

RepRisk analyses controversies of firms engaged in Arctic drilling

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A new report by business intelligence provider RepRisk has analysed controversies related to operations by Royal Dutch Shell, Cairn Energy, Gazprom, Exxon Mobil and Statoil and their proposed and existing drilling projects in the Arctic region in the last four years.

The report, 'Special Report: Arctic Drilling', found that most energy firms have no contingency plans in place in the event of an accident due to freezing waters.

Although most believe the Arctic region has huge untapped resources of oil and gas, critics believe that opening the region for commercial drilling could damage the environment, livelihoods and affect animals like polar bears in the region, stated the report.

Shell, the report said, has continued with its project in Arctic despite knowledge of technical problems and has failed to manage and oversee its contractors.

Earlier in 2013, the US Department of the Interior alleged that Shell failed to provide safety for its employees in the Arctic region.

Cairn Energy was also involved in controversies for its exploration and extraction activities in the Arctic region for the last three years, despite revealing that its wells, At7-1 and At2-1, are not suitable for commercial extraction in 2011.

According to environmental group, Greenpeace International, Cairn is not prepared to meet the challenges of operating in the Arctic region. Russian oil firm Gazprom has also been criticised for its activities in the Arctic region since 2008.

Gazprom Neft Shelf, has faced strong opposition for the development of the Prirazlomnaya Oil Field on the Pechora Sea shelf in the region due to inadequate safety methods.

The report said that ExxonMobil and other firms have received warnings to stop any drilling and exploration plans in the region, while Statoil has suspended its drilling plans in the region due to a lack of safety standards.

The information for the report was taken from a wide range of sources including newspapers, news sites, NGO and governmental sites, blogs and social media.

*Image: The report found that energy firms have no contingency plans in place to avert any accident.
Photo courtesy of James Brooks.*