

FRACK EU: UNCONVENTIONAL INTRIGUE IN POLAND



A Preliminary Investigation of the Fracking Assault on Poland



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11. THE POLAND PORTAL PARTY

11-(1). Big Petroleum and the Instant U.S.-Poland Business Council

It was almost two months to the day since the April 8, 2010 opening shale gas gala conference in Warsaw that the political strategy to frack Poland, and whatever else, got seriously underway.

On June 7, 2010, Ambassador Robert Kupiecki wrote a congratulatory letter to Eric Stewart on his new appointment to the instantly established U.S.-Poland Business Council (USPBC):¹

The Polish Government wishes to promote the U.S.-Poland bilateral relationship.

We are glad to see so many experienced business leaders involved in the Council's development and look forward to welcoming a wide representation of business leaders from a broad range of industry and service sectors.



Eric Stewart, President
U.S.-Poland Business Council

The Embassy of Poland will be very pleased to work closely with the Council in order to enhance the growing ties between the United States and Poland as well as facilitate efforts to increase bilateral investment and trade.

Who were these “business leaders” Kupiecki was referring to? Currently, there are 15 *board members* on the USPBC, each of which is obligated to pay a \$10,000 annual fee, three members of which have large investments in shale gas in Poland: **Chevron, ConocoPhillips, Marathon Oil**, United Technologies, FLUOR, Boeing, Amgen, AES, Archer Daniels Midland Company, General Electric (Hitachi Nuclear Energy), Owens-Illinois Inc., Raytheon, Westinghouse, Smithfield Foods Inc., and International Paper. *General members* on the USPBC are: **ExxonMobil**; Invenergy LLC; Eli Lilly; Metlife; Miller, Canfield, Paddock and Stone PLC; PhRMA; the Shaw Group Inc.; and the Timken Company. In addition, ex-officio Gary Litman from the U.S. Chamber of Commerce.

Eric Stewart also happens to be the executive director of the **U.S.-Turkmenistan Business Council** (USTBC), the very same council that David Goldwyn, the U.S. State Department’s Global Shale Gas Initiative guy, was a former member of. (Turkmenistan, which borders the Caspian Sea, the southwestern point of Kazakhstan, the southern border of Uzbekistan, the northwestern border of Afghanistan, and the northeastern border of Iran, is strategically positioned amidst the political energy climate of China-Russian-Iran.) These overlapping relationships are very intriguing,

¹ Part of the name may be a variation borrowed from the *Europe-American Business Council* which began its operations in June 1990, shortly after the removal of the Berlin Wall. The 15 originating members of this Council consisted of 9 European and 6 American corporations/firms. In 2011, there are 72 members, including members from Canada. The Council’s website states: “In 2010 the EABC decided to explore the potential of a Trans-Atlantic business model that included active policy work with Canadian government and industry.” On July 7, 2011, the EABC’s 7th Annual Ambassador’s Dinner was hosted by Poland’s Embassy in Washington, D.C., with guests: Ambassadors of 22 European countries, business leaders, members of U.S. Congress and EU administrations. The event’s theme of *Trans-Atlantic Energy Strategies* was accompanied by four presenters, while celebrating Poland’s rise to the EU Presidency a week earlier.

especially when one considers the current membership of the USTBC: **Chevron, ConocoPhillips, Marathon Oil, ExxonMobil**, Boeing, Kellogg Brown Root, Parker Drilling, John Deere, Case New Holland, etc. The same four petroleum companies are also Energy Forum members of the Baker Institute for Public Affairs at Rice University (see chapter 4-1, *Into the Rabbit Hole...*).

One may easily make an obvious assumption: it's quite likely that the big petroleum multinationals on the USTBC who have substantial fracking interests in Europe (and elsewhere) are responsible for, or cooperatively involved in, setting up the



USPBC as a new modus-operandi to front their, and other, objectives (i.e., nuclear energy). One can possibly ask an important question based on the foregoing assumption: were these corporations somehow involved in setting up the U.S. State Department's Global Shale Gas Initiative, and in setting up Mr. Goldwyn's appointment?

It's almost like a scene from an old movie thriller, where an executive behind a large desk with only a telephone and a rather large rolodex, sitting in a comfy leather chair with his shoes up on the table, gets a phone call, hangs up the phone, flips to the appropriate card on his rolodex, gives someone a call, sets up the sophisticated operation for the moment of choice, and hangs up his phone. The power elite executive then casually rotates his chair toward the large glass window in his penthouse office, ponders a bit as he looks down upon the world before him, and produces a slight evil grin.

Who is Eric Stewart? There are a few and similar biographies of Stewart. After a one-year term as an assistant director of the Ohio Bureau of Workers Compensation, Stewart did a three year term as political director of the **National Federation of Independent Business**. After that, two years as the director of external relations with **SBC/Ameritech** (telecommunications). About year into the Bush/Cheney Republican administration, Stewart served almost 5 years with the U.S. Department of Commerce. For the first 18 or so months with the government, he was the chief of staff to the



assistant secretary William H. Lash for **Market Access and Compliance**. In September 2003, he was appointed as **deputy assistant secretary for Europe/Eurasia**. In his Williams & Jensen biography, "he was tapped as a surrogate for the Bush Administration on issues ranging from social security to energy policy. Mr. Stewart also served as acting assistant secretary and was given top secret security clearance." He "also was responsible for developing programs, policies and strategies designed to strengthen

the United States' commercial position in Europe." From mid-2006 to the present, Stewart sits as the senior international advisor to the **U.S. Chamber of Commerce**. While serving with the Chamber of Commerce, Stewart branched out into three other nests: in January 2008 as a partner

with **Williams & Jensen, PLLC**, one of many legal lobbying firms in Washington D.C., where he “represents clients before the Administration, Congress and select foreign governments on a range of international and domestic policy issues;” in July 2009, the executive director of the **U.S.-Turkmenistan Business Council**; and in June 2010, the president of the **U.S.-Poland Business Council**. Internet information service LinkedIn states: “Mr. Stewart provides strategic counsel and representation to private companies, associations, Universities and foundations with interests before the Administration, Congress and select foreign governments on a range of international and domestic policy issues.”

Stewart acts as bridge between various political landscapes. With Williams & Jensen, SourceWatch states it is a “law firm that engages primarily in lobbying for big business”. The firm’s facebook site boasts the following:

Williams & Jensen is currently one of the few leading independent law firms in Washington with a practice focused primarily on lobbying. On a daily basis, we help companies and organizations in the U.S. and around the world influence legislation and public policy process in Washington. The firm’s record of winning in Washington has attracted a clientele of leading companies, trade associations, and institutions, many relying on the firm’s services for more than three decades.

Many reporters and parties interested in keeping tabs on funding from U.S. lobbyists have documented the paper trail and client list from Williams & Jensen.²

In a television interview with Eric Stewart on Global Atlanta³ on November 19, 2010, during a seminar hosted by the Polish-American Chamber of Commerce of the Southeast, Stewart said that the USPBC “started earlier this year with **20 multinational companies** all based in the U.S.:

It was the most opportune time to create a Council. There are so many positive things happening in Poland right now. ... You also have the presidency of the European Union, the Poles will be leading Europe next year which is a very positive thing.

*But what you also find, and what American companies find in Poland is very similar counterparts. And what I mean by that is, you find businesses who have the entrepreneurial spirit that American companies do as well. Tremendous work force. Highly educated. And, as some colleagues have said in the past, **a lot of companies are using this as a gateway to Europe**. Which is an interesting dynamic when you think about it, actually leaving America, flying all the way over Europe, **landing in Poland and then going back in this direction**. That says to you how significant it must be to be able to do business in Poland that companies would think in that direction, which is pretty amazing.*

We are also seeing some pretty significant opportunities. Shale gas is one of the specific opportunities. The U.S. has a tremendous amount of experience in the shale gas industry. And Poland has recently discovered that they have huge resources of shale gas.

² The internet site ImpluCorporation provides many details of client and income categories.

³ Atlanta, Georgia’s International Business News Source, at the J. Mack Robinson College of Business, Georgia State University, *Poland Ready to Welcome U.S. Companies*.

Photo: Eric Stewart (on the right) during the interview, twice sweeping his left arm while curving his hand backwards in a scooping motion, saying “then going back in this direction.”



Stewart relays the USPBC’s strategy: Poland as the EU portal. The establishment of the USPBC as a political, investments and financial conduit and chain reactor would define and steer the paths of the petroleum presence in Poland, and, moreover, help formulate creative opportunities through support avenues. USPBC members ExxonMobil, ConocoPhillips, Marathon Oil and Chevron would finance and organize strategies to develop an unconventional foothold in Poland. For example, as Eric Stewart forecast in his interview in November 2010, the USPBC already had its gun-sight pointed on an important future event - Poland’s turn at the helm of EU’s presidency in the second half of 2011.⁴

11-(2). The Shadow World of Geo-Political Messaging: Public Relation Firms in Poland

There was a confidential document written in January 2010 by Marek Matraszek, *The Polish Presidency of the EU*, written 18 months before Poland’s kick-at-the-can at the EU presidency. Matraszek’s briefing analysis undoubtedly energized and stirred the initiating political interest by

American corporations in Poland’s accession to the EU Presidency, the ultimate source of Eric Stewart’s musing with the Atlanta interview.⁵

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THE POLISH PRESIDENCY OF THE EU

By Marek Matraszek

Christmas in the EU comes not once a year, but approximately once every thirteen years, when each of the member states has the opportunity to take charge of the Presidency of the Council of the European Union, which is rotated between EU member states every six months. For Poland, this magic time will come in the second half of 2011, following the Hungarian presidency and preceding that of Denmark. What in practice does this mean for Poland, and more importantly for Amcham members, and for US and other investors both in Poland and Europe?

So, the Polish Presidency provides for foreign investors in Poland a unique opportunity to finally get their messages across to the government on issues where Poland in turn can exert a real influence in Europe. It will also be a crucial opportunity to obtain information and intelligence on the directions of EU policy. So how can business and Amcham members engage? The Foreign Ministry is already talking with some business circles, particularly Lewiatan, on co-operation during Presidency. There is also pressure on the Polish Government to set up a steering committee to manage contacts between the Government and

⁴ The American Chamber of Commerce mentioned Poland’s turn at the EU Presidency in its May 14, 2010 bulletin (Policy Watch No.2/2010). In its November 12, 2010 bulletin (Policy Watch No.5/2010), is a descriptive on the Chamber advocating Public-Private Partnerships in Poland.

⁵ The document does not state who it was written for.

business during the presidency. In purely commercial terms, the Foreign Ministry has proposed – on the basis of guidelines adopted by the government in July 2009 – that companies become official partners of the Polish Presidency, and there is a list of preferred sectors including IT/Telecoms, Food & Beverages, Air Transport, and Post & Courier Services. But ultimately there will be no substitute for Amcham members working with their European HQs to identify key areas of concern, and then planning out a strategy for effectively communicating these concerns to the Polish authorities.

With elections in Hungary in April 2010, there are already signs that the current Polish Government and the next Hungarian Government (certainly to be led by the FIDESZ party under Prime Minister Viktor Orban), will want to coordinate their policies on issues such as energy and the Eastern Partnership. So companies wanting to seriously influence policy should not stop at Poland: there needs to be an ongoing effort extending behind and ahead of the Polish Presidency.

Ultimately the ability of the Polish Presidency to be a useful platform on which companies can build their public affairs strategies will depend on the degree of stability in Poland during the Presidency. Although there is merit in the Civic Platform government deciding to go the end of its full term before elections in November 2011, the fact that the Polish Presidency will be overshadowed by a domestic election campaign in September and October will mean that the top politicians will have little time to focus on policy details. On the other hand, that may be no bad thing – leaving EU policy to the experts in both government and business might make the Polish Presidency more effective than most.



Matraszek's analysis is most intriguing, if not also worrisome and disturbing.

As with Eric Stewart, the question is, who is Marek Matraszek? The most common of his biographies states the following:



Marek Matraszek is the Founding Partner of CEC Government Relations, a leading independent political consultancy active throughout Central Europe.

Marek Matraszek was born in the UK in 1962. He gained an Exhibition to Magdalen College, Oxford, in 1981 where he graduated in Philosophy, Politics and Economics in 1984, and obtained a Masters degree in Russian and East European Studies in 1987. He then continued his studies at Oxford, reading for a doctoral dissertation.

In 1990, he created CEC Government Relations, providing political intelligence, analysis and lobbying services for Western multinationals in Central Europe. CEC also has expertise in media management, local government lobbying, third-party mobilisation, as well as advising on European Union advocacy issues. CEC clients represent a wide range of global

companies, including **Lockheed Martin, Korean Aerospace Industries, UPS, Ford, Google, Philip Morris, Westinghouse, Nokia Systems, BP, and many others.**

*During the 1990s Marek Matraszek represented the **Margaret Thatcher Foundation** in the region and worked closely with the **British Conservative Party** and **US Republican Party** in Central Europe. Currently he is **Chairman of Conservatives Abroad in Poland**. He has also written widely on Polish and international affairs for publications such as **Poland Monthly, Warsaw Business Journal, The Spectator** and **Wall Street Journal Europe**. He is an occasional commentator on Polish politics for **Polish Radio, the BBC, CNN, CNBC** and **Al.-Jazeera**, and writes a blog in Central European political, defence and energy issues at www.fromthefront.net.*



Mr. Matraszek and Eric Stewart have probably crossed paths and seem to have something else in common. It was announced on September 3, 2008, that CEC Government Relations (CECGR) became the 90th member of the **U.S.-Ukraine Business Council (USUBC)**, an organization established in 1995, an older relative of the later established U.S. Poland Business Council. When CECGR enlisted, it became the 39th new member of the USUBC to have enlisted in 2008, among which included Halliburton and a few law firms. Long-serving members include Chevron, ExxonMobil, Shell Oil, Monsanto, and the **EU-Ukraine Business Council**. On the USUBC website:

The CEC Government Relations firm is headquartered in Warsaw, Poland, with representation in the United States. CEC also has wholly-owned offices or partnerships in Vilnius, Prague, Bratislava, Budapest, Bucharest and Sofia. Marek Matraszek is the founding partner and managing director.

USUBC has been working with managing director Marek Matraszek for several months on a variety of business matters related to Ukraine and the U.S. Marek undertakes work in the Ukraine together with his New York and Kiev-based partner Adrian Karatnycky. Matraszek will represent CEC Government Relations on the USUBC board of directors.

CEC Government Relations is the leading independent public affairs agency in the EU's new Central European member states, offering a full range of professional public affairs and strategic communications services.

CEC does work for UPS, Lockheed Martin, Ford, GTech, Google and other U.S. companies in Poland and in central/eastern Europe, and has a special expertise in the defense and energy sectors.

CEC is an independent company but has a teaming agreement and affiliate office arrangement with two US-based lobbying firms, Burson-Marsteller and Interel.

CEC Government Relations was established in Central Europe in 1993 by Marek Matraszek as the first independent Western-style lobbying company in Central Europe. By combining his British roots and experience with local staff and resources, Marek has expanded the firm across the region and continue to grow into new markets.

CEC has remained fiercely independent over the years, but has also invested time in developing a network of relationships with partner public affairs and public relations companies in Europe, the UK and the United States.

More information about CEC can be found at: www.cecgr.com.

“The U.S.-Ukraine Business Council (USUBC) is most pleased to have CEC Government Relations join the rapidly expanding USUBC membership.” said Morgan Williams, SigmaBleyzer, who serves as President of USUBC.

On April 22, 2008, just over four months before CECGR joined up with the USUBC, the international public relations company Burson-Marsteller issued a news bulletin that it had partnered up with CECGR:

Burson-Marsteller Enters Exclusive Partnership with Solski PR in Poland



Burson·Marsteller

Warsaw, April 22, 2008 – Burson-Marsteller, a leading global public relations and public affairs company, today announced an exclusive affiliate partnership with Solski PR and the creation of Solski Burson-Marsteller. This marks the return of the Burson-Marsteller brand to Poland after seven years.

“Re-entering Poland is an important strategic move for Burson-Marsteller. The partnership with Ryszard Solski is intended to be a long-term relationship and Solski Burson-Marsteller will be our exclusive representative for public relations activities in Poland,” commented Jeremy Galbraith, CEO Burson-Marsteller Europe, Middle East & Africa. “We are committed to growing in the strategic markets of Central and Eastern Europe and obviously Poland is a key market in this region.”

“We carried out an extensive review of the Polish market and met a number of potential partners. During this process Ryszard Solski indicated to us that he was going to establish his own agency and this presented us with a unique opportunity to help shape and support a new PR agency in Poland and importantly gave us the ability to gradually acquire the company over a period of years. In the agreement we finalised and signed yesterday we have an option to take a 30% stake in Solski Burson-Marsteller after 12 months,” Jeremy Galbraith continued.

“I carried out the review of potential partners in Poland and the market has clearly matured quickly and significantly,” said Roman Geiser, Managing Director Affiliate Relations and Acquisitions EMEA of Burson-Marsteller. “We met many very professional agencies but it turned out that the timing was right for both Burson-Marsteller and Solski PR. Ryszard Solski is one of Poland’s most respected PR professionals, with great international experience, who has done very impressive client work in the past.”

“I am very pleased to be able to announce the partnership between Solski PR and Burson-Marsteller,” said Ryszard Solski, founder and owner of Solski PR. “I was disappointed when Burson-Marsteller left Poland, but am even more delighted that I will be responsible for their brand in the market now they have taken the decision to come back. We will be able to offer our clients the best in strategic, integrated communications counsel and effective implementation, based on Burson-Marsteller’s knowledge, ideas, insights, research and innovation, and my communications experience in Poland.”

Burson-Marsteller will continue to work with CEC Government Relations for Public Affairs support in Poland. Solski Burson-Marsteller and CEC Government Relations will work closely together.

In October 2007 Burson-Marsteller announced an exclusive affiliate partnership with Austrian Hochegger group, covering nine Central and East European countries. They include Austria, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, Macedonia, Montenegro, Romania, Serbia and Slovenia.

What were the cross-over crisis-management objectives by Burson-Marsteller’s and CECGR’s clients in Europe? Who were/are their clients? What did they do? How did they accomplish them? How successful were they? Are they still continuing? How long have they been doing so? Have their objectives been redefined? How many other public relations companies are involved?

Canadian author Joyce Nelson in her 1989 book, *Sultans of Sleaze - Public Relations and the Media*, uncovered the early trail of controversial incidents that Burson-Marsteller (B-M) was contractually involved in internationally, including messaging the Bhopal disaster in India. In British Columbia, top executives with the timber industry under the Council of Forest Industries hired B-M to help dispense with the wide-spread public opposition dilemma of clear-cut logging of the Province’s old growth forests by inventing the **B.C. Forest Alliance** front, where private consultant Patrick Moore (a “co-founder” of Greenpeace, and pro-nuclear and pro-fish farming advocate) became a paid director of. According to testimonies from former reporters with the Vancouver Sun newspaper, B-M advised the major provincial newspaper to tone down its quality of reporting to the public.

According to AmCham, the American Chamber of Commerce in Poland, both Matraszek and Robert Konski (with Kulczyk Holding) have been in charge of something called *Political Discussion Forum*, a program which seems to have been in effect since early 2004:

Mission:

The Political Discussion Forum has been established to build relationships with key players in the world of Polish politics, in small group settings with a relaxed atmosphere that enhances frank and open conversation between AmCham members and our guests. At such meetings we intend to share our views on the wide range of issues effecting business in Poland today and tomorrow and to gain a deeper understanding of what and how today’s and tomorrow’s politicians think. We intend the Political



Discussion Forum to be our vehicle into the fascinating world of Polish politics - behind official curtains.

Following these program meetings, Matraszek and Konski then post discussion pages on AmCham Poland's website, information with a certain framed perspective on politics. For instance:

Kluzik-Rostkowska said that the political circles that her party represents are pro-economy and, indeed, "liberal," although they may differ in other aspects of their world view. She said however that the "L" word has become verboten today because it is strongly associated with the political constellation around Civic Platform and what she calls its no-holds-barred attitudes.

While supporting business development, Kluzik-Rostkowska warned that Poland has a long history of the wrong kind of business involvement in politics. She said that in the early 1990s there were people in politics who were there only to enhance business opportunities for the companies they were affiliated with. Although such links between business and politics will always exist, Kluzik-Rostkowska said that the syndrome was especially unhealthy in the early years of Poland's new independence. The legacy is still felt, and it makes politicians in all parties shun any perception of ties to business.

Meanwhile, businesspeople should be applauded in Poland, Kluzik-Rostkowska said, because it is small and medium-sized companies that crank out the bulk of Poland's GDP growth. No government, she said—including the present one—has really tried to engage business in the right way.⁶

11-(3). The Wroclaw Global Forum



*It's a terrific place to talk about democracy, and obviously Poland is a great place to celebrate democracy. (Opening comments by panel moderator Matthew Kaminski, Wall Street Journal correspondent and editorial board member, of the June 10, 2011 conference panel, *The Transatlantic Partners: Growing Democracy around the World.*)*

At the second annual Wroclaw Global Forum conference by the Atlantic Council held on June 9-11, 2011 in Wroclaw, Poland, many speakers focused on Poland's new opportunities as soon-to-be EU Presidency. The think tank Atlantic Council's website about the forum, co-organized with the City of Wroclaw, states that "the Forum brought together over 200 top decision-makers and business leaders to discuss Central Europe's role as a critical partner in U.S. efforts to strengthen economic, political and security ties across the Atlantic."

On June 10th, John Kornblum, the former U.S. Assistant Secretary of State for European Affairs (now senior counselor at Noerr LLP) commented on the recent political evolution of central and eastern Europe and encouraged his Polish audience to transform Europe with a new set of values under the banner of market-based freedom and democracy, what U.S. Ambassador Lee Feinstein referred to at the conference as the "democracy dialogue." "It's wonderful that NATO and the European Union stretch all the way up into the Baltic States and down into the Black Sea region. And, it's wonderful in the way that Poland has become *the anchor* of all this."

⁶ March 31, 2011, meeting with Joanna Kluzik-Rostkowska, Leader of a new parliamentary group, Poland Comes First.

Regarding this political transition period Kornblum said:

*Right now, we are at the end of that era, and we are coming into a new era. And, it's going to be an era where most of the old structures and the old ideas that **we** (America's corporate elite) had about the way the world runs are going to change... an integrated world, based on high-speed communications, which most of us cannot even see but changes the way our countries operate.... I think the real model that central and eastern Europe can be right now is into this new era which in fact defines freedom and economic opportunities as the values which should be spread.... the basic values.*

Kornblum then finished his train of thought:

*It's a wonderful, if you will, coincidence of history that Poland is now taking over the chair of the Presidency of the European Union for the first time. I think that you can play a very important role **in reminding** not just the European Union, but, if I may say so, **the United States**, that foreign policy has to be much more than crisis management ... This part of the world can have a very important model role now in reminding everybody that foreign policy is not just about fighting crises, but also about building **a new structure of values** in the world.... **You (Poland) can be piranhas in Europe**, you can shake everybody up ... You can have a very big effect there. One last point I would like to make. You also have a very different kind of relationship with the United States, you have a much-more open, freedom-oriented ... Poland has an open and un-complicated relationship.*

On the Atlantic Council's panel forum on the morning of June 11, 2011, *New Energy Sources and the Global Power Equation*, Norwegian energy advisor panel member Trygve Refvem had some advice for the EU in the development of shale gas throughout its member states:

*Some of this shale gas needs to be found, proven and developed in Europe. It is a very promising future scenario. What I would certainly like to see is the effect of large shale gas development in Europe bringing gas back to a commercial thing. It has been a politicized and partially security issue for at least the past 10 years. I think what is needed is for Europe to come up with a **gas solidarity policy** and the means of actually putting gas solidarity into practice.*

We would have see what the member states of the EU decides in the Energy Roadmap to 2050 which is due to be published later this year.



In the photo above in center, is Trygve Refvem, along with other **Gassco** Board Directors. Refvem was with **Norsk Hydro ASA** from 1974-2000. (Source: Gassco's 2005 report, Norwegian Gas to Europe.) Refvem is an independent energy consultant and advisor. His is with the **Norwegian Atlantic Committee** as its Senior energy advisor. He was a former director of the think tank **Europa-Programmet**. He is a member of **International Petroleum Associates of Norway (IPAN)**. He was also with Siemens, Norway. In March 16, 2011, Refvem was appointed as the senior advisor of a new team, the European Infrastructure Investments team, with **First State Investments**, which is registered in Scotland (a subsidiary of the Commonwealth Bank of Australia). In the early months of 2009, Norwegian newspapers were investigating allegations of bribery and corruption charges related to the Stavanger-based company **Biofuel AS**'s operation in Ghana, Africa, about Refvem's possible involvement.

The tempo of the shale gas revolution in the United States, and if you could really hope for something similar in Poland, clearly that would change, radically, the landscape and pave the way for a more balanced relationship to Russia.

Refvem later said with regard to shale developments in the United States and now in Poland:



This hydro-fracking technique was really pioneered by a number of outsiders, by small oil and gas companies in the United States. The big oil companies did not really believe in this. So I think during these formative years, which is really the last ten years, a number of mistakes were made. Now the majors are moving in. They are buying up a lot of acreage and they are buying the small companies. I am fairly certain that they are quite intent on moving towards 'best practises' system which would solve the environmental questions that are being discussed, and have been discussed for a very long time

in the United States. That would be helpful in the case of Poland and European shale gas. And, as far as I know, it is mainly large American-based oil companies like Chevron, Exxon and ConocoPhillips who are at present engaged in development of shale gas in Poland. So, I think that will be very helpful in reducing the real environmental problems of shale gas.

During the question and answer period that followed the panel discussion in which Refvem participated, **CEC Government Relations** founder and chief Marek Matraszek, a key strategic public relations figure in central and eastern Europe, was the first person to rise and address the panel members with the following statement and questions about shale gas. In his polished Oxford-British accent he said the following:



I'd like to focus on the theme of shale. I would agree with some of the sentiments of the panel, that shale is potentially a huge game changer in Europe, both politically and commercially. But, what we are seeing is at the same time this opportunity is before us, there is a growing coalition of interests across Europe which are trying to slow the process of development of shale down.



There are three pillars of this resistance.



- *One is political. We have seen this in France, especially with the recent vote in the French Parliament.*
- *There is the NGO lobby which is the Greens. Essentially we are seeing them much more active publically, criticizing shale from an environmental perspective.*
- *There is also the commercial resistance which is coming from Gasprom in Russia which obviously sees shale as a potential challenge to its whole business model of gas exports into Europe.*

So, there is a coalition of interests developing that is potentially going to stunt the development of the shale industry in Europe, especially in Poland at the European level. The question to the panel is, what should governments, commercial operations be doing to work more closely together to counter this threat? Is it possible, in fact, to coordinate both government and industry in that area?

11-(4). EU Presidency Countdown - U.S. Poland Relations

There were numerous American and Polish coordinated events to do with energy security relations and shale gas promotions - agreements, conferences and tours - which occurred over a period of about 12 months that would shape Poland's image and profile as the EU's emerging (new American value-based) pro-fracking state, and as it approached its six month responsibility for EU presidency. In support of integrating this image-making, a network of other mechanisms and events also occurred within this period. The majority of these shaping events occurred following the Global Shale Gas Initiative conference in Washington D.C. in late August, 2010.

11-(4a). June 22-23, 2010

Poland's Deputy Minister of Economy, Marcin Korolec, and representatives from Poland's Department of Nuclear Energy, the office of Chief Geologist, the Department of Oil and Gas, members from Poland's energy entities, Polish companies PGE, Tauron, Orlen and LOTOS showed up for a June 22-23, 2010 event, *U.S.-Poland Energy Cooperation Roundtable* in Washington D.C., which was hosted by the U.S. Energy Association and held at the Ronald Reagan Building centre. **ConocoPhillips** and **GE Energy** pitched gasification technologies, Polish government agencies discussed clean coal technologies, **GE-Hitachi** and **Burns and Roe** unveiled plans for nuclear power (the Next Generation Nuclear Plant technology), and **GTI** discussed coalbed methane and shale gas exploration and production technology developments.

11-(4b). July 19-20, 2010

On July 19-20, 2010, was the **Global Shale Gas Summit** conference in Warsaw, with its theme *Expanding Global Shale Gas Development*.

Representatives from petroleum firms, corporations, and institutions included: **Lewis Energy Group** (San Antonio, Texas), **Institute Francais Du Petrole**, **Southwestern Energy**

Corporation (Texas), **San Leon Energy PLC**, **GMX Resources**, **Interstate Oil and Compact Commission** (Mike Smith from the IOGCC is the third from the right in the photo above), **ENI** (Italy), **Shell**, **Geological Survey of the Netherlands**, **Talisman Energy**, **OMV Exploration & Production** (Vienna), **TPAO** (Turkish Petroleum Corporation), **Schlumberger**, **ADROK** (Scotland), **BJ Services**, **Eurogas Inc.**, **Pennsylvania State University**, the Polish Geological Institute, and Poland's Ministry of Economy.



11-(4c). September 17, 2010

The American Chamber of Commerce in Poland, the City of Katowice, and the Metropolitan Association of Upper Silesia hosted a conference on September 17, 2010, *Silesia Metropolis - Investments and Energy*. According to the short descriptive, the upper Silesian's were seeking business opportunities with a trade mission from Colorado, USA. The afternoon's session was devoted to "energy potential". Chuck Ashley, the Deputy Economic Counsellor with the U.S. Embassy spoke on the *U.S. Experience and Foreign Policy on Shale Gas*. Poland's Undersecretary of State, Ministry of Economy, Joanna Lobodzinska also spoke. The president of Tauron, Dariusz Lubera, and a representative from PGNiG, Poland's oil and gas company, also spoke.



11-(4d). October 18, 2010

Poland's Ministry of Foreign Affairs' press spokesman Marcin Bosacki posted a short account on the Ministry's website of an event which occurred on October 18, 2010, *Foreign Minister Radoslaw Sikorski meets representatives of US-Poland Business Council*. Bosacki wrote:



Photo (left to right): Eric Stewart, Radoslaw Sikorski, and US Ambassador Lee Feinstein.

The agenda featured talks on the possibilities and prospects of boosting Polish-US economic ties with emphasis on energy cooperation.

The US-Poland Business Council, founded in June 2010, aims to deepen the strong bilateral economic and commercial relationship between the United States and Poland. The Council consists of 17 leading American companies whose representatives are in Warsaw 18-19 October for their inaugural visit to Poland.

Bosacki, however, failed to identify the "17 leading American companies" in his account to the public.

The U.S. Poland Business Council did provide information about its membership in a press release, *US-Poland Business Council Leads Inaugural Policy and Business Mission to Poland*:

WASHINGTON, DC - The US-Poland Business Council announced today their plan to lead a foundational Business Mission to Poland from October 18th-19th, 2010 in the capital city of Warsaw. The mission will mark the official launch of the US-Poland Business Council with the intent to further develop the bilateral economic and commercial relationship between the United States and Poland. The Business Council was founded in the summer of



A very polished affair during the press conference debut of the US-Poland Business Council.

2010 by 17 US multinational companies including: The AES Corporation, The Boeing Company, Chevron, ConocoPhillips, Eli Lilly, ExxonMobil, Fluor Corporation, International Paper, Marathon Oil, Owens-Illinois, Inc., PHRMA, Raytheon Company, The Shaw Group Inc., Smithfield Foods, Inc., The Timken Company, US Steel and Westinghouse Electric Co.

The mission will focus on the growing opportunities and potential offered by conducting business in Poland and emphasize areas of mutual benefit and interest. Meetings during the two day mission will include discussions of bilateral market access restrictions and European Commission regulations and policies. The purpose of the meetings is to cultivate strategic alliances with key interlocutors in the Government of Poland, the US Embassy, as well as the private sector business associations based in Warsaw. The business delegation will be received and hosted by Poland's Deputy Prime Minister, Waldemar Pawlak, and Foreign Minister, Radoslaw Sikorski.

"Poland was the only country in the European Union to experience positive economic growth in the past year and is well positioned to take the helm of the Presidency of the European Council beginning in July 2011," said Eric Stewart, President of the US-Poland Business Council. "This trip provides a unique opportunity to learn directly from the Polish leadership their plans for guiding Europe through these tough economic times," added Stewart. "This mission will establish that the commercial relationship between the US and Poland is important for the mutual economic success of both countries."

Transatlantic Energy Strategies and Resource Nationalism

Event Summary

On October 22, 2010, with the support of the European Union Delegation in Washington and the cooperation of the Embassy of the Czech Republic and Portugal's Fundação Luso-Americana, the Center on the United States and Europe and the Energy Security Initiative at the Brookings Institution together with the Berlin-based Global Public Policy Institute (GPPi) convened an off-the-record workshop to discuss the challenges facing European energy security and to make recommendations for improving U.S.-European Union (EU) coordination on more effective energy governance mechanisms, with particular emphasis on gas markets. The workshop was the second part of a two day, high-level conference, "Transatlantic Energy Strategies and Resource Nationalism: The New European Energy Landscape," which began on October 21 with a [public panel discussion](#) at Brookings with Charles Ebinger of Brookings, David Goldwyn of the U.S. State Department, Pierre Noël from Cambridge University, and Piotr Szymanski from the European Commission Directorate General for Energy, and followed by a working dinner at the Embassy of the Czech Republic.

The workshop sessions brought together policymakers and top-level civil servants from both sides of the Atlantic, representatives of the private sector as well as journalists, academics and distinguished members of the DC area think tank community. The sessions explored how shale gas, liquefied natural gas (LNG), and other developments are reshaping transatlantic energy security; how Russian "pipeline politics" have affected the European energy landscape; how environmental considerations and climate change are factored into energy security; and if new frontiers for nuclear power and electricity are opening up in both the United States and Europe.

The first session, "**How Shale Gas, LNG and other Developments are Reshaping Transatlantic Energy Security**," assessed the dramatic changes in world gas markets in recent years with the rapid development of gas spot markets and as gas has shifted from a purely regionally-traded to a more global commodity. Speakers noted how the U.S. unconventional gas output, including that of shale gas, has expanded four times in the past two decades and is now equal to more than half of the total U.S. gas output. Shale gas exploration in the United States, as well as in Canada, has had a knock-on effect for regional and global gas producers and consumers, including Russia. While not yet a worldwide energy game-changer, the U.S. "shale revolution" effectively closes the North American market for Russian LNG exports, and increases competition with other suppliers in the European market. Speakers also stressed that global LNG liquefaction capacity will increase by 50 percent over 2009-2013, with 2010 marking both a production ramp up and increasing demand in Asia for LNG (Japan, Korea, Taiwan, and also China), and increasing competition between Europe and Asia for LNG imports after 2010. Participants saw Russia as generally in denial about the implications of shale gas exploration in North America (-and potentially in Europe) - and the shifts in LNG demand.

Given the breakthroughs in shale gas exploration and development in the United States, the workshop session also focused on the prospects for shale gas extraction in Europe. Speakers pointed out that a range of geological analyses indicated there was potential for extraction across the entire European continent, but commercially-obtainable deposits were mainly concentrated in Poland, Austria, Sweden and Ukraine. Participants noted that environmental considerations, water and property rights, the lack of EU-level competencies in energy exploration and development, and the different positions of EU member states on energy issues would likely lead to long delays in moving forward with shale and other unconventional gas projects. Most participants saw no significant unconventional gas production in Europe before 2020. Speakers, however, suggested that even in their planning stages, proposed projects could have far-reaching implications for the European energy market. Countries like Poland could secure additional leverage in gas contract and other energy negotiations with Russia through the mere potential of significant shale gas development. Participants were less certain that Ukraine would secure the same leverage given the fact that Russian companies were most likely to become involved in and dominate similar projects in Ukraine.

Participants also considered the issue of the United States and Canada potentially becoming gas exporters, or choosing instead to remain self-sufficient in gas and to operate separately from the rest of the world—resulting in a market split across the Atlantic that would leave Europe to compete alone with India, China and other players in increasingly higher-price gas markets. To avoid this development, speakers and participants urged more transatlantic cooperation on developing European and global shale gas deposits. Some participants recommended that, given the risks, shale gas exploration should be led by governments, not just market forces and players.



11-(4e). December 8, 2010

On December 8, 2010, Polish President Bronislaw Komorowski and his accompanying diplomats met with U.S. President Barak Obama in a lengthy meeting at the White House.

According to the *Joint Statement* issued that day, both presidents “reaffirmed today their commitment to strengthening the U.S.-Polish alliance by expanding strategic and defence cooperation, supporting deeper economic links, and promoting democratic institutions in Europe and around the world.”

The presidents’ *Joint Statement* further stated:



In photo, Polish President Bronislaw Kmorowski is sitting to left of a contemplative President Obama.

*The two leaders discussed their efforts to deepen mutual dialogue on energy security, and to that end they welcomed **agreement in principle on a bilateral Memorandum of Understanding** to enhance cooperation on scientific, technical and policy aspects of clean and efficient energy technologies. They underlined their respective governments' readiness to cooperate in good faith and in a fair, open and transparent manner on a broad range of energy-related issues, including **civilian nuclear power, unconventional gas, energy efficiency, renewable energy and other clean power resources in Poland**. They welcomed **new and continuing efforts under the Global Shale Gas Initiative**.*



COUNCIL OF
THE EUROPEAN UNION




Lisbon, 19 November 2010
16724/10
PRESSE 314

EU-US Energy Council Press Statement

We agreed to exchange expertise on environmental issues related to the utilisation of unconventional gas resources, including shale gas, especially with a view to addressing the issue of public acceptability.


Excerpt from the EU-US Energy Council's November 19, 2010 press statement.

Excerpt from a 127-page academic report on shale gas, one of many written since early 2010 by academic and think tank institutions in Europe on the emerging topic of shale gas. As stated in this Oxford University publication, the Oxford Energy Institute for Energy Studies is being funded by Schlumberger, one the world's top three petroleum service corporations. The funding relationships between industry and academia, between industry and think tanks, is controversially problematic to say the least, a growing global phenomenon. The independent and free-thinking nature of academia is sometimes, or increasingly, shackled. As public land resources are threatened by myriad exploitations by industry, so are our institutions and governments. The message is not the medium, it's *the maximum*.



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Can Unconventional Gas be a Game Changer in European Gas Markets?

Florence Gény
December 2010


SBC Energy Institute and Oxford Institute Collaboration Acknowledgement

The SBC Energy Institute and the Oxford Energy Institute for Energy Studies have formed a knowledge partnership to collaborate on joint research studies to better understand key energy themes of the 21st century. As part of this collaboration the SBC Energy Institute has provided input for this paper, in particular on European unconventional gas technologies, operational

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11-(4f). February 28 - March 5, 2011 - Sikorski's Strategic Visit to Washington

The Warsaw Business Journal reported on February 28, 2011, *Sikorski arrives in the US*, that Polish Foreign Affairs Minister Radoslaw Sikorski was on a 6 day trip to the United States.



THE MINDA DE GUNZBURG CENTER FOR EUROPEAN STUDIES
-PRESENTS-
THE 2010-2011 AUGUST ZALESKI LECTURE IN MODERN POLISH HISTORY

"EUROPEAN SECURITY: DOES IT STILL MATTER TO THE USA?"



PUBLIC LECTURE AND Q&A WITH

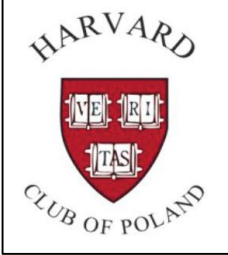
RADOSŁAW SIKORSKI

**MINISTER OF FOREIGN AFFAIRS
OF THE REPUBLIC OF POLAND**

CHAIRIED BY GRZEGORZ EKIERT, PROFESSOR OF GOVERNMENT

**MONDAY, FEBRUARY 28TH
4:15-6:00 PM**

He had a pack-laden itinerary, which included meetings with **US Deputy Secretary of Energy Daniel B. Poneman** (March 2), with US Secretary of State **Hillary Clinton** (on March 3), giving a short lecture at **Harvard** (on February 28) organized by the Harvard Club of Poland, meetings with both the **US-Poland Business Council** (on March 2) and the **US Chamber of Commerce**, making a presentation at the **Center for American Progress** (on March 1) in Washington, a meeting at the **Atlantic Council** (on March 1) headquarters, and finally a trip to Georgia, Alabama to attend a conference held at the **American Enterprise Institute**.



Poland's Ministry of Foreign Affairs stated in its February 28, 2011 information report that the "President of the World Bank Robert Zoellick, Majority Leader of the United States House of Representatives Eric Cantor, independent Senator Joe Lieberman and New York Times commentator David Brooks" would also be attending the conference in Georgia. It also stated that:

While in Washington, Minister Sikorski is to hold talks with US Secretary of State Hillary Clinton and US Deputy Secretary of Energy Daniel B. Poneman. The agenda will see the signing of a US-Polish clean and effective energy cooperation agreement which will streamline collaboration in the field of new technologies and their implementation, especially when it comes to shale gas prospecting and nuclear energy—domains in which American corporations have been keen to invest in Poland.



At the March 1st event at the Center for American Progress, Minister Sikorski's presentation theme was called *Russia and the Security of Poland*. Mr. Sikorski is an intellectual and an experienced diplomat and statesman, trained academically in the United States. He doesn't need to read from a prepared script because he has considerable training and confidence in discussing complicated logistical issues on cue. During his presentation, he summed up his ambitions for Poland:

Poland is working hard on diversification. U.S. companies are exploring shale gas reserves



Sikorski meets with Department of Energy staff.

on Polish territory, something we believe will make a difference. However, we are also looking at building nuclear energy plants and importing liquified natural gas. In three months, Poland will take over the Presidency of the European Union. As one of our priorities, we intend to make energy security a focal point. This means building up the current energy infrastructure, expanding on the diversification of energy resources, building physical inter-connectors between EU member States, and strengthening European energy solidarity during crisis situations. The United States and its business community are a welcome partner, and we encourage you to join in on this endeavour.

On March 2nd, US State Special Envoy for Eurasian Energy Ambassador Richard Morningstar and Poland's US Ambassador Robert Kupiecki signed a non-binding Memorandum of Understanding (MOU) in the US State Department's Treaty Room. Witnesses to the occasion included US State and Energy Department staff and Polish Embassy staff.

Richard Morningstar (seated to left) and Robert Kupiecki signing the MOU.

At 8:50 am, March 3, 2011, US Secretary of State Hillary Clinton and Foreign Minister Radoslaw Sikorski held a bilateral meeting in the State Department's Treaty Room to announce their signing of the US-Poland MOU:



United States - Poland Memorandum of Understanding on Cooperation in Clean and Efficient Energy

Secretary of State Clinton and Foreign Minister Sikorski today signed a Memorandum of Understanding (MOU) on Cooperation in Clean and Efficient Energy.

This U.S.-Poland MOU will promote dialogue and facilitate increased cooperation on scientific, technical, and policy aspects of clean and efficient energy technologies, through the exchange of ideas, policies and information.

*The MOU calls upon the United States and Poland to develop and implement a work plan that encourages the exchange of information and planning for future cooperative research on policies that support and enhance clean energy and energy efficiency and research, including research on clean coal technologies, energy efficiency, renewable energy, **unconventional natural gas, civilian nuclear energy**, and environmental and waste management.*



The March 3rd, 2011 bilateral MOU announcement meeting (photo to right) with Clinton and Sikorski was a fulfillment of a preceding meeting held on April 29, 2010 (photo to left) on the renewing of the Poland-US *Strategic Dialogue* which included “economic and investment opportunities and energy security.” That meeting occurred 19 days after the tragic death of Poland’s president and 96 others. At the April 29th meeting Sikorski stated: *We have had a meeting at the political level of our people working on issues to do with energy, both nuclear energy and prospecting for gas and for other forms of energy. This could be a vital Polish-American project and I’d like to confirm, on behalf of the Polish Government, that we support American companies that are exploring in Poland.* Note the portrait of former President George W. Bush hanging in the background, a haunting reminder of his administration’s legacy - through former vice president Cheney - of opening the fracking floodgates.

U.S.-Poland cooperation under this MOU may take place in a variety of forms, including:

- *exchange of publicly available scientific and technical information;*
- *organization of seminars, workshops, and other meetings on agreed topics;*
- *exchange of scientists, engineers and other specialists, including those from industry and other non-government sectors;*
- *visits by specialist teams or experts to each other's facilities;*
- *conduct of joint analytic studies;*
- *identification of areas/projects suitable for the possible future conduct of joint research and development and pilot scale and demonstration projects; and*
- *engagement with similar institutions in other countries.*

11-(5). The fuel for the Investor's PR Gas: The EIA Global Report on Shale Gas

One of the primary goals of the U.S. State Department's Global Shale Gas Initiative (through the prompting of the unconventional petroleum industry) was to stimulate global excitement and interest in unconventional shale gas/oil, a direct financial benefit for U.S. companies with interests abroad. This was achieved by combining two global information programs on shale gas. One was through the ongoing assessment of international shale gas resources by the U.S. Energy Information Administration, and the other through a new U.S. government agency collective - coordinated under the Global Shale Gas Initiative - for more detailed shale gas resource assessments which included the services of the U.S. Geological Survey. The organizational initiative by U.S. government agencies, primarily through the U.S. Department of Energy, to collect the global information was a large, complicated, and systematic undertaking which was accomplished in a relatively short period of time.

Europe Gears Up for the Shale Gale

John Sheehan, JPT Contributing Editor

The European shale gas revolution is still in its infancy and though its commercial potential could rival that of North America, significant challenges lie ahead. France has put a moratorium on shale gas activity while a comprehensive study into its environmental impact is being carried out, and its National Assembly has voted in favor of a ban on hydraulic fracturing.

The potential for shale gas production in Europe is undoubted, as consultancy IHS CERA estimates that Europe's total shale gas in place could be 6,115 Tcf. Among the key challenges that will determine the ultimate productivity in Europe is a regulatory environment that is currently ill-suited to unconventional gas, the company said. "Regulations designed for traditional exploration and production

in Amsterdam. "We expect Europe to be a significant part of future activity."

Poland Leads the Way

Poland plays host to Europe's largest known reserves of shale gas. Leasing activity in the country's three main basins—the Baltic Basin, the Podlasie Basin in the east, and the Lublin Basin to the south—is well under way. The country is keen to push forward with shale gas production as it looks to break away from its reliance on Russian gas supplies.

The US Energy Information Administration (EIA) estimates that Poland has 792 Tcf of risked shale gas in place, with 514 Tcf in the Baltic Basin, 222 Tcf in the Lublin Basin, and the remainder in the Podlasie Basin. Chevron and ExxonMobil have been joined by a large number of smaller

The Polish state geological institute is currently conducting an assessment of shale gas resources in association with the US Geological Survey. The first estimate will be available for the northern region in spring 2011 and then for the entire country by the end of next year. The lack of a reliable resource estimate has not stopped the country from

*awarding more than 70 concessions to over 40 operators in the Lublin, Mazowsze, Pomeranian and Lower Silesian regions.*⁷

When the U.S. Energy Information Administration's (EIA's) report surfaced in April 2011, *World Shale Gas Resources: An Initial Assessment of 14 Regions Outside the United States*, it created a wave of global hysteria and investment frenzy, and would be used as a critical tool to entrench the

⁷ *Shale search goes global - Energy-hungry countries throughout the world are beginning embryonic efforts to replicate the success of US shale plays*, by Pramod Kulkarni. December 2010.

petroleum industry's concepts of "game changer" and "shale gas revolution." The report was pure gold for the public relations industry under contract by the petroleum sector.

The Polish prime minister reacted enthusiastically to a U.S. report that estimated Poland's shale gas deposits at more than three centuries' worth of the country's consumption. His comments are increasingly jarring on this matter, while his environment ministry and other officials have remained cautious.

"Poland is facing a great chance," Donald Tusk said at a press conference with Austrian Chancellor Werner Faymann, according to radio station TOK FM. "The deposits of shale gas have exceeded our most daring expectations. This may mean that the future of this part of the world isn't just in coal and nuclear energy, but maybe we'll find other solutions."

Mr. Tusk was commenting (on) a report by the Energy Information Administration of the U.S. Department of Energy, which said Poland has 5.3 trillion cubic meters of shale natural gas, equal to more than 300 years of the country's annual gas consumption.

Shale gas could represent an enormously positive "black swan" for Poland, a country that still often tends to see itself as unlucky due to its tragic history of occupation by its larger neighbors and their tendency in the past centuries to brutally suppress Polish uprisings. Meanwhile, the unconventional gas industry, while still in its infancy in Poland, could create thousands of jobs, as well as eventually, export revenue. If it turns out to be economically viable to extract, it would free Poland, and perhaps much of Europe, from natural gas supply dependence on Russia.

Still, even now, in the early stages, Poland's embryonic shale industry has created a "completely new set of common interests" between the United States, whose companies have developed this technology, and Poland, said Michael Sessums, economic counselor at the U.S. Embassy in Warsaw.

Polish geologists are starting to work with U.S. companies and institutes, while Polish universities have initiated cooperation with American universities.

The U.S. seems keen on increasing the energy independence and security of Poland and the EU.

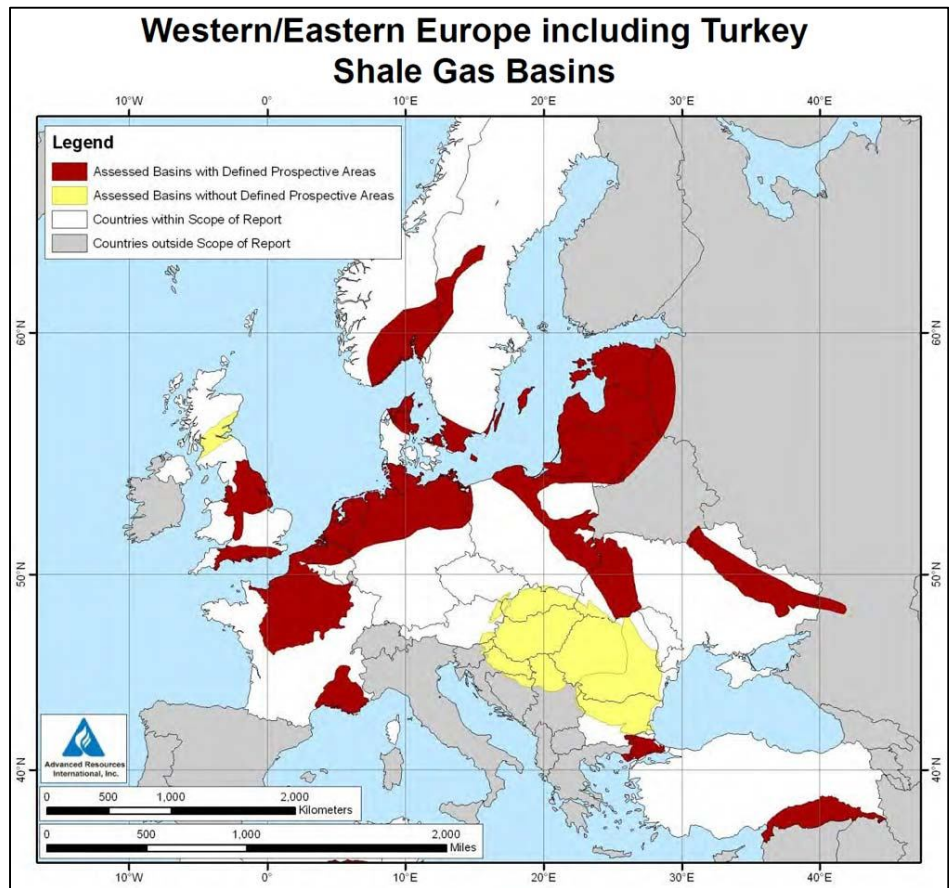
"Anytime you can give Russia's Gazprom a snub, it's probably a good thing," said Mr. Pursell of the energy-focused investment bank. Diversifying supplies of natural gas away from Russia—which has cut off gas supplies amid pipeline disputes in two of the past five winters—isn't just an issue for Poland, but for all of Europe, he added.

*The Polish Geological Institute, working with the U.S. Geological Survey, will publish its own initial estimate of Poland's shale gas reserves later this year.*⁸

⁸ *Polish Government Sends Mixed Messages on Shale Gas*, by Marynia Kruk, *Emerging Europe* website, April 8, 2011.

A central player behind the strategic research marketing of unconventional shales in North America and globally is **Advanced Resources International Inc.**, a company with offices in Washington D.C. and Houston, Texas. (The image to the right is the company's advertisement from a January 2006 *Oil and Gas Journal* supplement) The representative individual most often cited or credited in this presentational marketing is company president Vello A. Kuskraa, accompanied by his company's logo, a blue triangle with a what appears to be white flames rising from the top of a gas flare stack.

In Kuskraa's May 15, 2011 presentation, *Economic and Market Impacts of Abundant International Shale Gas Resources*, prepared for and sponsored by the **Center for Strategic and International Studies' Energy and National Security Program**, he included the map you see here, identifying Europe's shale gas basins.



The red basin extending from northwest Ukraine runs northward through Poland and into southern Sweden and northern Denmark, and then arcs up into southern Norway, and crosses over into mid-Sweden. About one half of France's land mass has these basins. Small wonder public protests against shale gas have erupted throughout Europe.

The timing of the EIA's global report on shale gas would fuel the promotional flames of interest by the U.S.-Poland Business Council, the proper conditions for the May 18, 2011 meeting in Warsaw.

*There is a significant land-rush in Poland for shale gas exploration concessions, particularly in the Baltic and Lublin basins of northeastern Poland, where drilling and completions are already underway in the unconventional shales of the Ordovician and Silurian. Although more difficult to produce, these large basins are expected to yield good production **from thousands of wells**. (Remarks from *Recent Recognition of Oil & Gas Potential in Poland*, by Michal M. Zywiecki1 and Michael P. Lewis. Search and Discovery Article #10356 (2011). Posted September 19, 2011. Adapted from oral presentation at AAPG Annual Convention and Exhibition, Houston, Texas, USA, April 10-13, 2011)*

11-(6). Experimenting in Poland - Pomerania (Qatar North?)

Three Legs Resources' subsidiary, **Lane Energy Poland**, which made a cooperative agreement with **ConocoPhillips** in August 2009 on concessions Lane received in 2007 from Poland's Ministry of Environment, developed this well (among three others, so far) in northern Pomerania, called Lebien LE-2H well. Polish drilling contractor Nafta Pila drilled to a depth of 4,080 metres into a "5 metre target zone" and horizontally drilled about 1,000 metres. Nafta also excavated and prepared the first "water pit" with a capacity of 6,000 cubic meters for both drilling fluids and water waste.⁹

After Nafta Pila finished its half of the operation, Schlumberger (you can see the company's dark blue rigs in the photo) conducted the 13-stage fracking operation at this site from August 10-28, 2011.¹⁰ Another larger water pit was excavated for all the water required for the fracking ops.



It appears the strategy for Lane Energy's LE-2H well location was its placement at a more isolated distance from Polish residences. The top photo shows the lush green crops and only one water pit. The photo to the right was no doubt taken in the Fall and shows two water pits. LE-2H became a 'model' or poster-child image widely used in conference presentations, in media articles, and in promotional materials.



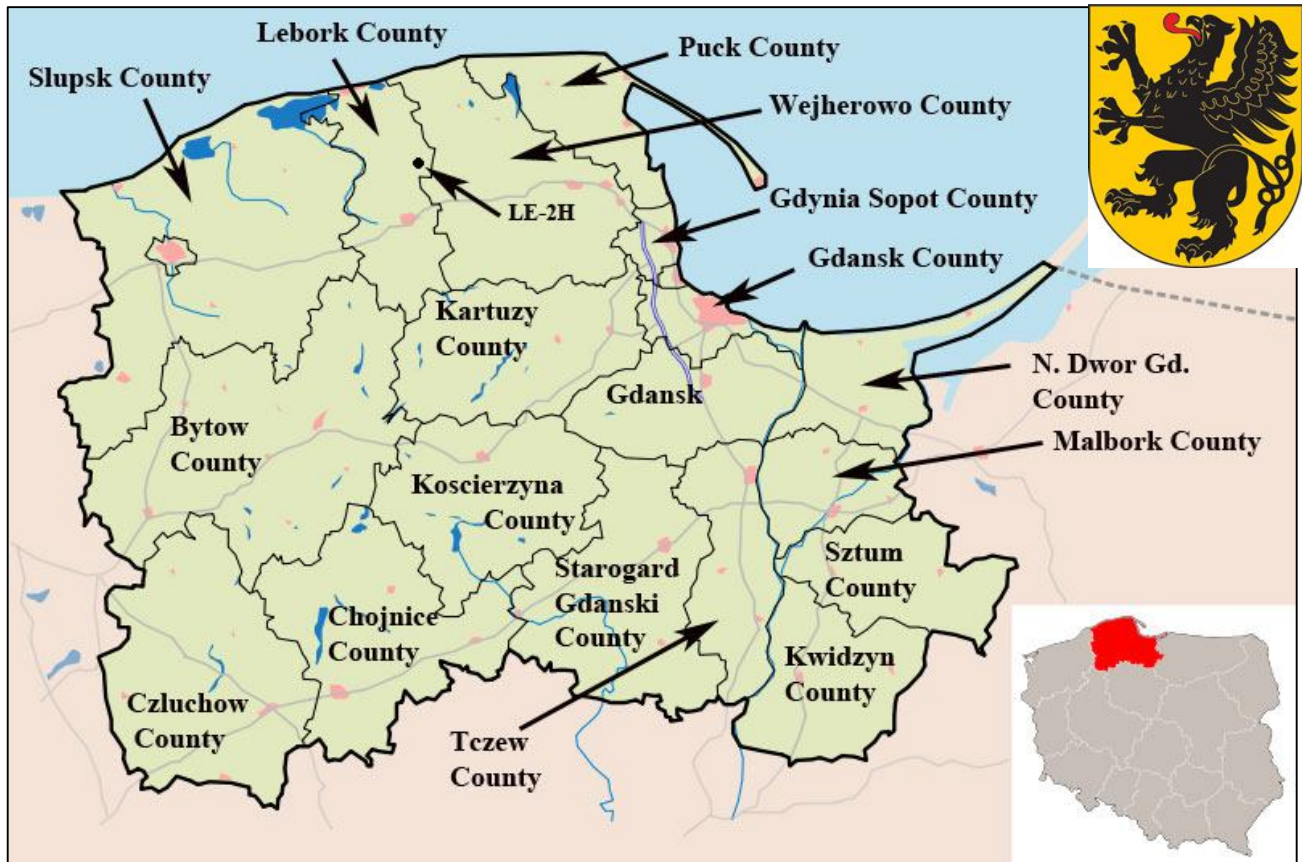
⁹ It's not clear from Nafta Pila's report if the pit, in the top photo, was the only one it was referring to.

¹⁰ Source: 3Legs Resources, *Interim Report, June 30, 2011*, Operational Update.

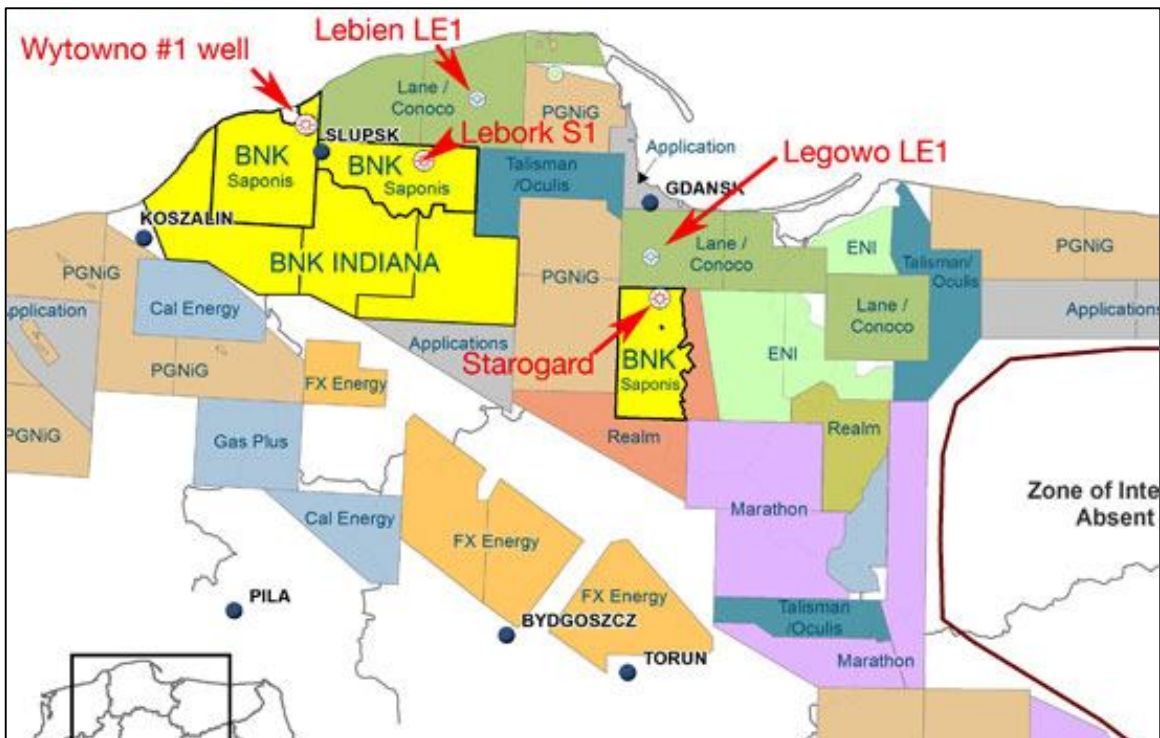


The Google Earth images are 6 years old. The top image's dimensions are 2.5 km by 5.5 km, and nearest farm is 700 metres distant. Where did the company get the water from? How much water was used? Where was the water being disposed? What sort of contaminants were in the water going down, and flowing back up? What happened to the drilling fluid waste? How many more wells are scheduled to be drilled over the next 10, 20, 30 years?





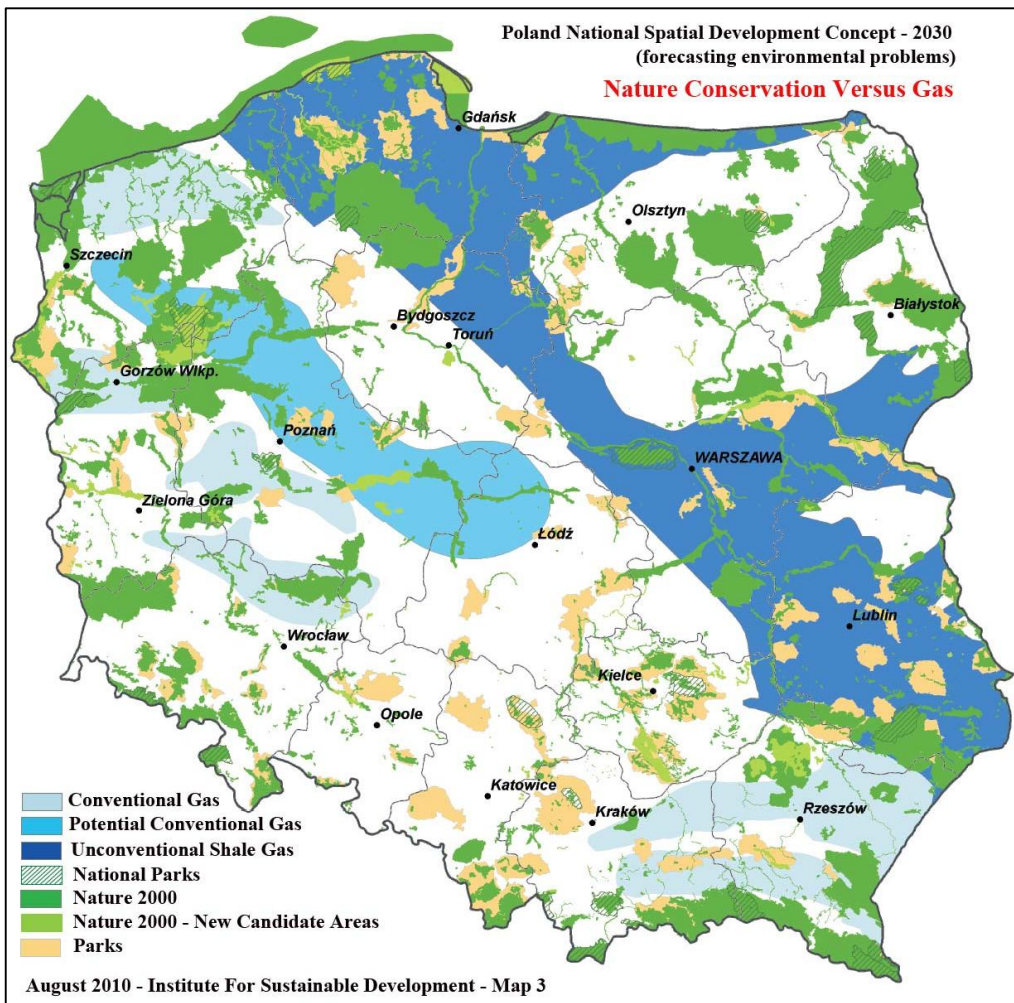
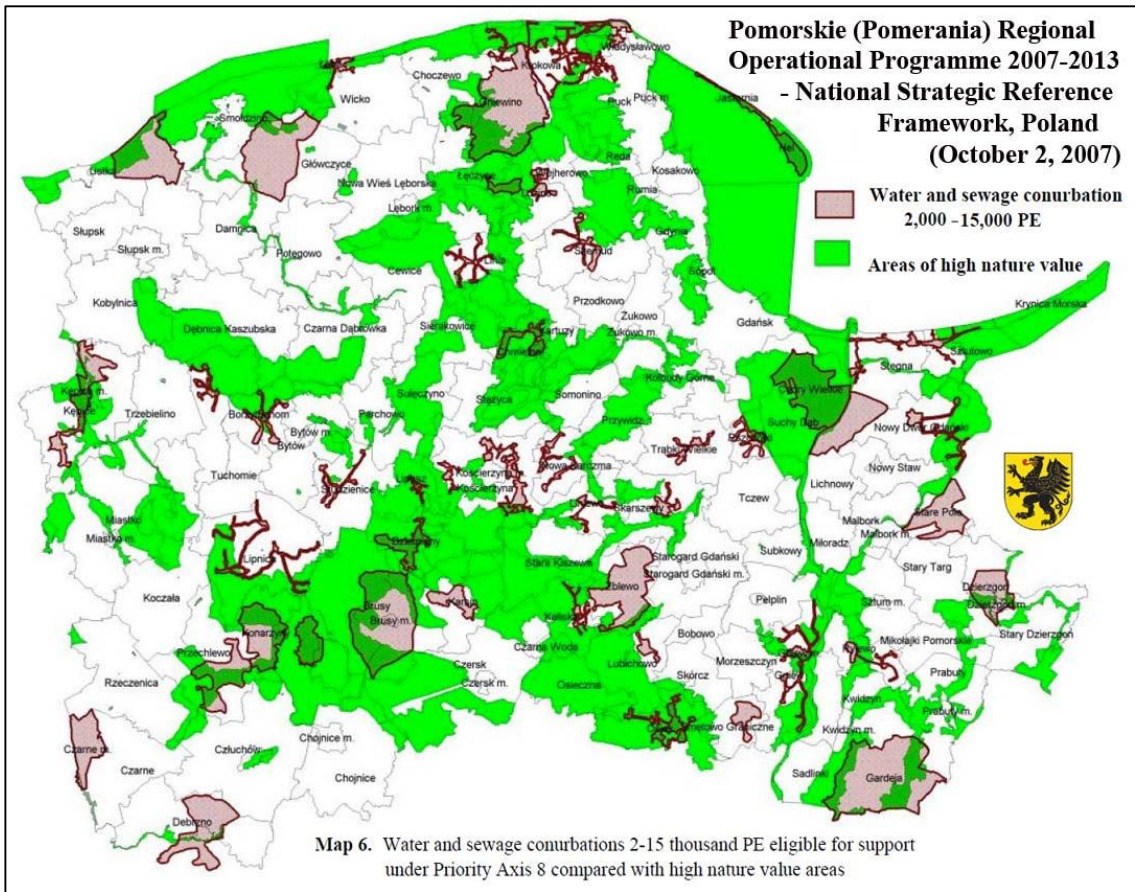
The top map shows the Province of Pomerania and the location of LE-2H well in Lebork County. The bottom map (from BNK's June 1, 2011 presentation) shows BNK's permit (yellow), Lane Energy & ConocoPhillips (dark green), Talisman Energy & Oculis (aqua blue), PGNiG (medium brown), Marathon Oil (purple), Realm Energy (dark brown), FX Energy (bright brown), Cal Energy & Gas Plus (grey blue). If the companies are allowed to do what they would like to do, thousands of wells may be drilled in Pomerania alone. In January 2010, investors began promoting Pomerania's underworld shales as the next 'Qatar'. Public relations efforts to win over Pomeranians are increasing as evidenced in conference agenda messaging themes during the September 5-8, 2011 South Baltic Gas Forum held in Gdansk.





A French TV crew (*Planet Hope* program, France24.com) showed up at the Lebien LE-2H well site while Schlumberger's crew was fracking. The camera was following Marek Kryda from INSPRO. "No environmental impact assessment was required here," said Kryda. "Chemicals are pumped into the ground and we (government) are not interested in the environmental impact of these poisonous chemicals. I don't think it is right." A security officer appeared and asked the camera and Kryda to leave the area. "A team of inspectors from Poland's Geological Institute show up and they turn out to be even more evasive," said the commentator. "We don't have any plenipotentiary powers to comment on what is happening here ... we're just here for ... lovely weather, isn't it?," said one of them (bottom left photo). "Marek is appalled by the lack of transparency."



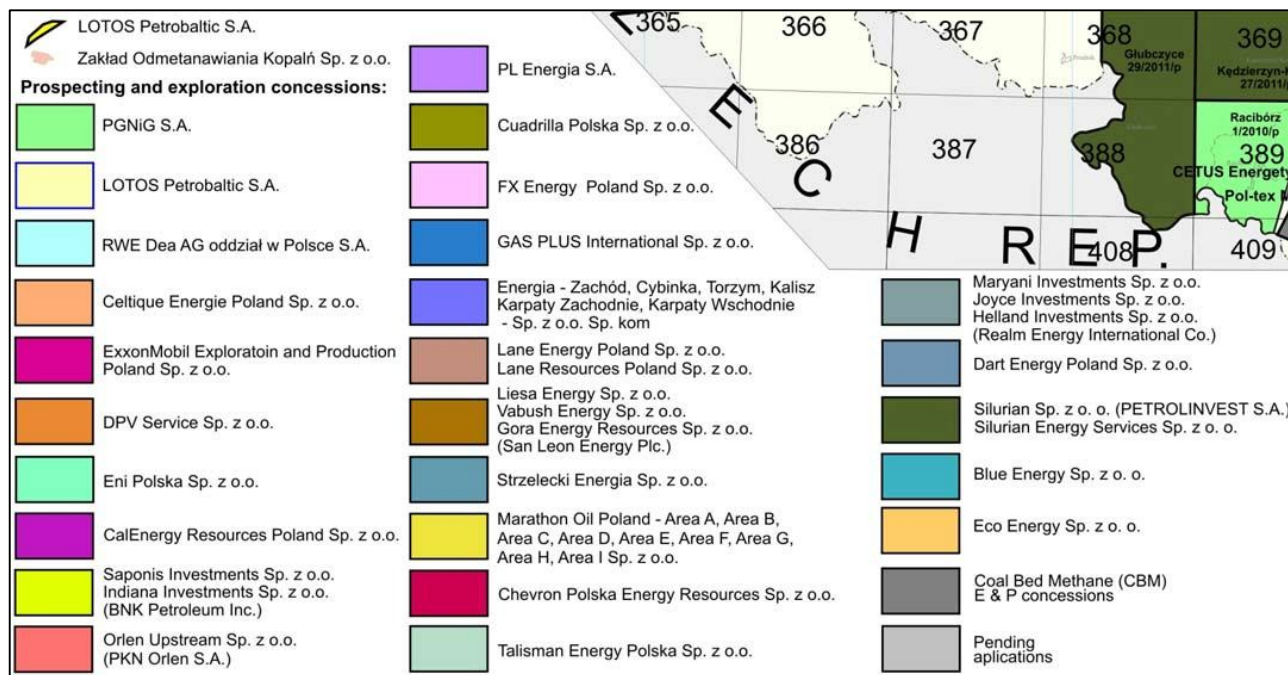


The top map is from the last page of *Pomorskie Regional Operational Programme 2007 - 2013* report by the Counties of Pomerania. It is an indication of some of the land use concerns that energy companies will be facing in the very near future.

The map to the left is from the EU Nature 2000 program, as it applies to EU State member Poland. There are evidently very high conservation values in the province of Pomerania (top middle area of the map). Pomerania has many lakes and wetlands, with high biodiversity values.

11-(7). The Concession Procession

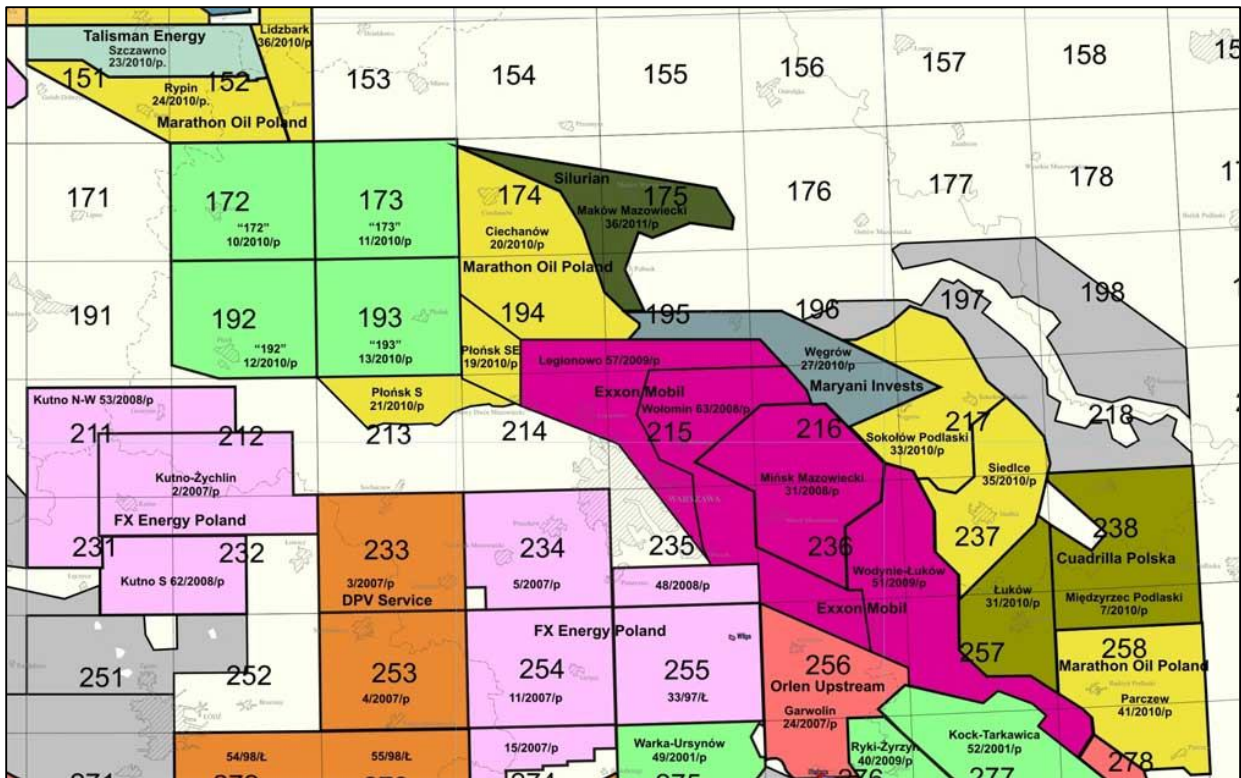
On March 7, 2007, Poland's Ministry of Environment began dishing out numerous unconventional oil and gas shale concessions to: PL Energia SA; FX Energy Poland Sp. Ltd.; FX United Energy Ltd.; Aurelian Oil & Gas Poland Sp. Ltd.; Energie Celique Poland Sp. Ltd.; Poland CalEnergy Company Ltd.; RWE Dea AG SA Poland Branch; and Gas Plus International BV, Petrobaltic SA; Lane Energy Poland Sp. Ltd.; PKN Orlen SA; EurEnergy Resources Poland Sp. Ltd.; Lublin Energy Resources Ltd.; Energy West; PGNiG SA; and others.



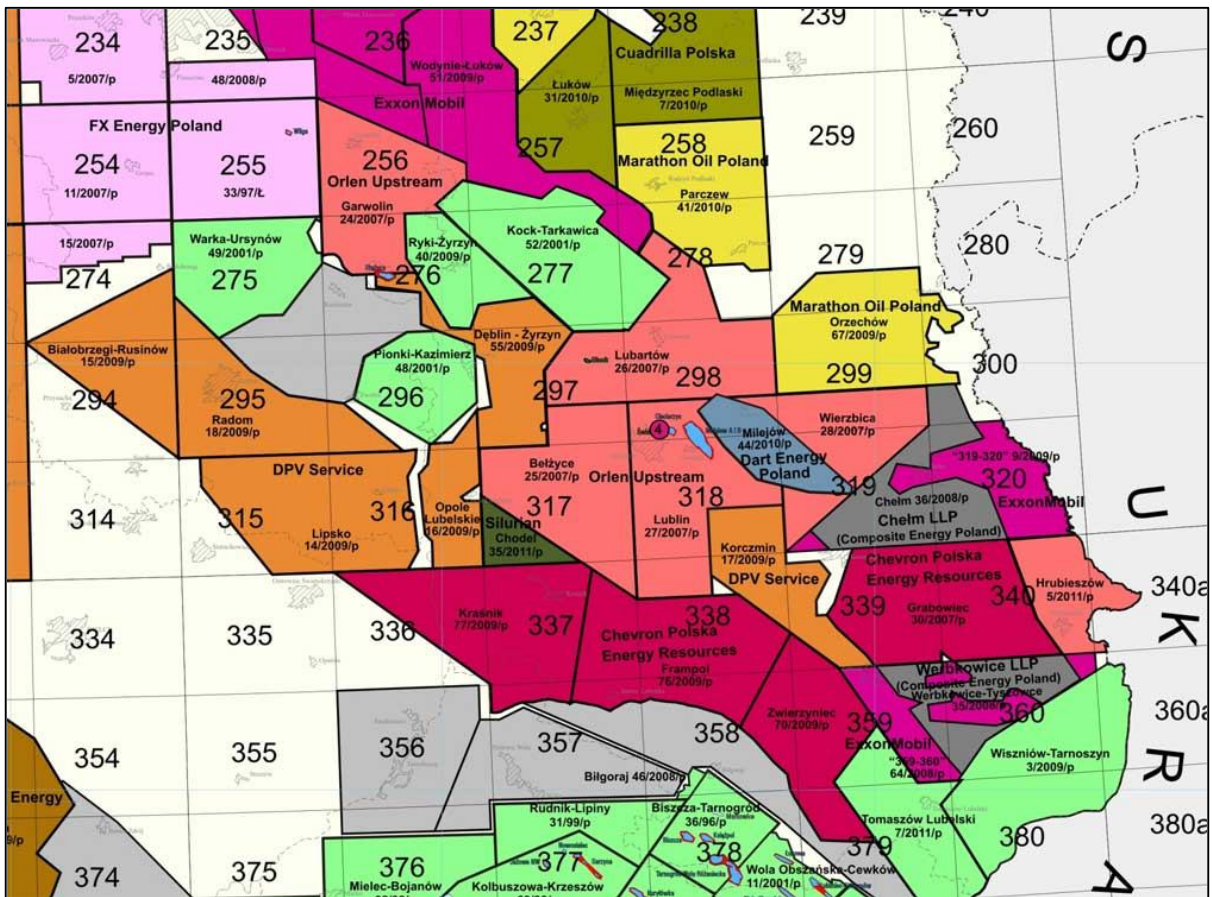
Cut out from a September 30, 2011 *Map of Concessions for Hydrocarbon Exploration and Production in Poland*, showing the holders of the concessions. The concession holders make farm-in and cooperative agreements with other energy companies and investors, and their names are not mentioned in this map list, making it more difficult to know all of the unconventional players in Poland. And, the names keep changing for various reasons, some of which relate to concession holders flipping their lands for a profit, akin to practices by real estate investors.

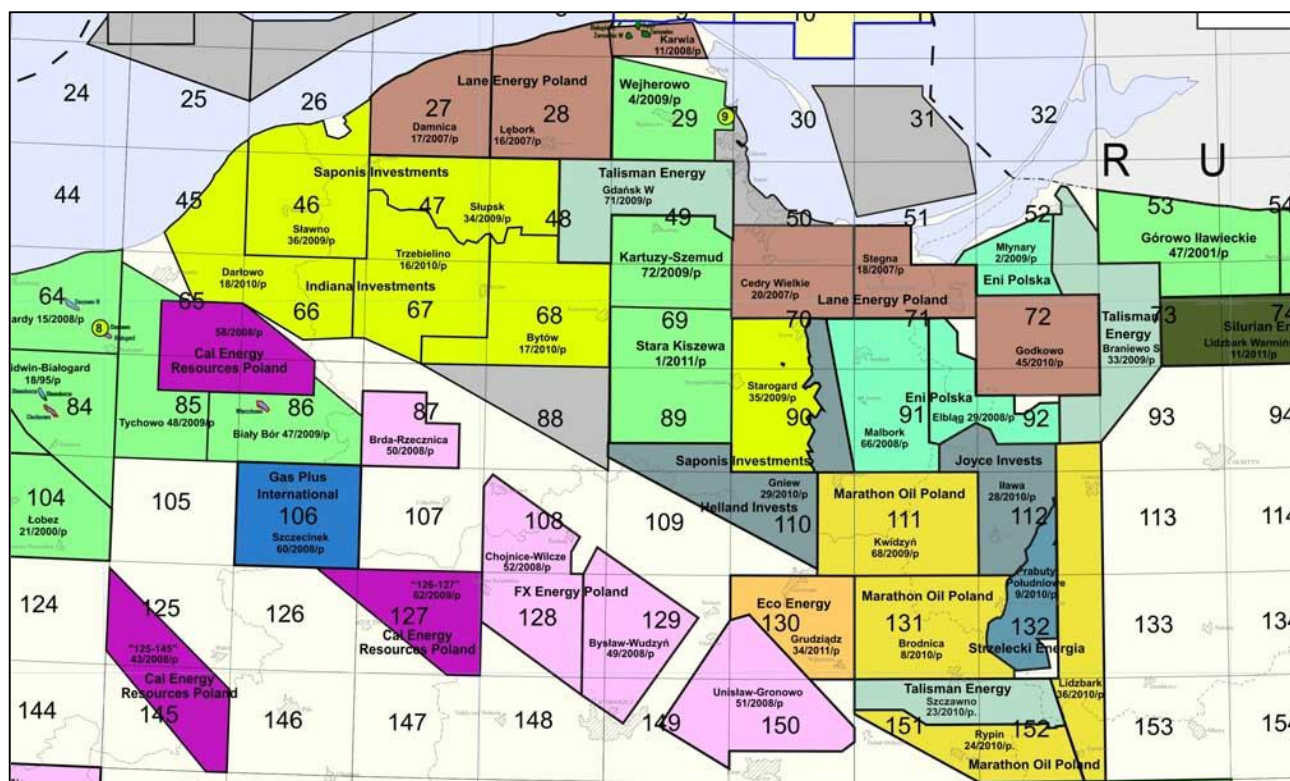
Over the following years additional concessions were granted to: Chevron Energy Resources Poland Sp.; Chevron Exploration and Production Poland Sp.; Cuadrilla Poland Sp. Ltd.; Cybinka Energia Sp. Ltd.; Energy Kalisz Sp. Ltd.; Energy Ltd. Eastern Carpathians Ltd.; Torzym Energia Sp. Ltd.; ExxonMobil Exploration and Production Poland Sp.; Gas Plus International Sp.; Gora Energy Resources Ltd.; Helland Investments Sp.; Indiana Investments Sp.; Joyce Investments Sp.; Land Resources Poland Sp.; Liesa Investments Sp.; Marathon Oil-Poland Sp.; Maryana Investments Sp.; Minsk Energy Resources Ltd.; Oculis Investments Sp.; Lotos Petrobaltic SA; Orlen Upstream Sp.; Saponis Investments Sp.; Strzelecki Energia Sp.; and Vabush Energy Sp. There are more, including farm-in agreements and investments by a Japan's Mitsui & Co., and recently, Encana (Canada).



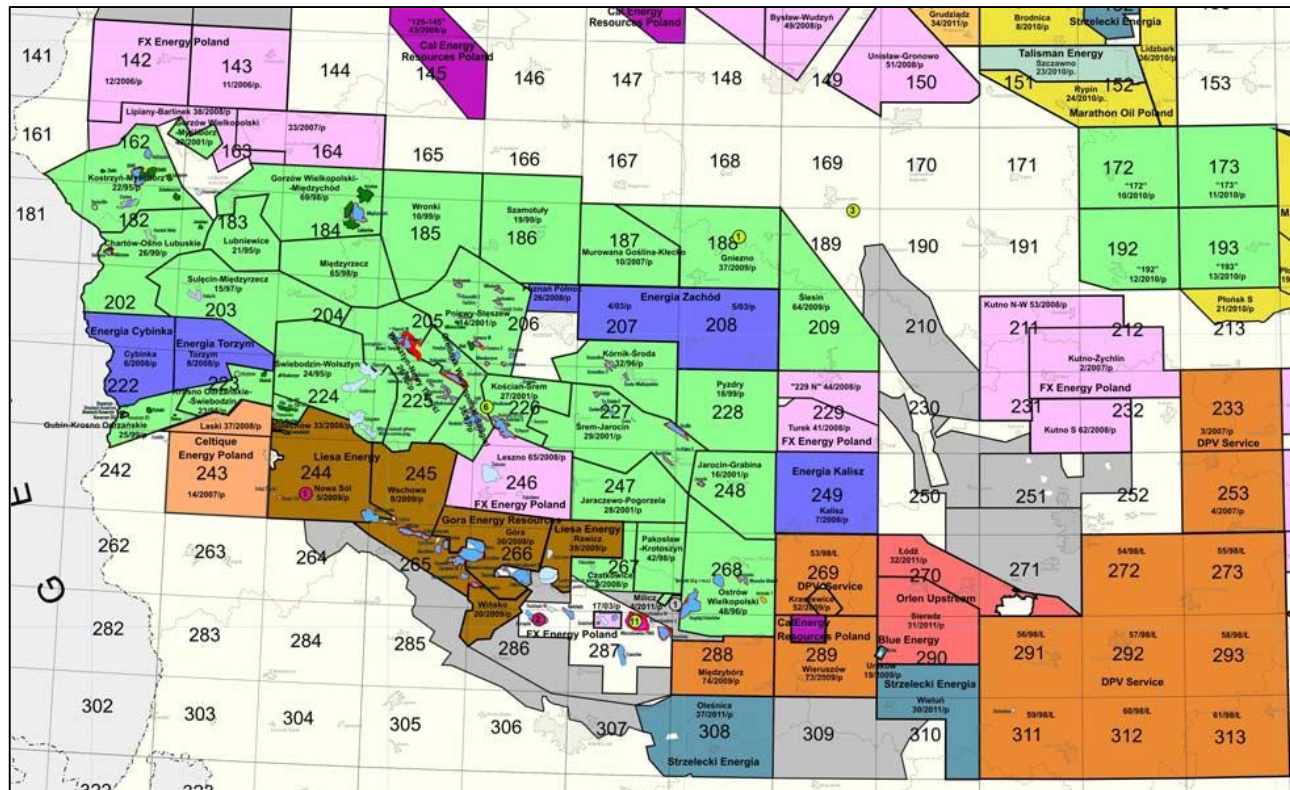


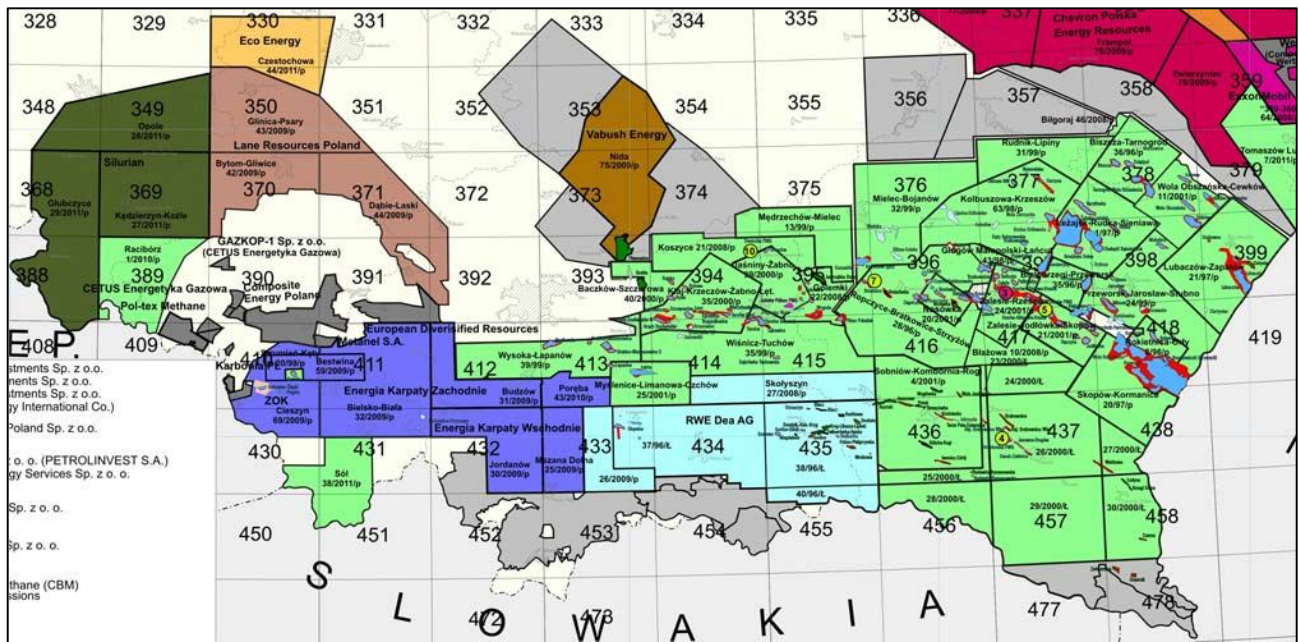
More cut-outs from the September 30, 2011 concessions map. Refer to the legend above to help identify the companies.





Above, the northern segment of the September 30, 2011 concessions map. The grid squares in the three maps shown here are about 32 kilometres square. The bottom map cut-out shows the concessions in mid-western Poland.





Top: the concession area in southern Poland, in the Carpathian Mountains.



Nafta Pila drilling service company president Henryk Dytko (centre) and Canadian-based Talisman Energy Polska Sp. representatives ceremoniously sign drilling contracts on April 13, 2011, in the headquarters of Polish Oil & Gas. (Source: 3 photos from Nafta Pila website.) Talisman Energy and San Leon own 3 concessions in northern Poland. The photo to the left shows one of Nafta Pila's rigs, next to local water reservoirs.



11-(8). May 6, 2011 - “Cracking the Minds of the People”

Marek Karabula, vice-president of the Polish Oil and Gas Company (PGNiG), used a technical term from shale gas development, saying that there was a need to “crack the minds of people” with respect to shale gas.... He said that despite videos circulating on social media presenting shale gas as a threat to the environment and a danger to consumers, awareness would be raised in Polish society that shale gas is “good” and “safe”. (Poland takes lead as EU’s shale gas promoter, published by EurActiv.com, May 9, 2011, commenting on the May 6th shale gas conference in Brussels.)

Starting off in the long line up for conferences scheduled for May 2011, was one on May 6th in Brussels organized by Canadian-based **Talisman Energy**, Poland petroleum companies **PGNiG** and **PKN ORLEN**, Poland’s **Ministry of Foreign Affairs** and European think tank **demosEuropa** (Centre for European Strategy), *Shale Gas and the Future of EU Energy and Climate Policy*.

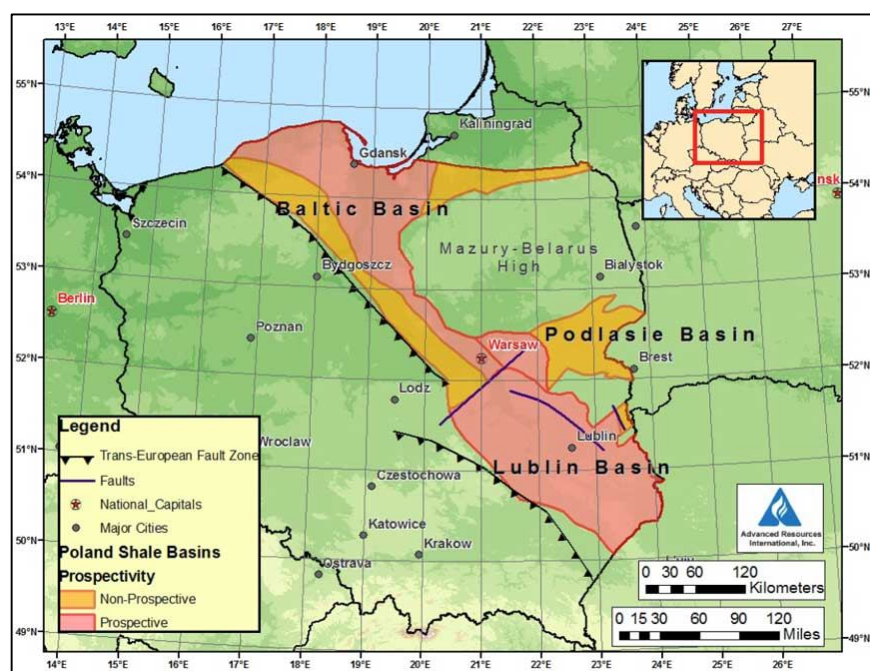
According to demosEuropa’s website, the:

Centre for European Strategy is an independent international research institution which aims to provide strategic insights into key aspects of the European Union, the functioning of its institutions and policies. It seeks to formulate answers to the challenges facing the European Union, its member states and citizens. The Centre conducts research and analysis and promotes initiatives that look into the future and anticipate change. The Centre was incorporated in July 2006 as a private, non-profit foundation operating under the Polish law, with its registered office in Warsaw, Poland.



DemosEUROPA president, Paweł Świeboda.

According to the think tank’s website he “served as the EU Advisor to the President of Poland in the years 1996-2000.” Among his numerous high-profile advisory duties related to the EU, he “was a member of the Advisory Group which assisted the Polish government in its preparations for the EU presidency in 2011. In December 2010 he was appointed by the President of Poland to chair one of the four task forces in the Strategic Review of National Security.”



Following demosEurope president Paweł Świeboda’s conference opener, Poland’s Foreign Affairs Undersecretary of State Maciej Szpunar presented the keynote address, where he emphasized Poland’s unconventional gas potential based on the U.S. Energy Information Administration’s global shale gas report.

Map of Poland’s shale gas from the EIA’s *World Shale Gas Resources* report. Note the blue Advanced Resources triangle logo on the map.

After Oxford University energy policy professor **Dieter Helm**'s pep talk, came a six-panel member discussion. The members: Commissioner of British Columbia Oil and Gas Commission **Alex Ferguson**; **Andrezeu Kozlowski**, executive director at PKN ORLEN and chair of ORLEN Upstream; Talisman Energy's chief geoscientist **John Logel**; Polish Oil and Gas Company vice president **Marek Karabula**, and **Dieter Helm**; and Europe in the World, E3G programme leader **Jesse Scott**.



Alex Ferguson, a former chief forester with Canadian Forest Products, was appointed head of the B.C. Oil and Gas Commission in 2007. Just prior to leaving the Commission on August 10, 2011, the Commission granted two rather large water fracking withdrawal permits (7.3 billion litres of water per year) to Talisman Energy and Canbriam Energy without conducting a public consultation review process, which Ferguson's boss, B.C. Energy Minister Rich Coleman promised would take place. Ferguson departed to take a position with Apache Canada's office in Calgary, Alberta, the Houston, Texas Canadian affiliate with shale gas holdings in British Columbia and Alberta, the company which was just given a permit to export shale gas from the proposed Kitimat LNG site. What did Mr. Ferguson tell the delegates about regulating the fracking industry in B.C.? The inside scoop on low royalty schemes?

11-(9). May 11-12, 2011

The United States Energy Association (USEA) hosted another *Polish-US Energy Roundtable* on May 11-12, 2011 in Warsaw, Poland, held in the Ministry of Economy's ABC room. It was a two day event also sponsored by the Embassy of Poland's Trade & Investment Section and IZBA Gospodarcza Energetyki.¹¹ The event's poster stated the conference "is an opportunity for Polish and American energy officials and private enterprise to share expertise and collaborate on potential investment opportunities pertaining to energy development in Poland."

Speakers at the event:

- Marcin Korolec – Undersecretary of State, Poland's Ministry of the Economy
- Edward G. McGinnis – Deputy Assistant Secretary for International Nuclear Energy Policy and Cooperation, U.S. Department of Energy
- Lee Feinstein – U.S. Ambassador to Poland
- Peter M. Perez – Deputy Assistant Secretary for Manufacturing, U.S. Department of Commerce
- Maciej Kaliski – Director – Department of Oil and Gas, Poland's Ministry of the Economy
- Mark Swift – Area Manager for Continental Europe, Halliburton



¹¹ IZBA Gospodarcza Energetyki Ochrony Srodowiska. The company's name in English translates roughly, Chamber of Commerce, Energy and Environmental Protection. It is a poland-wide private industry organization of 140 companies meant to solve economic and organizational problems. It was formed in March 1993, with a focus on energy programs.

- Dr. John F. Damanti – Vice President, Oil & Gas Business Development EMEA, URS Corporation
- Dr. Leigh A. Hackett – Vice President, Sales & Marketing, CO2 Capture Systems, Alstom Power
- Malla Reddy – Vice President – International Operations, FLUOR Limited
- Ilya Solovev – Commercial Director, GE Energy
- Andrzej Chwas – Acting Director, Nuclear Energy Department, Poland’s Ministry of Economy
- Robert Pearce – Director, International Customer Projects, Westinghouse Electric Company
- Ziemowit Iwanski – Region Executive – Market Growth, GE Hitachi Nuclear Energy
- Chris Maslak – Bechtel
- John Bottomley – AES
- Brian Thompson – Alter NRG
- Michael Wagner – Marketing Director, GE Jenbacher
- Grzegorz Tomasik – Board Member, PSE – Operator S.A.
- Tomasz Dabrowski – Director of the Energy Department, Poland’s Ministry of the Economy
- Bartosz Wojszczyk – Global Smart Grid Technical Solutions Leader, GE
- Warwick Charlesworth – IBM Global Business Services - CEE Utilities, IBM


According to a short account of the event by petroleum company ORLEN Upstream:

During the roundtable panels the most interesting topics of the Polish and American power industry were raised. The objective was to strengthen the co-operation and share experience between the two countries. The first panel was devoted to the shale gas.

The discussants included: Mr. Maciej Kaliski, Director, Department of Oil and Gas, Ministry of Economy, Marek Karabula, Vice President, PGNIG (Polish Oil and Gas Company), Mr. Marta Wągrodzka, Chief Expert, Department of Geology and Geological Concessions, Ministry of the Environment, Mark Swift, Area Manager, Halliburton, and Dr John Damanti, Vice President, URS Corporation.

During the meeting, ORLEN Upstream was represented by Ms Magdalena Piątkowska, Regional Manager. Discussed issues included the perspectives of the shale gas consumption in Poland, challenges related with its production and licensing rules regarding exploration and extraction.

Kaliski spoke on *Perspectives of Shale Gas use in Poland*. Karabula spoke on *Challenges of Shale Gas Exploration in Poland*. Wągrodzka spoke on *Shale Gas Licencing in Poland*. Swift spoke on *Hydraulic Fracturing Challenges in Poland*.

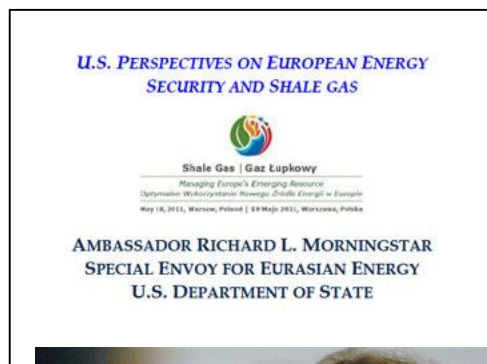
<p style="text-align: center;">US-Poland Energy Roundtable</p> <p style="text-align: center;">Issues Involved in Initiating Shale Gas Exploration Activities in Poland</p> <p>Bill Babcock ConocoPhillips Director Global Resource Plays</p> <ul style="list-style-type: none"> ■ Large number of wells required to develop low perm reservoirs <ul style="list-style-type: none"> • full field development can be well over 1,000 wells; > 100 wells a year <p style="text-align: right;">ConocoPhillips</p>	<p>Barnett core area</p> <ul style="list-style-type: none"> • 5,700 wells drilled in 1,600 km² • 1 well every 0.3 km² on average • Success case potential of thousands of wells on Lane Energy/COP position 
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At the first June 22-23, 2010 Energy Roundtable, Bill Babcock from ConocoPhillips gave a presentation and inferred that based on the company’s results in the Barnett shales in Texas, Lane Energy and ConocoPhillips could potentially drill “**thousands of wells**” on their concessions alone.

11-(10). May 18, 2011: 44 Days Before the EU Presidency - D-Day-2. The Big Kahoona Pro-Fracking Conference and the Organized Media Rallying Cry Against EU Fracking Regulation in Poland

It was just over 13 months since the initiating US-Poland conference on April 8, 2010 where some of the heavy-weights from the US State Department showed up. During that 13-month period, a mountain of promotional groundwork and institutional undertakings had been accomplished by government agencies, think tanks, and the petroleum sector network to pave the way, to get the ball rolling. Finally, the second significant event, D-Day-2, forty-four days before the EU Presidency. And, once again, US State Energy Envoy for Eurasia, Richard Morningstar, showed up, the appointed unconventional 'energy security' figurehead to aid America's petroleum industry. It was held in Poland's capital, Warsaw, and was called *Managing Europe's Emerging Resource*. The day's agenda was divided into 6 panel themes:

- *European Regional Energy Security and the Impact of Shale Gas;*
- *European Shale Gas – Strategies for its Development;*
- *How Can Technology Enhance the Value of Unconventional Gas in Poland and Europe?;*
- *Shale Gas Development, Responsible Stewardship, and Protecting the Environment;*
- *North American and European Shale Gas Regulations – Perspectives for Poland;*
- *Shale Gas and Local Communities.*



Conference delegates during the first panel discussion. For the new shale gas agenda in Europe, the European Union would have to adapt, and Poland would have to alter its laws and regulations for the energy companies to 'properly' frack it all.

Alongside Ambassador Morningstar, representatives from the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Interior gave panel presentations. What was the message from the United States to the delegates? Self-regulation, 'guidelines', and 'best practices,' probably the same messaging that Mike Smith from the Interstate Oil and Gas Compact Commission gave 13 months earlier. EPA's Bernadette Rappold, with Special Litigation & Projects Division, wrote that her presentation "does not represent, and should not be construed to represent, any formal or informal EPA determination, policy or regulation."



The speakers and moderators for day's event:

Introductory panel:

- H.E. Radosław Sikorski - Minister of Foreign Affairs, Republic of Poland,
- H.E. Lee Feinstein - U.S. Ambassador to Poland

Panel 1:

- H.E. Traycho Traykov - Minister of Economy, Energy and Tourism, Republic of Bulgaria
- Mikołaj Dowgielewicz - Secretary of State, Ministry of Foreign Affairs, Republic of Poland
- Ambassador Richard Morningstar - Special Envoy for Eurasian Energy, U.S. Department of State
- Mikołaj Budzanowski - Undersecretary of State, Minister of State Treasury, Republic of Poland

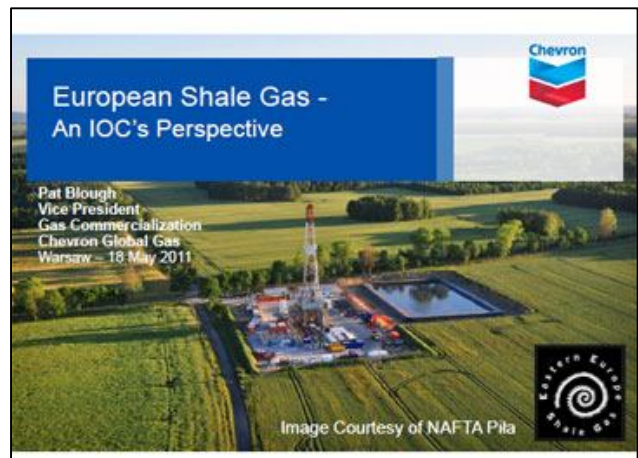
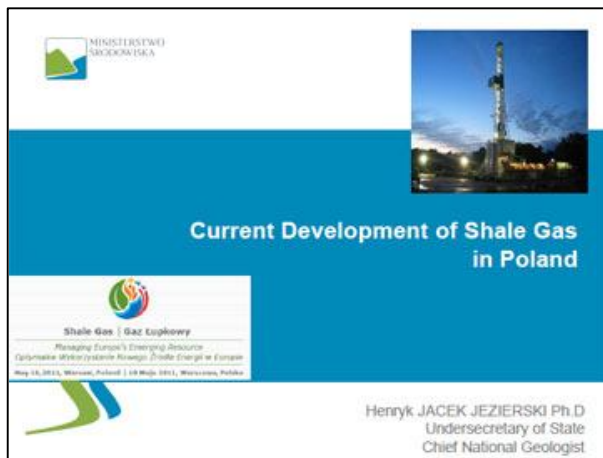
Panel 2:

- Henryk Jeziński, Undersecretary of State, Ministry of Environment, Republic of Poland
- Wiesław Prugar, President, Orlen Upstream, Board Member of OPPPW
- Patrick Blough, Vice President for Gas Commercialization, Chevron Global Gas
- Bogdan Marcinkiewicz, Member of European Parliament

I WANT YOU



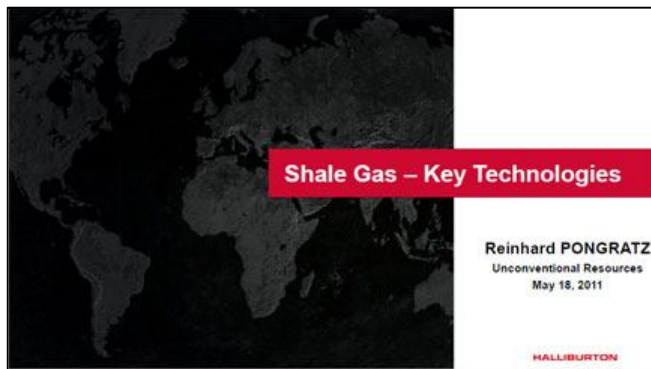
to **HAVE**
SHALE GAS



Title pages of three of the four powerpoint presentations from Panel 2. The image on the preceding page of Uncle Sam saying “I want you” is from Jezierski’s presentation. Note Chevron’s title page image, the repeating theme of Lane Energy and ConocoPhillips Lebien LE-2H well in the county of Leborg.

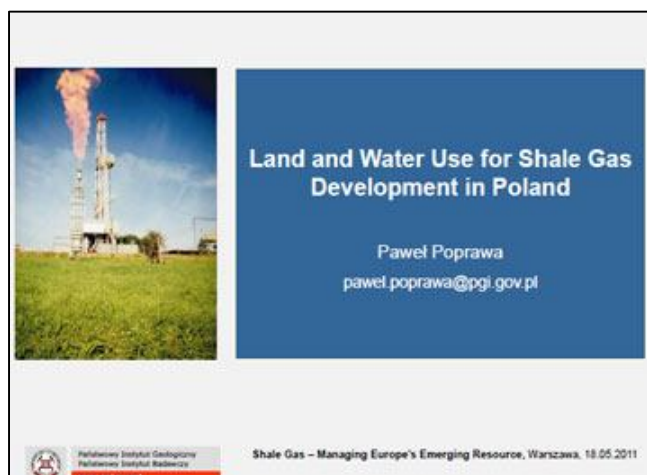
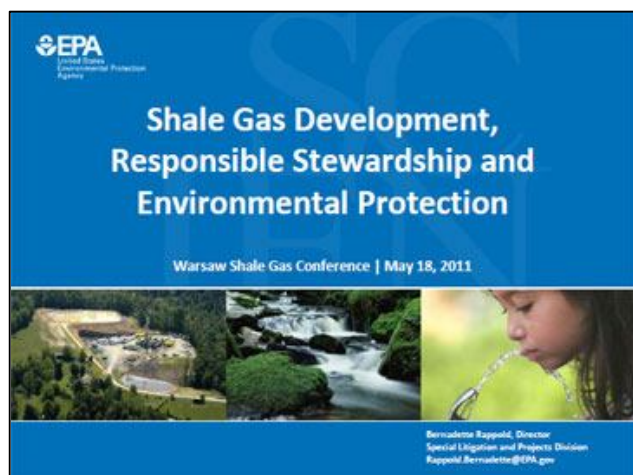
Panel 3:

- Professor Stanisław Nagy - AGH University of Science and Technology, Kraków (moderator)
- Doug Bentley - Schlumberger
- Reinhard Pongratz - Halliburton
- Josef Shaoul - Stratagen Engineering



Slides from panel 3.
The “brute force” image is from Bentley’s presentation.





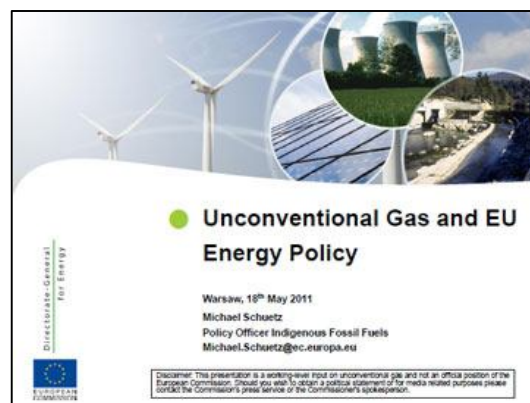
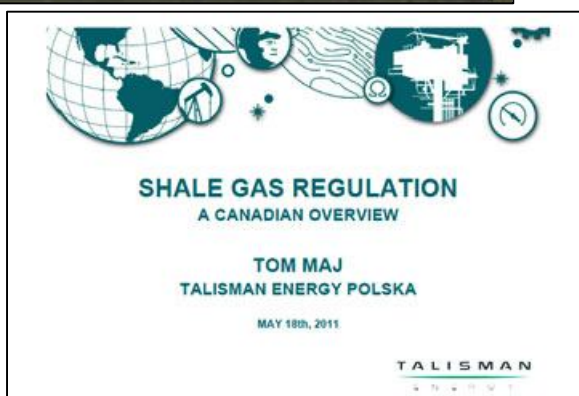
Panel 4:

- John Claussen - Chevron, OPPPW (moderator)
- Bernadette Rappold - Office of Civil Enforcement, U.S. Environmental Protection Agency
- Paweł Poprawa - Polish Geological Institute
- Mihai Tomescu - DG Environment, European Commission



Panel 5 :

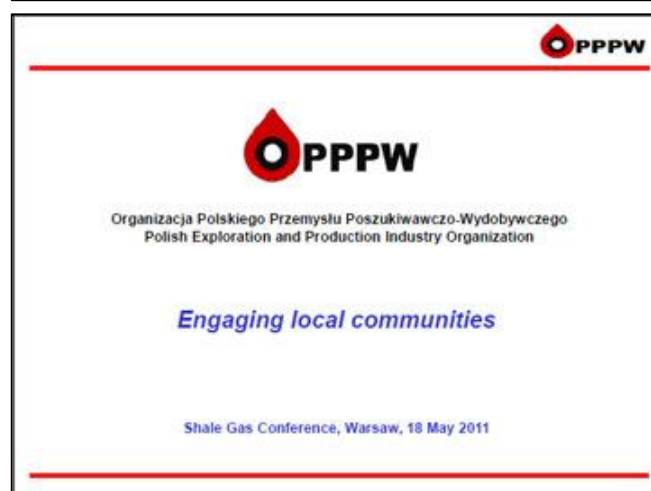
- Paweł Martynek - Orlen Upstream, OPPPW (moderator)
- Nick Douglas - Bureau of Land Management - U.S. Department of the Interior
- Tomasz Maj - General Manager, Talisman, OPPPW
- Michael Schuetz - DG Energy, European Commission





Panel 6: Shale Gas & Local Communities

- Grzegorz Pytel - Energy Expert, The Sobieski Institute (moderator)
- Nina Różańska - Advisor, Office of the Governor of Lublin Voivodeship
- Ryszard Świlski - Board Member of Pomerania Voivodeship, Office of the Marshal of Pomerania Voivodeship
- Paweł Pudłowski - Marathon, OPPPW



The final theme for panel 6 was the most sensitive - how to manage the public. At another forum 12 days previous (see above), vice-president Marek Karabuła of Poland's

PGNiG bluntly stated that the petroleum industry should "crack the minds of the people," an ill-minded fracking pun. Consider the patron sponsors of the conference: Chevron, ConocoPhillips, ExxonMobil, Halliburton, Marathon Oil, Schlumberger, AmCham Poland and Wood Mackenzie.

There was something new about panel 6, something that organizers of these larger petroleum conference events had hitherto not included. In the past, only primary-level state government representatives appeared, never secondary or tertiary level government reps. State representatives operate at more of a distance or isolation from the public than do administrators at the municipal and community levels, a global phenomenon (problem) more beneficial to industry lobbyists. There are opportunities for public accountability at municipal and community level governments, at open forums and processes where the public can more easily present their concerns and access politicians, outcomes which often depend on who gets elected to office - the administrative positions and philosophies of elected officials. That was demonstrated in southern Sweden where residents organized enormous pressure on Royal Dutch Shell.

Two of the three panellists were administrative representatives from two of Poland's 16 provinces, Pomerania and Lublin, at the opposite ends of Poland's fracking zone poles. From the southeastern province of Lublin, Nina Rozanska, an 'advisor' to the Governor of the Lublin County (the most western part of which Schlumberger fracked Poland's first shale gas well under contract with PGNiG). Her conference biography states: "Since 2008, she has been an Advisor to the Governor of Lublin Province on issues referring to renewable sources of energy, collaboration with Lublin

From the northern province of Pomerania, panelist Ryszard Swilski is a board member of the provincial administration of Pomerania (członek Zarządu Województwa Pomorskiego). He is also president of the Pomerania Development Agency (Agencji Rozwoju Pomorza S.A.). He has been involved in local and provincial government in Pomerania for about 17 years as: a councillor and deputy mayor in Pruszcz; chairman of the district council of Gdansk; deputy chair in the Staroste county.¹²



Swilski's presentation title *Gaz Łupkowy w Województwie Pomorskim zaangażowanie firm w prace poszukiwawcze dialog ze społecznościami lokalnymi* (see powerpoint image above, top right, dark blue background) roughly translated in English means *Shale Gas in Pomerania: Companies Involved with Local Communities*. He said that Pomerania has a population of 2.22 million, a land base of 18,314 square kilometres, is divided into 16 counties and 4 regional municipal districts, and 123 municipalities (of which 81 are rural) are found within the province. He referenced two strategic development documents: the October 23, 2006 *Regional Energy Strategy* (Regionalna Strategia Energetyki w Województwie Pomorskim), and the July 18, 2005 *Pomeranian Development Strategy* (Strategia Rozwoju Województwa Pomorskiego). With regard to the Energy Strategy document, he said there was a need to update it to implement the shale gas initiatives.

Nazwa firmy	Rok wydania koncesji	Oznaczenie koncesji (ilość koncesji)	Powierzchnia na terenie woj. [km ²]
Lane Energy Poland Sp. z o.o.	2007	Lębork, Stegna, Damnica, Cedry Wielkie (4)	3120
PGNiG S.A.	2009,2011	Kartuzy-Szemud, Wejherowo, Stara Kiszewa (3)	2700
Indiana Investments Sp. z o.o.	2010	Trzebielino, Darłowo, Bytów (3)	2630
Saponis Investments Sp. z o.o.	2009	Starogard, Sławno, Słupsk (3)	2300
Mińsk Energy Resources Sp. z o.o.	2008	Malbork (1)	930
Talisman Energy Polska Sp. z o.o.	2009	Gdańsk W (1)	900
Helland Investments Sp. z o.o.	2010	Gniew (1)	500
FX Energy Poland	2008	Brda-Rzecznicza (1)	500
Marathon Oil Poland Sp. z o.o.	2009	Kwidzyn (1)	360

Swilski had a table with information on the various shale gas exploration concessions granted to nine energy companies since 2007 within Pomerania (left). The first column is the company name, the second the year of the permit, the third the area of the concession, and the last column the total area of the concession.

He said that Lane Energy completed two test wells in May and August, 2010, and a third started on May 10, 2011. He said that PNGiG was working on a well near Krokowa, with two more expected in 2012, with 64 wells being planned for by 2018. BNK Petroleum (through Indiana Investments) began seismic testing, and plans to drill in 2012. BNK's subsidiary Saponis Investments started on 2 wells in 2011, with another starting later in 2011. The Italian company Eni SpA acquired Minsk Energy in December 2010, and drilling was to begin in the latter half of 2011. Canadian-based Talisman Energy was expected to begin drilling in September 2011. Marathon plans to drill in 2012.

¹² Pomorskie magazine, NR 6, 2010.



The last four slides of Swilski's 19-slide presentation were devoted to public 'benefits' and consultation. In a slide entitled *Positives and Negatives*, of the four messages summarized in one of those slides the last summary said "sporadic protests from the local community," which was underlined in yellow and had a yellow 'unhappy face' nearby.

Swilski said that on April 18, 2011 the Pomeranian regional government established the *Forum for Dialogue and Cooperation Pomorskie "Energy and Self-Governance"* (Forum Dialogu i Współpracy Województwa Pomorskiego „Energia i Samorządność”) to address public concerns about energy issues, such as shale gas and nuclear plants.¹³ An article published the same day in the *Dziennik Bałtycki*, said that future public debates on energy development under this new forum would have an “emphasis on nuclear power,” as the Polish Energy Group may be constructing Poland's first nuclear power plant in Pomerania.

An April 29, 2011 article in the *Gazeta (It's all gas, no information)* was an interview with sociologist Piotr Stankiewicz who studies science and technology at Nicolaus Copernicus University. He said that the Forum for Dialogue was an opportunity for all of Pomerania to engage in similar local public forums, and encouraged local communities to include “anti-shale gas experts” at such meetings, because local authorities usually have private meetings with shale gas investors and company officials. He said that community officials often “fear” people who oppose such things and treat them “as radicals.” He said that the Polish government often tries to persuade the public to accept a new policy such as shale gas without its involvement, making the public equate themselves as a flock of sheep. As a recent example of this top-down attitude, he said that had it not been for Greenpeace bringing attention to a flawed review process on strategic nuclear development, where thousands of pages of information for public review was planned for public review during the Christmas to New Years day holiday period in 2010, no one would have noticed. By not initiating in public planning, “government deprives itself of credibility and public trust” he said.

In his last slide, Swilski made reference to a Forum for Dialogue meeting on shale gas planned for June 3, 2011, organized by the Institute for Innovation and Talisman Energy Poland.

Right: poster for the dialogue meetings.

ZAPRASZAMY NA WARSZTATY POŚWIĘCONE INWESTYCJI WYDOBYCIA GAZU Z ŁUPKÓW NA POMORZU

ENGAGEMENT FOR DEVELOPMENT

3 CZERWCA 2011, GODZ. 10:00

GDAŃSKI PARK NAUKOWO-TECHNOLOGICZNY
UL. TRZY LIPY 3, GDAŃSK
SALA ABC

Logos: INNOWACJI, TALISMAN ENERGY, GDAŃSKI PARK NAUKOWO-TECHNOLOGICZNY, POMORSKA, PATRONAT, LVV

WARSZTATY SKŁADAĆ SIĘ BĘDĄ Z DWÓCH CZĘŚCI:

I. PRELEKCJE ZAPROSZONYCH GOŚCI W TYM M.I.N.
DR HAB. SYLWIA PANGSY-KANIA - UNIwersYTET GDAŃSKI,
PAWEŁ POPRAWA - PAŃSTWOWY INSTYTUT GEOLOGICZNY,
TOMASZ GRZYŹEWSKI - TALISMAN ENERGY

II. ENGAGEMENT GAME - NOWATORSKIE WARSZTATY DLA STUDENTÓW

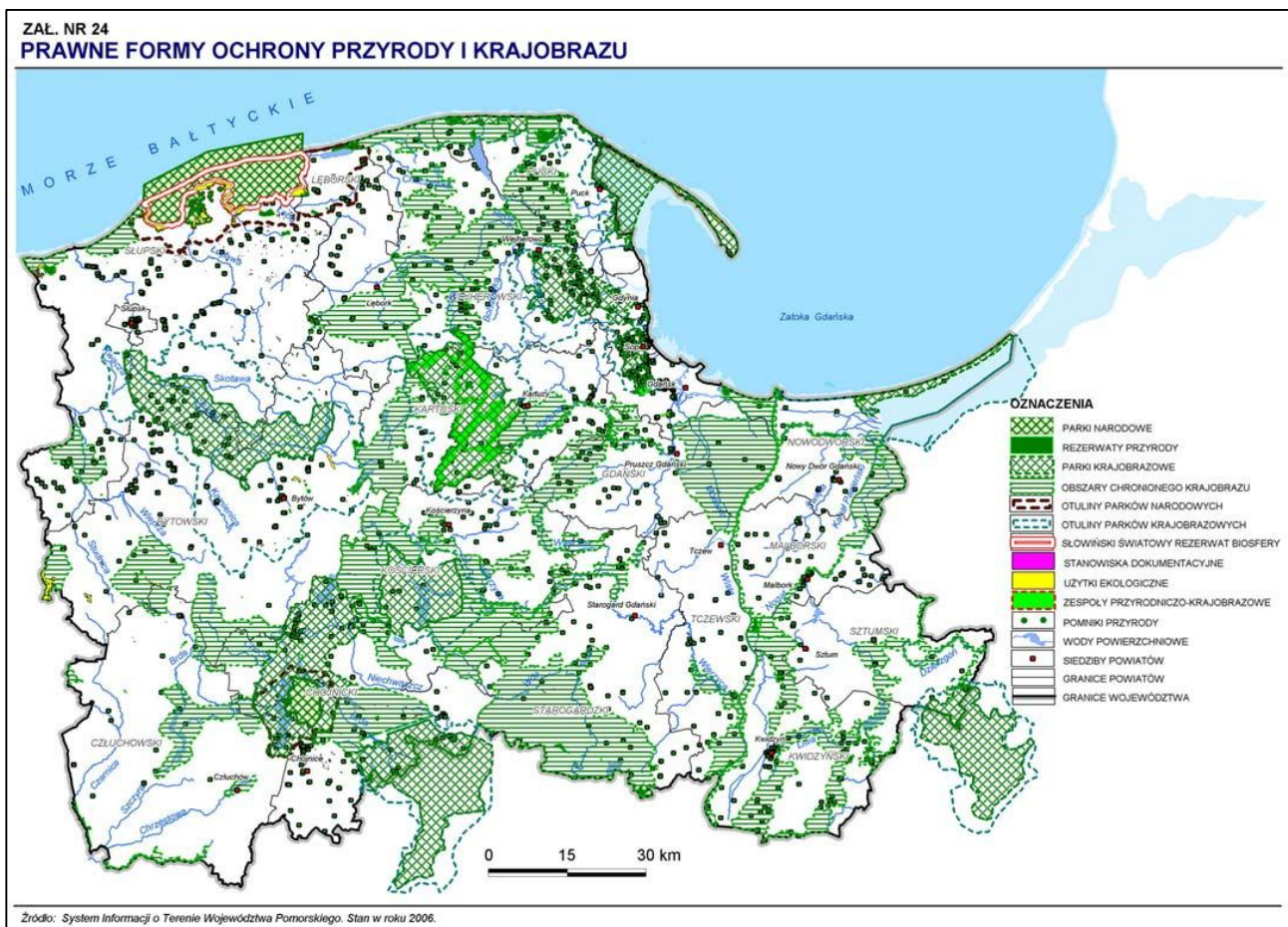
KAŻDY UCZESTNIK WARSZTATÓW OTRZYMA IMIENNY CERTYFIKAT
LICZBA MIEJSC OGRANICZONA!

ZAPISY: STUDENCKIE KOŁO NAUKOWE GEOLOGÓW UG, MAIL: GEOLODZY.UG@GMAIL.COM
KOORDYNATOR WARSZTATÓW: DAMIAN MOSKALEWICZ - TEL. 509 681 294

¹³ Forum information at the Gdansk PARK NAUKOWO Technologiczny website: <http://www.energetyka.gpnt.pl>

The “dialogue” event turned out to be a two-hour information lecture with six presentations, and after lunch a discussion period. Most of the audience were young students:

- 10.00 - Opening. Katarzyna Gontarczyk, Foundation Institute for Innovation
- 10.20 - North American experience in finding and extracting gas from shale, Thomaz Gryżewski, Talisman Energy
- 10.40 - Problems and risks and the benefits and opportunities of a market shale gas in Poland, associate professor, Institute for Foreign Trade, University of Gdansk, Sylwia Pangsy-Kania
- 10.40 - Shale gas and the outlook for the Pomerania, Sylwia Pangsy-Kania
- 11.10 - The geological structure of Pomerania, MSc. Pawel Poprawa, Polish Geological Institute in Warsaw
- 11.30 - Environmental aspects of exploration and production of shale gas, Pawel Poprawa
- 11.50 - Energy security Pomerania, Dr. Eng. Tadeusz Zurek, Commissioner for Energy, Pomorskie Marshal's Office.



This map of Pomerania in Pangsy-Kania’s first presentation, shows, in the numerous lined and cross-hatched green areas, various protections: national parks, nature reserves, parks and protected ecological landscape areas.

Two more forums were held by the same sponsors but with different presenters: on June 9th at the University of Warminsko-Mazurskiego in Olsztyn; and another on June 16th in Torun.

There were growing numbers of citizens in Pomerania becoming self-educated on the events of communities facing the onslaught of shale gas around the world, getting organized, and protesting against local, regional and state governments. The sheep were out of the pens.



On October 23 and 24, 2011, articles began appearing in the media ¹⁴ about demonstrations in the municipality of Suleczyno. At a meeting in Zdunowicach, where an unidentified representative from BNK Petroleum appeared, he was surrounded by local

residents who were very concerned about future pollution of their groundwater. Residents had blockaded seismic survey crews out near and in their properties, and even called the police “claiming that the heavy equipment entered their properties without permission.” One resident from Wesiory asked who was going to pay for the cracks in her house from the seismic activities.

¹⁴ *Zdunowice. A firm “no” for shale gas*, October 23, 2011; and *Zdunowice: Shale Gas Protests*, October 24, 2011, ExpressKaszubski.pl



The residents were informed by Dzikowska Hanna, with the Gdansk Regional Directorate for Environmental Protection, that when Poland issued the concessions there was “no mandatory preparation of an environmental impact report. Now this has changed.” Someone shouted out to the mayor of



Suleczyna, “are you BNK’s spokesman? Is the gas worth more to you than the people?” At the event was born a new community slogan - *Defend Our Kashubia!* (Brońmy Naszych Kaszub!)

The Kashubian Lake District area is within the northeast of Pomerania, straddling a few counties, a prized area for residents and tourists alike. The Kashubian language is a sub-group of the Slavic languages, a Pomeranian dialect. A 2002 census found that 53,000 people in Poland preferred Kashubian as their speaking language at home, and is the only language in Poland, other than Polish, with legal protection.¹⁵



Top page, left image, from Pila Nafta’s website, with one of the company’s rigs in Pomerania’s lakes district.

Bottom two photos from the website www.iddd.de, and blog bejda.iddd.de. The sign to the right is a notice about FX Energy’s drilling waste stored in a community landfill area.



¹⁵ Wikipedia, Kashubian Language.

11-(11). May 27, 2011 - U.S. President Obama Arrives in Poland (35 days to go)

The use of shale gas, pioneered by the U.S. and Canada, is controversial for its impact on the environment and will be one of the main points on the agenda when President Barack Obama visits Warsaw on May 27-28.

Only France has shale gas reserves on a similar scale to Poland in Europe. But last week France's lower house of parliament approved a bill that would ban shale gas drilling on its territory.

In spite of environmental concerns Poland says it cannot afford to ignore such a valuable reserve of energy. (The Warsaw Voice, Poland Committed to Developing its Shale Gas Reserves, May 19, 2011)

Following the May 18, 2011 shale gas conference in Warsaw where Poland Foreign Affairs Minister Sikorski made some bold statements at a press conference with U.S. Ambassador Lee Feinstein, the headlines across Europe and North America were awash with Poland's reinvigorated pro-fracking ambitions. The headlines were also emphasizing something else: Poland's determination against prohibitive regulations imposed by the European Union. Sikorski:

*We know some countries have followed initiatives aimed at banning shale gas but we should not be afraid. New technologies bring new risks but the technology is advancing.*¹⁶

Not long afterwards, Kashubians in Pomerania were reported in the Gazeta Kaszubska on May 29, 2011 as "not wanting gas" (Kazubi nie chca gazu).

Photo from Gazeta Kaszubska May 29th article of Lane Energy's LE-2H well. Note the sign prohibiting the use of cameras.



Many other organized efforts to promote fracking were in the EU hopper. I.e., five days following the May 18th conference, media outlets ran news items on how Members of Parliament from the United Kingdom had given their consent to frack the UK. The British Energy and Climate Change Committee had conducted a review process on fracking since late 2010 and released their fifth report, *Shale Gas*, on May 23, 2011.

Tim Yeo, the Tory MP and former minister who chairs the committee, said: "Shale gas could encourage more countries to switch from coal to gas, which in some cases could halve power station emissions.

However, the MPs dismayed green campaigners by dismissing evidence that shale gas exploration can be dangerous and damaging to the environment. Drilling for shale gas requires blasting the dense underground rocks in which the gas is found with vast quantities

¹⁶ Poland to Develop Shale Gas Despite Environmental Risk, May 19, 2011.

of water mixed with chemicals. In the US, the pioneer of shale exploration, communities have had their water supply polluted with methane, meaning that in some places the water can be set on fire.

*Keith Allott, head of climate change at WWF-UK, said: “Concerns about water contamination and the greenhouse gas footprint of shale gas are serious and deserve to be thoroughly investigated.” He cited US research that found more than 1,000 cases of contamination from gas drilling, and a recent study that found shale gas had a bigger greenhouse gas footprint than coal.*¹⁷

Considering the findings of the January 2011 Tyndall Centre report, *Shale Gas: a provisional assessment of climate change and environmental impacts*, the MP’s May 23rd report on *Shale Gas* wasn’t wrinkle free. London is an investment hub for energy, and the international-based financial centre, with its numerous think tanks and support mechanisms, were countering the curb against fracking. Later, on July 19, 2011, the Energy and Climate Change Committee released another report, *Shale Gas: Government Response to the Committee’s Fifth Report of Session 2010-12*. What’s interesting about that report, in lieu of Poland’s ascendancy to the EU Presidency, are the conditional statements made regarding Poland on the future political implications of fracking for the UK and the EU. The machinations were at an all-time high:

Committee Recommendations and Government Response Background

1. Mitigation of the risk to water aquifers from hydraulic fracturing relies on companies undertaking the proper measures to protect the environment from pollution. However, there is no evidence that the hydraulic fracturing process itself poses a direct risk to underground water aquifers. That hypothetical and unproven risk must be balanced against the energy security benefits that shale gas could provide to the UK. We conclude that, on balance, a moratorium in the UK is not justified or necessary at present. But evidence must continue to be collected and assessed. We recommend that the Department of Energy and Climate Change monitor current drilling activity in the Bowland Shale formation extremely closely during its early stages in order both to assess the likely environmental impact of large scale shale gas extraction in the UK and also to promote public confidence in the regulation of the activity (Paragraph 17).

Prospects for Shale Gas

*2. We conclude that shale gas resources in the UK could be considerable. However, while they could be sufficient to help the UK increase its security of supply, it is unlikely shale gas will be a “game changer” in the UK to the same extent as it has been in the US. It is more likely that in countries such as **Poland**—with a larger reliance on gas imports and greater potential shale gas resources—the impacts of shale gas production will be significant. (Paragraph 24)*

*3. We conclude that it is important for the UK to monitor the development of shale gas in Poland—the “barometer of Europe” on this issue—both in terms of exploration and regulation. We are concerned that there could be adverse competitive consequences for the UK if **Poland** unilaterally develops its shale gas resources within the EU, particularly if their energy policy is driven by energy security—in spite of the*

¹⁷ MP’s report rejects moratorium on shale gas exploration, The Guardian, May 23, 2011.



environmental concerns associated with hydraulic fracturing—owing to their reliance on imported gas. (Paragraph 37)

13. We recommend that the UK Government monitors carefully the regulatory approach adopted by Poland and any other EU countries where shale gas exploration and production takes place. We recommend that the Government explores the

possibilities of common environmental standards within the EU for shale gas exploration and production. (Paragraph 95)



U.S. President Barak Obama and Poland's Prime Minister Donald Tusk, May 18, 2011, joint press conference.

Obama's two-day visit to Poland at the end of his European tour involved a number of visits and ceremonies. Among renewed and new U.S.-Poland cooperation agreements, one involved energy. At the joint press conference (from which the above photo was taken) Tusk stated:



Shale gas -- well, for obvious reason, it was a subject of important talks -- and nuclear power. We agreed with President Obama that these undertakings are really an excellent area for Polish-American cooperation. And I am sure that it will bring good results. To the Polish people, American people, it will be both joint business and joint common energy security. And it will also be of use to a united Europe, this cooperation that will also give to Europe more stability in terms of energy. (Donald Tusk, official transcript)

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
May 28, 2011

Fact Sheet: U.S.-Poland Cooperation on Clean Energy

President Obama and Prime Minister Tusk welcomed new momentum in the two countries' cooperation on energy and climate security, especially in view of Poland's **forthcoming European Union presidency**. They welcomed intensified cooperation between our governments and private sectors in the development of unconventional sources of energy, including shale gas, renewable energy sources like wind and biomass, clean coal technologies, and civil nuclear power capability in Poland.

The leaders reaffirmed the importance of combating global climate change, which both leaders agree is essential to our energy security. They discussed the importance of implementing the key provisions of the Cancun agreements this year and noted the opportunities to work together toward this end in bilateral and multilateral fora, including through the Major Economies Forum. Poland's EU presidency provides an excellent opportunity to strengthen the transatlantic energy dialogue and cooperation, including within the framework of the **EU-U.S. Energy Council**.

The two leaders agreed to hold a high-level session of the U.S.-Poland Strategic Dialogue on clean and secure energy cooperation, aimed at enhancing energy security, building research and development cooperation on energy technologies, and expanding U.S. investments, exports, and participation in technology tenders in Poland. Warsaw's September 2011 International Framework for Nuclear Energy Cooperation (IFNEC) Ministerial, the **next U.S.-EU Energy Council meeting**, the upcoming meeting of the Global Methane Initiative's Steering Committee, and the fall meeting of the **U.S.-Polish Business Roundtable** provide further opportunities to advance common the United States and Poland's joint energy and energy security interests.

Increasing Energy Security, Exports, Investment, and R&D

The U.S. -Polish Strategic Dialogue and bilateral meetings build common approaches to European energy security and complement the energy security cooperation pursued in the **framework of the U.S.-EU Energy Council**.

The U.S.-Poland Economic & Commercial Dialogue (ECD) promotes bilateral trade and investment, including in the energy sector. The May 2011 Energy Roundtable in Warsaw sought to strengthen commercial activity in the energy sector, including on **shale gas**, clean coal technologies, energy efficiency, renewable energy, and nuclear power.

Promoting the Sustainable, Efficient and Environmentally Safe Development of Shale Gas in Poland

Poland and the United States continue ongoing dialogue on regulatory, institutional, technological and environmental aspects of **shale gas development**; exchange of **best practices** and know-how should help build the shale gas sector in a sustainable and environmentally responsible manner to **benefit both Poland and Europe**;

Poland continues to be a leader in the U.S. Global Shale Gas Initiative, and Polish shale gas regulators visited the United States in 2011 through a U.S. Government supported program. The U.S. Embassy in Warsaw and Polish Foreign Ministry co-hosted shale gas conferences with broad international participation in Warsaw in April 2010 and May 2011.

Supporting the Development of a Safe and Secure Nuclear Industry in Poland

The July 2010 'Joint Declaration Concerning Industrial and Commercial Cooperation in the Nuclear Energy Sector', facilitates **civil nuclear cooperation** as Poland builds civil nuclear capacity. The September 2010 Arrangement for Technical Exchange between the Nuclear Regulatory Commission and Poland's National Atomic Energy Agency affirms shared commitments to nuclear safety and information sharing.

The U.S. and Poland participate in the International Framework for Nuclear Energy Cooperation (IFNEC). IFNEC is a forum devoted to peaceful nuclear energy that is efficient and meets the highest standards of safety, security and non-proliferation.

THE WHITE HOUSE
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May 28, 2011

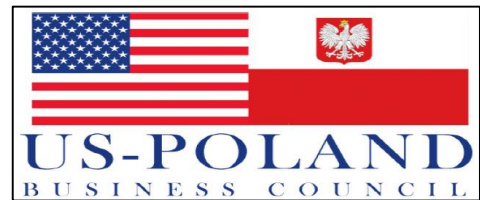
**Fact Sheet: U.S.-Poland Business Roundtable
Fostering Greater Collaborative Commercial Cooperation**

During his trip to Poland, President Barack Obama and Prime Minister Donald Tusk discussed their countries' common interests to enhance U.S.-Poland commercial relations. Poland is an important commercial partner for the United States; the **value of U.S. investments in Poland is \$30 billion** and our two-way trade **last year totalled \$6 billion**. Nonetheless, the United States is the world's largest economy and Poland is one of Europe's fastest growing, and we seek to stimulate more commercial activity between our countries.

To that end, President Obama and Prime Minister Tusk announced the convening of a high-level U.S.-Poland Business Roundtable that would foster a collaborative government and private sector discussion to identify new commercial opportunities, promote innovative research and development cooperation, and to address obstacles that hinder commercial growth. This announcement demonstrates a commitment by both governments and their private sectors to raise bilateral economic and commercial relations to a higher level and to substantially increase trade and investment flows.

- Prior to the roundtable, the U.S. and Polish private sectors will canvass their respective business communities to identify and prioritize business opportunities and constraints. An interim report would be presented to the two governments by October 1, 2011. The final report developed by the private sectors will identify roundtable agenda topics for discussion.
- Senior level government officials from the United States and Poland will participate in the roundtable. Participation of **Polish and U.S. business executives** will be drawn from the American Chamber of Commerce in Poland; the **U.S.-Poland Business Council**; the **bi-national Polish Shale Gas Producers Association**; the Polish Confederation of Private Employers; and other business organizations.

LOBBYING REPORT			
Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page			
1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual Williams and Jensen, PLLC			
2. Address <input type="checkbox"/> Check if different than previously reported Address1 701 8th Street, NW Address2 Suite 500 City Washington State DC Zip Code 20001 - Country USA			
3. Principal place of business (if different than line 2) City _____ State _____ Zip Code _____ - Country _____			
4a. Contact Name Elizabeth Chapman	b. Telephone Number <input type="checkbox"/> International Number (202) 973-5939	c. E-mail erchapman@wms-jen.com	5. Senate ID# 41454-1005876
7. Client Name <input type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality US- Poland Business Council			6. House ID# 307710375
TYPE OF REPORT 8. Year 2011 Q1 (1/1 - 3/31) <input type="checkbox"/> Q2 (4/1 - 6/30) <input checked="" type="checkbox"/> Q3 (7/1-9/30) <input type="checkbox"/> Q4 (10/1 - 12/31) <input type="checkbox"/>			
Printed Name and Title Eric Stewart, Principal v6.0.1f			
Registrant Williams and Jensen, PLLC Client Name US- Poland Business Council			
LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.			
15. General issue area code <input type="text" value="FOR"/> FOREIGN RELATIONS (one per page)			
16. Specific lobbying issues promote collaboration between US companies and the Government of Poland			
17. House(s) of Congress and Federal agencies <input type="checkbox"/> Check if None U.S. HOUSE OF REPRESENTATIVES, U.S. SENATE, State - Dept of (DOS), U.S. Trade Representative (USTR), White House Office, Energy - Dept of, Commerce - Dept of (DOC)			
	INCOME OR EXPENSES - YOU MUST complete		
12. Lobbying			
INCOME relating to lobbying activities for this reporting period was:			
<input type="checkbox"/> Less than \$5,000			
<input checked="" type="checkbox"/> \$5,000 or more <input checked="" type="checkbox"/> \$ \$30,000.00			



On the left is re-arranged and condensed information from a two-page U.S. Lobbying Report disclosing the U.S.-Poland Business Council's lobbyist and lobbying amount of \$30,000 for the year 2011. **Elizabeth Chapman** with the legal firm **Williams and Jensen LLC** was lobbying a series of U.S. institutions: U.S. House of Representatives, U.S. Senate, the U.S. State Department, the U.S. Trade Representative, the White House Office, Department of Energy, and the Department of Commerce. The lobbying was approved by the USPBC's president, Eric Stewart. Are there more such reports for the USPBC for 2011, and others by individual members of the USPBC made for the same purpose?

Photo (right) of Presidents Bronislaw Komorowski and Obama, and their aides, at a press conference on May 28, 2011 at the presidential palace in Warsaw.

Photo (below), the meeting of the EU-US Summit in Vienna, Austria, on June 21, 2006, and the release of the Vienna Summit Declaration.



11-(12). November 4, 2009 - the U.S.-EU Energy Council as a fracking conduit into the EU

Formal bilateral energy directives between the United States and the European Union were engraved on November 4, 2009 at the first meeting of the U.S.-EU Energy Council (UEEC) in Washington, D.C., made within the framework of the EU-US Summit meeting on November 3rd held in Brussels. According to the U.S. Energy Department's wing, **Energy Efficiency & Renewable Energy** (EERE), its website states (under the "Europe" link) the UEEC "was created in November 2009 to deepen the transatlantic dialogue on strategic energy issues and establish low carbon energy sources, while strengthening scientific collaboration. The Energy Council has created three working groups that focus on Global Energy Security and Markets, Energy Policy, and Technology Research, Development and Demonstration."

The European Union's website (eurunion.org, under EU/NR 47/09) informational bulletin states that "with the Energy Council, the European Union and the United States aim to deepen their bilateral energy cooperation and to address the growing challenges of global energy security,

sustainability and climate change.” EU Research Commissioner Janex Potocnik (Slovenia) said in the bulletin, “Scientific cooperation to foster development of low carbon energy technologies will be a key pillar of this new EU-US Energy Council. The inclusion of research in this bilateral cooperation is also a political recognition of the importance of science to address our common challenges.” The bulletin also provided a bit of history on its formation linking it to the EU-US Summit meeting in Vienna on June 21, 2006, where “the EU and the US agreed to develop strategic cooperation on energy and energy security, presented in a joint declaration.”

According to a Question & Answer document generated for the November 4th inaugural meeting (MEMO/09/490), “the proposal to set up an EU-US Energy Council was officially tabled in June 2009 via a letter that Secretary Clinton’s special envoy for Eurasian Energy questions, **Ambassador Morningstar** sent to Minister Fule, HR Solana, the President of the Commission as well as Commissioners Ferrero-Waldner, Piebalgs and Potocnik.” Described in a previous chapter of this report, in 2009 U.S. Secretary of State Hillary Clinton appointed two men to lead the international “energy security” charge, **Richard Morningstar** and **David L. Goldwyn**, the latter of whom helped implement numerous agreements with China, India, Jordan, etc., on the development of unconventional oil and gas shales under his Global Shale Gas Initiative. Under his energy envoy Eurasia portfolio, Morningstar would be a keen ally and political advocate for the petroleum industry in its unconventional advances both abroad and at home.

Inaugural meeting of the U.S.-EU Energy Council on November 4, 2009, at the Benjamin Franklin room in the White House. To the far right at the u-shaped rectangular meeting table is David Goldwyn, with hands cupped, and to his right, with the red tie, is Richard Morningstar. In the center table area, the middle two seated figures are U.S. Energy Secretary Steven Chu and Swedish Deputy Prime Minister Maud Olofson. To Olofson’s right is Swedish Foreign Minister Carl Bildt. (The two Swedes represented the EU Presidency) On Chu’s left is U.S. Deputy State Secretary James B. Steinberg.

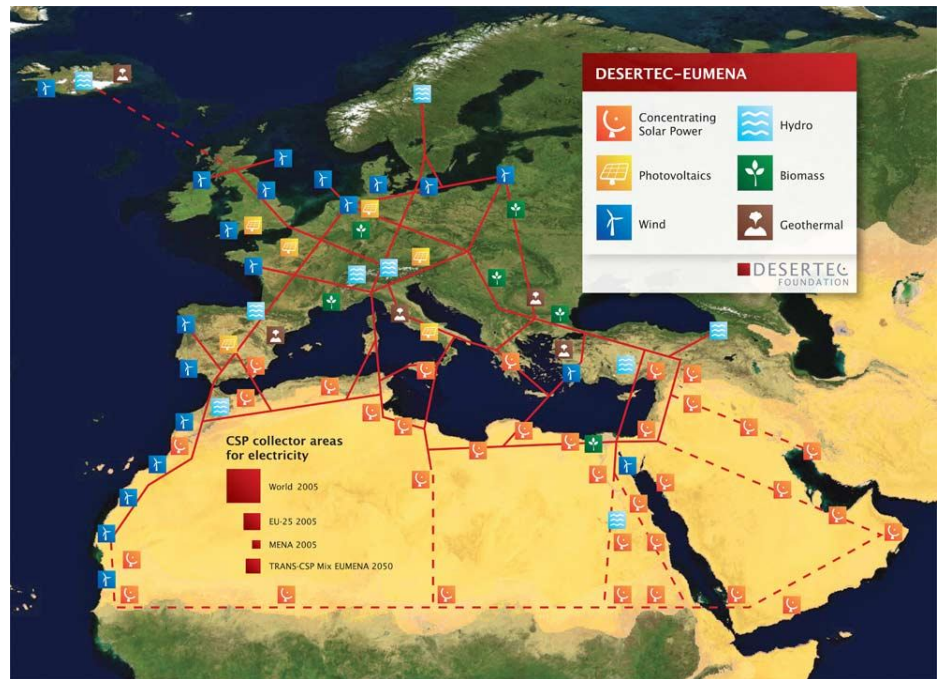


The November 4, 2009 inaugural meeting was preceded by an Energy Security and U.S.-EU Cooperation forum held at the Brookings Institution on November 2nd, one of Washington D.C.’s big think tanks. The forum was co-organized by the Polish and Swedish embassies. Of the 14 speakers at the forum, included were Sweden’s foreign minister Carl Bildt, European Commissioner for external relations and EU neighborhood policy Benita Ferrero-Waldner, and Richard Morningstar, all three of which attended the November 4th UEEC meeting. Radoslaw Sikorski, Poland’s foreign affairs minister also spoke at the Brookings event.

Another meeting of the UEEC occurred in Lisbon on November 19-20, 2010. In the Council’s Joint Statement was the following sentence: “We agreed to exchange expertise on environmental issues related to the utilization of unconventional gas resources, including shale gas, especially with a view to addressing the issue of public acceptability.”

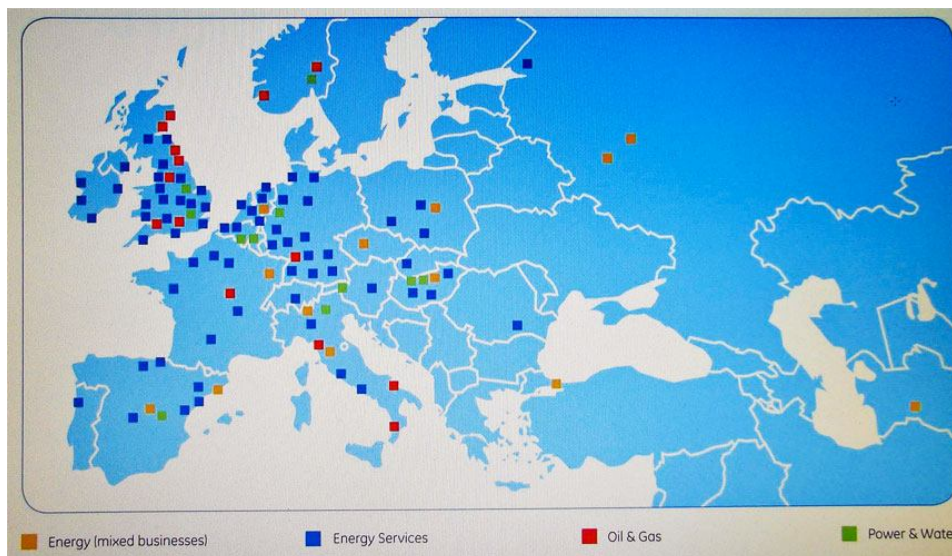
11-(13). The Supergrid

One of the Council's integrated purposes, not specifically defined in its mission statement, was in helping to pave the way for a Europe-Middle East-Asia-Africa energy supergrid. According to the website DERSTEC (www.DESERTEC.org), the idea of the supergrid emerged in 2003 from a group of scientists and businessmen. By late 2008, the European Commission was showing serious interest in this



concept, and on December 2, 2008 MIT's *Technology Review* published a piece on the supergrid concept. Various conceptual maps of the supergrid emerged. Six different categories of energy-based technologies or sources were defined: hydro power, wind power, bio-mass power, solar power, and photovoltaic power. As the emergence of shale gas advertised by the U.S. State Department came into play in Europe/Asia by 2010, the natural-gas-as-supergrid-power source emerged into the mix of technologies. The supergrid vision is undoubtedly a key factor in NATO's recent involvement in "liberating" Libya from dictator Gaddafi, as the grid necessitates the inclusion of Libya. Libya also has enormous untapped reserves of unconventional shales.

One of the major international energy-based corporations serious about this concept is GE (General Electric), which is an originating member of the U.S.-Poland Business Council. At a June 15, 2011 conference, *Renewable Energy - Prospects for the Polish-German Cooperation*, held at the Sheraton Hotel in Sopot, Pomerania, just north of Gdansk, on the edge of the Baltic Sea coastline, GE's digital energy account director Peter Knazko delivered a presentation, *The European Supergrid*. The powerpoint, marked "proprietary & confidential," is informative.

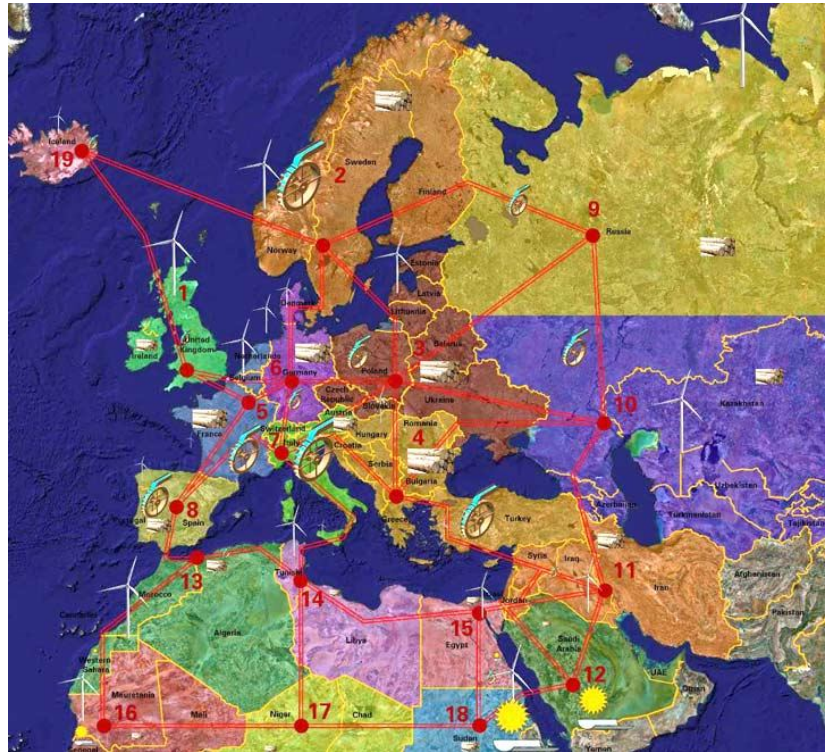


GE has "over 300,000 employees world-wide," and in 2010 generated \$150 billion in revenues. In Europe, GE Energy has 31,000 employees in three categories: Energy Services, Oil & Gas, and Power & Water.

Image presentation, showing GE's operations.

GE's corporate headquarters for Central and Eastern Europe is in Warsaw, Poland, with three other Poland-based offices in Klodzko, Bielsko-Biala, and Lodz, where it employs 12,100 people, 2,000 of which are in its GE Energy department. In its evaluation of the new "electrical highway system" supergrid, is a target date of 2050, with "stimulus funding" from the *European Strategic Energy Technology Plan* and the *European Electricity Grid Initiative*. Knazko said that one of the components to "accomplishing" a supergrid would be in "**overcoming social, legal and financial barriers that exist today.**"

GE is also in the nuclear energy business. BusinessWire reported on July 27, 2011, *GE Hitachi Nuclear Expands Supplier Network in Poland as Government Prepares to Build First Nuclear Power Plants*: "With Poland evaluating two GE Hitachi Nuclear Energy (GEH) reactor models for the country's first nuclear power plants, GEH today announced it has signed a memorandum of understanding (MOU) with Warsaw-based engineering firm Energoprojekt Warszawa, S.A. (EW) to discuss the feasibility of partnering on future reactor projects."



On September 10, 2011, at a pre-election OP Party conference in Warsaw where Donald Tusk gave a rallying speech, a Greenpeace activist pranced up to the stage area and waved a banner, "we want clean energy". One of Tusk's security agents immediately ran up to the stage and took away the banner. Greenpeace later staged a few events at press conferences held by Tusk with banners concerned about nuclear energy proposals.

On May 30, 2011, an article by Gas&Fuels, *GE Natural Gas Plant 'Will Help Meet Renewable Goals,'* was an announcement of a "first-of-its-kind" 510 MW natural gas power plant, FlexEfficiency 50, that was unveiled in Paris. "GE says the plant is the result of more than \$500 million of research and development investment," and "uses a next-generation 9FB Gas Turbine that operates at 50 Hz, the most-used power frequency around the world."

11-(14). May 31 - June 1, 2011 - One Month to the EU Presidency

The second annual *Shale Gas Results in Europe* conference was held in Warsaw on May 31 to June 1, 2011. **Cleantech Poland**, which had just launched its glossy *Shale Gas Investment Guide* for Poland (image to right), was handing out copies to conference delegates. Others in this “media” conference category included **Balkans.com**, the **Eurasia Energy Observer**, **GlobalData**, **Natural Gas for Europe**, **News Base** (unconventional oil and gas monitor), **Oil & Gas Eurasia**, the **Oil and Gas Magazine**, **OilVoice**, the **Petroleum Club Magazine**, the **Petroleum Economist** (headquartered in the U.K.), **Shale Daily**, **Upstream Online**, **Wiadomosci Naftowe i Gazownicze** (Polish oil and gas news), and **World Oils** (marketing company).

Conference chair Adrian Topham, from **Baker Hughes**, gave the introductions. On the first day Richard Scherer (**LNG Energy Ltd**) began by speaking on *Examining Shale Gas Development and how Learnings will be Incorporated into Driving Profitable Shale Gas Results in Poland*. Other speakers on the first day included representatives from **Realm Energy International**, **San Leon Energy**, the **Polish Geological Institute**, **Cuadrilla Resources**, **Geological Survey of Denmark & Greenland**, **CDM**, **EQT Production**, **Ukraine’s Ministry of Ecology & Natural Resources**, **DI International**, and **Statoil & Oxford Institute for Energy Studies**.

The second day, June 1, vice president of unconventional resource project with Weatherford International, Rob H. Gales, provided delegates with a “breakfast briefing” on *Shale Gas Results From Other Parts Of The World; Examining The Lessons Learned, What Can Be Applied To Europe And What Has To Be Done Differently*. The representative conference speakers for that day: **Baker Hughes**, **Weatherford International**, **Schlumberger**, **CDM Poland**, **Canadian Quantum**, London’s **Imperial College**, **Talisman Energy** (Keith Minnich, Talisman’s Water Sustainability Advisor, spoke on “the possibility of drinking water contamination”), and **Multi-Chem**. **Michael Schuetz**, the European Commission’s Directorate of General Energy’s Policy Officer for Indigenous Fossil Fuels, and **Malgorzata Szymanska** with Poland’s Ministry of Economy’s Head Natural Gas Division both spoke on *Understanding EU Energy Policy Relevant To Unconventional Gas & How The Ministry Of Economy Will Respond To An Increase In Production*.

AmCham
Cleantech Poland
RSVP / Taylor Wessing

Shale Gas
LAUNCH PARTY

VIP investment
GUIDE/POLAND
6:00-9:00 pm | Thu, May 26 | Axis Bar

ul. Grzybowska 63 **Hilton Hotel**

RSVP | info@CleantechPoland.com

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*In an environment where oil & gas events are frequently attracting between 50 and 90 delegates; the **Global Shale Gas Series** has increased it's attendance figures consistently through five conferences in the past year. Our initiatives have attracted between 200 delegates at the launch **Global Shale Gas Summit** in Warsaw, July 2010 to over 400 at the **Shale Gas Water Management Marcellus Initiative** in Pittsburgh in April 2011.*

The testimonials to the right are evidence of the unrivalled technical, strategic and networking quality provided in the Global Shale Series. See below, for the cost comparison of a two day conference:

Shale Gas Results In Europe 2011 currently charges: **\$1,170 (USD)**

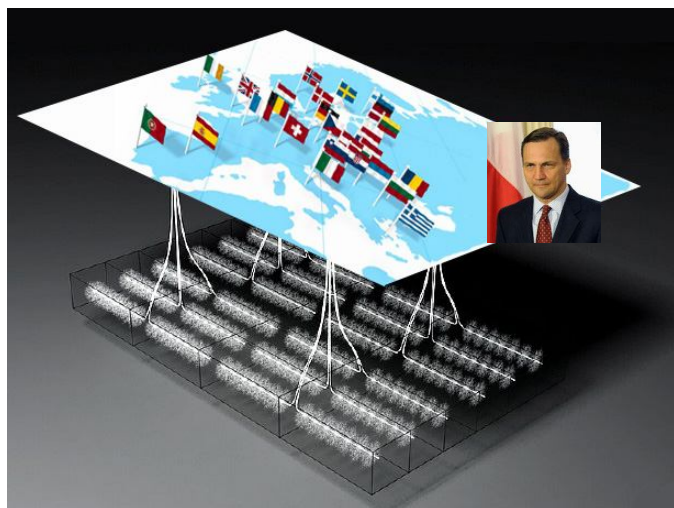
\$2,035: *An unconventional gas conference in Paris, February 2011*

\$2,421: *A general unconventional summit being held in London. March 2011*

\$2,604: *A general shale gas conference being held in Warsaw, April 2011*

The Global Shale Series offers greater multi-dimensional value, for a lower cost.

11-(15). The EU Presidency



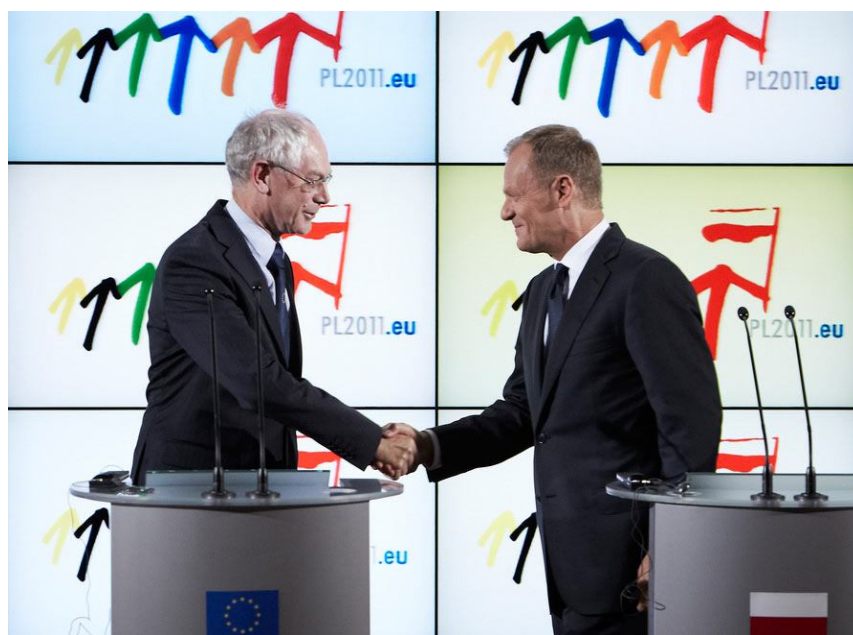
1. PRIORITIES OF THE POLISH PRESIDENCY. The first session was opened by the speech of Radosław SIKORSKI, Minister of Foreign Affairs of Poland.... Mr SIKORSKI argued that the priorities of the Polish presidency can be summarized in three clusters, namely boosting Europe's economy, strengthening its security and opening the Union to its neighbourhood..... Mr SIKORSKI stated that security has to be increased. In terms of energy security, shale gas could shield Europe from high gas and oil prices and diminish CO2 emissions.¹⁸

The rotating Presidency -- and especially a grand ceremony like this evening's -- also shows citizens in a very visible way that the Union is a collective work, taken care of by 27 equal partners. The European Union is not some machinery in Brussels producing directives or redistributing funds. No, the Union is a deeply political project: it embodies the common destiny of 27 states and 500 million citizens on our continent. Together we work on concrete proposals serving the prosperity and security of our citizens, together we face the future.

In Poland you know this very well. For you, membership of the European Union was the crowning of a long struggle for sovereignty and freedom.

During the difficult moments of history, your country never lost its confidence, its culture, its dignity, its own personality. The Polish people wanted to find its place back amongst the free nations of the world. So many uprisings for democracy and justice are witness to this, so many battles for freedom and solidarity. These moments defined your country.

Ultimately, in 1989, they sealed the beginning of the end of the Cold War. They opened a new era for Europe as a whole. And we are all thankful for that. Since then, Poland has transformed itself into a democratic, modern and prosperous country.



¹⁸ TEPSA Pre-Presidency Conference Report - *Priorities of the Polish Presidency of the European Union*, College of Europe, Natolin Campus, Warsaw, June 30 - July 1, 2011.



For all these reasons, all other Europeans -- from Finland to Portugal and from Ireland to Cyprus -- are proud that the Polish are a member of the European family, that you bring this experience and this courage to our common adventure. And I can assure you, with all the challenges we face, both internally and externally, that chairing the EU Council will give you ample excellent opportunities to show these qualities to Europe as a whole!

That is why I want to wish the Polish Prime Minister and his government the best of luck for the upcoming six months! Together, we will work on more Europe.¹⁹



¹⁹ Speech by Herman Van Rompuy, President of the European Council, at the opening ceremony of the Polish Presidency of the Council of the European Union, July 1, 2011.