

CASE STUDY – COAL SEAM GAS AND SHALE GAS



SHENHUA

Client

Shenhua

Service

Coal Seam Gas & Shale Gas –
Engineering

Location

China

Project Challenges:

- Shenhua (the world's largest coal supplier) invited Mitchell to jointly bid on the 2nd round of shale gas blocks released by the Chinese government
- Mitchell given first right on a 60 / 40 JV to develop the block
- Shenhua strategy is to become China's number 1 unconventional energy supplier

Our Approach and Equipment Used:

- Mitchell was responsible for completing:
 - Geological, reservoir and financial assessment

- Designing the exploration and drilling program
- Health Safety Environment compliance

Client Outcomes:

- Shenua / Mitchell awarded their first preference – the Baojing block in the Hunan province
- Valuation of block based on mid range comparable price of USD \$3,250 per acre x 40% = USD \$214.8m