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12 August 2011

Dear Sirs

PROPOSED SOUTH WESTERN KAROO BASIN GAS EXPLORATION PROJECT – PETROLEUM AGENCY OF SOUTH AFRICA REFERENCE NUMBERS: 12/3/219, 12/3/220, 12/3/221: REQUEST FOR AN EXTENSION OF TIMEFRAMES AND FEEDBACK FROM COMMUNITY WORKSHOP SERIES

We refer to our letter of 5 April 2011, setting out detailed facts and legal argument in support of our request that you grant an extension for at least a further 120 days for interested and affected parties to submit comments and raise concerns in regard to the Shell application mentioned above. We also refer to our letter of 30 May 2011, providing details about the community workshops to be run throughout the Karoo in June 2011, and requesting your assistance in relation to procuring Golder Associates' support for an information brochure to be used during these workshops. Copies of both these letters are attached for ease of reference.

It is unfortunate that PASA is not even prepared to acknowledge receipt of our correspondence, far less provide a substantive reply of any kind. This disregard for civil society and communities' concerns will no doubt be relevant in future legal proceedings in relation to this matter.

We provide you herein with a report on our community workshop series, hosted jointly with the Wildlife and Environment Society of South Africa, our findings and recommendations. We also attach comment sheets completed by delegates to these workshops. Despite PASA's lack of response to our formal request for an extension of timeframes for a decision on the draft EMP submitted to PASA by Shell in its shale gas

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exploration right application, we submit that it would be remiss of PASA not to take into account these further comments from affected communities in its recommendation to the Minister of Mineral Resources in terms of s.71(i) of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA).

The community workshop series was rolled out in 17 different towns across the areas in the Karoo affected by current shale gas exploration right applications, and took place on 30 May to 5 June 2011 in Calvinia, Williston, Sutherland, Fraserburg, Carnarvon, Beaufort West, Victoria West, Murraysburg, Richmond and Middelburg, and on 21-26 June 2011 in Graaf-Reinet, Pearston, Somerset East, Cookhouse, Bedford, Adelaide and Cradock.

The core objectives of the workshops were:

- raising awareness around the applications for shale gas exploration as well as environmental rights in general;
- informing communities about the potential impacts that may arise during the exploration and production phases of the applications;
- creating an opportunity for discussion and expression of concerns and questions in a neutral environment; and
- encouraging communities to get involved in the decision-making processes around shale gas exploration.

In total, the workshops were attended by 234 community representatives. Lists of all organisations invited to the workshops, as well as all organisations and individuals who attended the workshops, are attached hereto.

Attendance of workshops was affected by weather (it was particularly cold), queues for government grants and other events, including funerals. In Somerset East, Cookhouse, Bedford and Adelaide we found that community members had never heard of any companies applying for rights to explore for gas in the Karoo hitherto. This affected attendance of the workshops, as community members were not aware of the importance and relevance of our workshop and therefore decided not to attend.

We draw to your attention that, as part of its public participation, Golder Associates appointed by Shell only visited 10 of these towns, namely Sutherland, Calvinia, Williston, Somerset East, Middleburg, Cradock, Victoria West, Murraysburg, Beaufort West and Graaff-Reinet. Out of a total of 234 delegates to the joint CER/WESSA workshops, only 32 workshop delegates (14%) had also attended the Golder Associates' public participation meetings. Only 59 (25%) had any prior knowledge of any shale gas applications having been submitted to PASA.

The chief concerns voiced by workshop attendants are set out in the table below:

Concerns	Western Karoo	Eastern Karoo
Water	In the arid western region of the Karoo, this remains the largest anxiety. There is tumultuous concern that limited water supplies can be contaminated by the fracking process.	As there is a shortage of water across the Karoo, residents were concerned that they did not know where the oil companies would get their water from. Anxiety was expressed at the risk to their groundwater on which they are very dependent.
Employment and economic opportunities	Emerging farmers and farmworkers fear that if the agricultural sector is adversely affected (through competition for water or contamination of groundwater) then	There was a general fear that if the agricultural sector is hampered then there would be major job loss, less money brought in to towns and a threat to food security.

	they stand to lose their jobs. Town residents feel that competition for jobs will increase as people flock from neighbouring areas in search of work.	Some community members in the Eastern Karoo welcomed big oil companies to drill for gas near their towns so that they can capitalise on economic benefits that may be created. This was a dramatic shift in feedback, as almost every member in the western half of the Karoo was totally opposed to gas extraction. In the east, a significant amount of community members were desperate for employment and would invite any development that holds economic benefits irrespective of how destructive it might be for the environment. A need to change the status quo precipitated from the workshops and attendants were willing to succumb to any development if it changed the status quo.
Health	There are many possible avenues through which health can be unfavourably impacted and because there is a shortage of clinics and hospitals in the Karoo, residents feel that the towns will not have the capacity to deal with large scale illnesses.	Residents felt that if their health was adversely affected by the extraction of shale gas, the community could seriously be affected as the Karoo does not have the capacity to deal with large scale illnesses.
Loss of unique Karoo characteristics	The unique landscapes, topography and biodiversity will be affected by the establishment of multiple drilling sites, and residents feel that the elements that characterise the region will be lost. Consequently, the growing tourism sector will take a plundering resulting in more job loss.	
Air quality	Flaring of gases and emissions from the influx of trucks in the towns will lead to considerably higher rates of air pollution.	
Roads and traffic	Karoo roads are generally in a poor condition and very sensitive to any extremes, therefore residents fear that roads could be devastated.	
Agriculture and food security	In the event that the agricultural sector is endangered, the supply of food could be severely hampered by declining production rates.	There was a general fear that if the agricultural sector is hampered then there would be major job loss, less money brought in to towns and a threat to food security.
Social impacts		An influx of people in the towns will accompany a suite of social hazards. These include: HIV/Aids, alcohol and drug abuse, crime and prostitution. As

		these are problems already rife in the Karoo, there is a concern that if it is exacerbated it would be extremely difficult to contend with.
Role of local government		In the more politicised eastern region, the role of local government came under scrutiny. Many residents were not aware of any of these applications hitherto, and were concerned that local government was not up to speed in its involvement in this process. They felt that it is the duty of local government and the councillors to inform residents about these various applications and potential impacts. They were also curious about the role of local government in the decision-making process and how best to communicate with local government to promote their agendas. We had found that in the eastern region, community members were hesitant to act without the consent from local government. Community structures and organisations were not independent of local government and were very hesitant to do anything that might be contrary to government stance. Local structures questioned whether decisions made by local government leaders were political ones or in the interest of the community.

Workshops were well-received and many delegates expressed gratitude for the opportunity to be informed of the proposed shale gas exploration in the Karoo. As this may be relevant for further consultation by applicants for shale gas in the Karoo in future, we also list below some of the feedback from delegates on the joint CER/WESSA workshops:

- *Follow-up workshops:* Attendants noted that in order to consolidate successes of these workshops we need to have another round of workshops. This would serve as a means of monitoring their progress and disseminating more material regarding the opportunities and channels for efficient involvement.
- *Better attendance:* Community leaders felt that we needed to invite bigger crowds and municipal members. They felt that the information was very important and needed to be divulged to a bigger audience. Leaders also felt that more awareness needed to be created prior to the workshop.
- *Graphic illustrations:* The use of diagrams to simplify the process of fracking was very effective. Attendants suggested that we make use of more diagrams to aid their understanding of other complex processes.
- *Access to information:* Attendants would like access to the material that was presented to them. They requested that it be sent to them so that they could present it to other members of the community. They also felt that booklets or manuals containing the information would have made it easier for them to understand and distribute information.
- *Channels of communication:* Community organisation members felt that they required more

information about the best way forward and how best to make their voices heard.

- *Need for an interpreter:* In the rural Eastern Cape, workshops cannot be held effectively without a well-qualified Xhosa-speaking interpreter.
- *Time allocation:* Attendants felt that we needed to allocate more time to discussions after the workshop. They felt that factors such as the weather and translation had taken too much time and not enough was left to discuss key points.

Our overall assessment is that disadvantaged communities in the Karoo are in urgent need of further consultation to ensure realisation of their rights to administrative justice, amongst others. Due to limited resources and other constraints, the joint CER/WESSA workshops reached less than 250 community members. Less than a third of these community members (who had after all have shown enough interest in the issue to come to a workshop) had any prior knowledge of any of the shale gas applications submitted to PASA, and perhaps a handful had had sight of the draft EMP intended for submission to PASA by Shell. The educational background of most community members who attended the workshops is such that they would not understand the contents of the EMP without assistance. We are gravely concerned that affected communities from these extremely impoverished parts of the Karoo are being excluded from this process, in violation of their rights under the Constitution.

We therefore make the following urgent recommendations and requests to PASA:

- that, before PASA makes a recommendation to the Minister on a decision on the Shell EMP, it requires additional consultation with disadvantaged communities in the Karoo, specifically making additional transport and other arrangements for communities to attend these meetings, and having regard to the feedback from delegates regarding the joint CER/WESSA workshops described above;
- that, as requested in our letter of 30 May 2011, PASA directs the applicants for shale gas to fund the production of a simple brochure reflecting the information in the Shell EMP in a factual, objective but simple and easy-to-read way; and
- that, in any event, PASA takes into account and communicates to the Minister in its recommendations the views of communities as summarised and attached to this letter.

We look forward to your response within 7 days.

Yours faithfully

CENTRE FOR ENVIRONMENTAL RIGHTS

Per:



Melissa Fourie
Executive Director