNG and LNG fuelled vehicles and infrastructure
- Independent 'Owners Engineer' service
- CNG and LNG virtual pipelines
- Production and use of biomethane as a vehicle fuel.

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