CORPORATE LiveWire

Round Table: Energy & Natural Resources

With 2012 having been the United Nations International Year of Sustainable Energy for All, we felt it was apt to look at ju has been in the Energy & Natural Resources sector. In this roundtable we speak to eight leading experts from around the regulatory changes have been implemented as well as what upcoming changes we can expect in the future. We also get other hot topics such as the on-going controversy surrounding hydraulic fracturing, how to avoid a PR disaster in the oil i

Click or drag up to four experts into the centre of the table to read and compare their respo
If using a smartphone just click on the expert's picture to select them.

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All Questions

1) Can You Summarise The Current Trends Or Recent Regulatory Changes In Yo

Edmond Grieger
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Current trends and objectives may be identified from Mexico's National Energy Strategy, am highlight the strong trend to increase the availability and diversify the sources of energy gene of energy security. In this regard the federal government is encouraging national and foreigr renewable energy projects. This approach started during the previous administration from th Party (PAN), and will be further implemented by the newly elected administration of Mr. Enric the Institutional Revolutionary Party (PRI).

Among various laws, regulations, strategies, programs and plans promoting renewable ener laws in particular, the Law for the Public Service of Electric Energy, the 2008 Law for the Use Energy and the Financing of Energy Transition and the 2012 General Climate Change Law, creating a positive regulatory and financial environment for investment in renewable energy. Change Law sets goals of generating at least 35% of Mexico's electricity from clean energy s latter in accordance with the electricity generation objective set forth in the National Energy S

Hermenegildo Altozano
Bird & Bird

Power tariff deficit has been a key item in the Spanish political agenda over the past 12 mon November 2011 elections brought a change of the Spanish Government, one of whose main reform of the Spanish energy sector in order to decrease the Spanish power tariff deficit (€2 2011 but increasing) and also the gas tariff deficit (€200 million) (i.e. the difference between to the supply of power and gas and the income obtained through tolls and tariffs).

According to the Spanish Government the incentive scheme for renewable energies is one o power tariff deficit. The initial previsions as to the installed capacity of renewable energy pro largely surpassed thus originating a higher commitment by the power system towards the pa incentives to renewable energies. The reluctance by the Government to increase tariffs and cover this increase in the costs of energy production has resulted into an increasing power ta context, the Spanish Government has, since early 2012, passed several regulations aimed a tariff deficit.

These measures have primarily adversely affected the renewable energy sector (in particula thermal solar and wind) by means of retrospective reduction of feed-in tariffs, moratoria and taxes. Specifically:

Royal Decree Law 1/2012, of 27 January 2012, suspending the pre-assignation procedures and incentives of power production facilities based on renewable energies. This regulation h impact as follows:

- The temporary suspension of the incentives and tariffs for those projects which were n registry of the Spanish Ministry of Industry and, thus, the immediate freezing of the dev projects based on renewable energies.
- Some of the foreign investors in Spain, especially photovoltaic solar modules manufact bankruptcy or insolvency proceedings, as a result of the fact that sponsors in Spain did purchase orders as a consequence of the suspension of the incentive regime.
- Due to the lack of projects in Spain, many of the Spanish sponsors and contractors hav jurisdictions in which significant developments in renewable energy projects have been Africa, Italy, Chile, etc.).
- Due to the lack of legal certainty and stability of the legal regime, financial institutions h limited the financial transactions in the energy sector in Spain and, therefore, sponsors look for alternative financing.

Law 15/2012, of 27 December, on tax measures for energy sustainability. The main features of this new law are the following:

- Creation of a tax on the value of generation of electric energy;
- Creation of a tax on the production of used nuclear fuel and wastes produced by the generation of nucleoelectric energy;
- Creation of a tax on the production of used nuclear fuel and radioactive waste in centralised plants;
- Creation of a levy on the use of continental waters to generate electric energy;
- Tax rate changes in certain special taxes;

Law 15/2012 has also introduced certain retrospective amendments to the Electricity Sector Act 54/1997 by means of which the share of electricity produced from fossil fuels (e.g. natural gas) by generation plants that use non- consumable energy as primary energy (e.g. thermal solar) are excluded from the feed-in tariff scheme.

Royal Decree Law 13/2012, of 30 March 2012, incorporating the EU directives on the electricity and gas internal market (EU Directive 2009/72/EC and EU Directive 2009/73/EC), and adopting measures to correct the deviations of costs and income of the electricity and gas sectors. This regulation has had significant impact in the Spanish gas sector as follows:

- The reduction of the incentives and tariffs for those gas infrastructures which did not obtained the final remuneration from the Spanish Ministry of Industry and the immediate freezing of the approval of new gas infrastructure projects;
- The obligation to separate the gas transmission and gas distribution or commercialisation activities and, thus, the obligation to those integrated groups (i.e. groups involved in the transmission and/or distribution and/or commercialization of natural gas) to relocate or transfer their gas transmission infrastructures, there including Iberdrola, Repsol, EdP

Sandra Manrique
Prietocarrizosa

At the date, in relation to the environmental and mining law, there are not recent regulatory c
In relation to gas regulation, there will be some modifications in the regulatory matters whicl
commercialisation of natural gas beginning in 2014.

John Ffooks
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Resource nationalism – increasing tendency for governments to want more of what they thin

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

Mexico had an election in 2012 as a result of which a new federal administration took office (2012. There are significant plans for a very important overhaul of the energy regulatory fram the "Pact for Mexico" (a tri-partisan agreement that includes over 90 specific actions to be ur impact in the legislative and administrative arenas). Some of those changes have already ta educational and cabinet structure matters, which gives credibility to the prospects of significa

the energy sector in the months to come in 2013. The Pact for Mexico includes significant in participation of the private sector in upstream, midstream and downstream activities.

In addition to the above, as of November 2008, the energy framework was amended substar Pemex (Mexico's NOC) more budgetary, financial and contractual flexibility (as a result, in 2(first two rounds of new integrated E&P service agreements were awarded by Pemex); and (i renewable framework to allow more investment in the sector, which had as a result the issua instruments by the sector regulator (Energy Regulatory Commission), such as energy "banki renewable projects.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

Chile has been very active these recent years with respect to environmental regulations and institutional framework created in 1994 by Law 19,300. On 2010, after 18 years, the environ statute was amended to redesign the environmental agency transforming it from a low profile weaker and diffused functions to a Ministry with broader scope and strong powers. The ame included adjustments to the environmental assessment system and the creation of a new co enforcement framework for environmental matters. The new compliance and enforcement fr on two new institutions: a specialised enforcement agency (the "Superintendence of the Env creation of specialised environmental tribunals with jurisdiction on environmental affairs.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

In summary, we see that recent regulatory changes in Indonesia drive Indonesia into the sta sovereignty. However, energy sovereignty does not mean driving investors and industrialist need investors but in collaborative partnership that enables Indonesia to get a fairer share. \ aim is not to nationalise what foreign investors have put, like what Hugo Chávez did with sev companies in Venezuela, but for Indonesians to have fairer shares in exploiting resources in

The enactment of the Law No. 4 of 2009 concerning Mineral and Coal Mining (the "New Min implementing regulations, as the new mining law regime, provides fresh air to foreign investc hiding behind complex cooperation and off-take agreements. However, we also see that in c sovereignty newer implementing regulations of the New Mining Law also require mining com the chances of getting new business in Indonesia by, for example, establishing smelter plant raw minerals by 2014.

Stephane Brabant
Herbert Smith Freehills

Although I am based in Paris, my response to this question will cover some recent developm Africa, which has been a key focus of both my, and the firm's, energy and mining practices ir

Hydrocarbon Exploration and Exploitation in France

A political and legal debate is currently underway in France regarding the exploration for unc hydrocarbons (principally gas fracking) and the reform of the French mining code (which gov exploration and production within France). Since the introduction of a ban on hydraulic fracti permit requests (including initial applications, renewals and assignments) have been suspen of existing permits has been questioned.

Some recent examples of the current trend against unconventional hydrocarbon exploration the French president's request (during an environmental conference held on 14 September 2 reject seven applications for permits to undertake shale gas exploration (citing the potential i the environment of hydraulic fracturing); and (ii) the bill against unconventional hydrocarbons exploitation proposed by the French Green Party in December 2012.

Although there is currently a lack of political support for the development of the French uncor

hydrocarbon sector, political support for current offshore hydrocarbon exploration in French Guyana is maintained (despite challenges by certain environmental organisations). An exploration campaign is currently underway to determine the potential of certain chosen oilfields. It should be noted that, from 1 January 2014, the mining fee exemption applicable to offshore production from hydrocarbon fields located on the French continental shelf will be abolished.

A reform of the mining code is also underway in order to ensure that the code complies with the French environmental charter, and in particular the charter's requirement for increased public participation in decisions which have, or can have, an environmental impact. A French law requiring a public consultation whenever an application for an initial exploration permit has been made has in fact already been adopted since 27 December 2012. It is our understanding that the mining fees regime will also be amended as part of the reform of the mining code which, as mentioned above, includes the removal of the mining fee exemption applicable to offshore production from hydrocarbon fields.

French Renewable Energy

Turning to renewable energies, political support has been reaffirmed in relation to renewable energies, although no concrete action has been taken to date with regard to the onshore wind farm industry.

Onshore wind farms are currently under threat due to a challenge made against the feed-in-tariffs regime (FIT) (which some parties deem to be state aid, which is largely prohibited under EU law) applicable to such projects. As a result of the current legal uncertainty, funding for onshore wind farm projects is being blocked pending the outcome of the legal challenge (which is currently in front the European Court of Justice) against the FIT.

The French State is eager to encourage calls for tenders in respect of renewable energies, as this system is considered to be a more suitable alternative to develop this industry in France than the current FIT regime. A new call for tenders for offshore wind farms is expected to be launched in early 2013.

French Power Generation

Following the above-mentioned environmental conference of September 2012, and the on-going debate in France regarding which power generation mix should be applied, a new set of legislation should be presented to the French parliament in 2013 in order to implement what is often referred to as the "energy transition". As part of this energy transition, the French president recently renewed a pledge to cut the share of nuclear energy in France's power generation mix to 50% by 2020 from 75%.

In respect of the French gas and electricity markets, the intervention of the French state within this sector (via the imposition of regulated tariffs) has been questioned and challenged in court. As a result of these legal challenges, the regulated tariffs applying to (i) the transport of electricity by ERDF; (ii) the sale of electricity; and (iii) the sale of gas by GDF Suez, were either cancelled or suspended by the French Conseil d'Etat in 2012.

To a certain extent, French energy policy currently contradicts the applicable EU competition rules. In addition to the examples provided above, this breach of EU competition rules can be evidenced by the French ministry of ecology's announcement in October 2012 that it rejected opening hydroelectric concessions to competition (through a call for tender).

In relation to coal power generation, it is envisaged that most French coal fired power plants will be closed by 2015. As a result, GRTgaz anticipates that power provided from combined cycle gas turbine plants will increase from 1GW in 2009 to 10GW in 2020. This shift away from coal power generation is due in particular to the following regulatory changes:

A capacity obligation mechanism being introduced in the French domestic electricity market in order to ensure the market (especially energy suppliers) is always able to cover demand during peak periods (as part of this mechanism, energy suppliers will be required to have the power generation capacity of their installations certified). A decree in relation to the adoption of this mechanism was adopted in December 2012 and further regulations should be approved during the course of 2013.

From 1 January 2013, power plants generating electricity will no longer benefit from a free greenhouse gas allowance allocation. As a result, from this date until 2020 electricity producers will be required to purchase sufficient greenhouse gas allowances (through an auction system) to cover greenhouse gases emitted during their electricity generation process. Therefore, turning away from coal power generation (which emits a substantial amount of greenhouse gases) should reduce the amount of greenhouse gas allowances electricity producers will be required to purchase.

Regulatory Changes in Africa

Major energy related regulatory changes have also taken place, and continue to take place, in Africa. These changes focus primarily on the requirement for increased local community involvement and greater state participation.

For example, several African states have taken the decision to modify existing legislation, conventions and agreements in order to increase their free equity participation in energy and natural resources companies up to 35%. This participation will typically include a free carry interest of c.15%.

In addition, a number of African states have been adopting legislation to levy a tax on any super profits made by energy companies. This windfall tax is often aimed specifically at companies present in the oil and gas sector.

We have also noticed an increasing trend for local African legal systems to take account of international guidelines on business and human rights.

2) What Interesting Developments Emerged As A Result Of The World Energy F

Stephane Brabant
Herbert Smith Freehills

In Dubai, energy efficiency has been recognised as a key option in the hand of policy maker security, boost economic growth and preserve the environment. Some of the major energy c have announced impressive measures in this respect, such as Japan, which plans to cut ele by 10% by 2030, or the European Union, which is reportedly targeting a 20% reduction in de According to the World Energy Outlook 2012, successful action to this effect would have a r global energy market by reducing demand for oil by 2035 to the current production levels of I combined. An annual investment of US$170 billion in energy productivity worldwide could pr savings of up to US$900 billion per year by 2020, according to a report in 2008 by the McKin

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

The recognition that sustainable energy resources are key to sustainable development toget more encouragement is required to finance sustainable energy projects. Also, the debate ar for satisfying future energy needs in contrast with the development by a number of countries domestic regulations.

Sandra Manrique
Prietocarrizosa

The need to strengthen the search for alternative clean energy sources.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

There is a definite decision to move to renewable energy sources on a worldwide basis. The solar, eolic, geothermal and other renewable sources is now a clear pattern that is taking a s in developing countries. Mexico is no exception and we are seeing a growing number of ren based project s scattered all over the country based on the availability of sun and wind farms opposed to other countries, does not incentivise renewable energy projects with tax credits c (i.e., feed in tariffs). Given the nature of the Mexican power system, there is a natural marke

Another important issue is energy efficiency. Countries are starting to pay more attention to as results are starting to be tangible in the United States, where fuel efficiency in vehicles ha factor in the reduction of oil consumption in said country. Nuclear energy is amidst difficult ti accidents in Japan and increasing pressure from environmental groups, it is uncertain wheth power plants will be built in any relevant number anywhere in the world – experts believe tha in the long run a very attractive energy source, one that will just need to improve its safety m particular given their usual location near the seashores (and thus the risk with tsunamis and Mexico, through Pemex, will likely increase and direct most of its investment resources in the non conventional sources, such as shale and deep water, while promoting private participati sources of energy. Currently, Mexico is committed to reduce energy production from fossil fu 60% in 2035 and 50% in 2050.

Edmond Grieger
Von Wobeser Y Sierra, S.C

The Mexican Minister of Energy who attended the World Energy Forum had several interesti CEO of IRENA and the Executive Director of the International Energy Agency, in order to dis projects that could be engaged in order to continue supporting the development of renewabl Mexico. The Mexican government further committed to a permanent support through the ne and programs for the sustainable and more efficient generation of energy in our country. Ex actions are the continuing support for programs such as the national program to promote an aid for the use solar water heaters in residential homes (Procalsol); the national program for electro domestic equipment for energy efficient equipment; the national program for led lighti illumination systems, among others.

Hermenegildo Altozano
Bird & Bird

The main outcome of the World Energy Forum 2012 has been the production of the docume *Economic Growth. Energy Vision Update 2012*" which identifies energy as "the lifeblood of t a crucial input to nearly all of the goods and services of the modern world". According to this reasonably priced energy supplies are central to maintaining and improving the living standa people".

These ideas are not new. However the document does not contain a clear indication that in reliable energy resources it is important for regulators to create stable and predictable regula investors will create an efficient energy sector. The development of non-conventional source shale gas) shall depend on the reliability of industrial and environmental regulations.

The strategies of diverse countries, notwithstanding regional cooperation (e.g. Energy Chart result in the adoption of conflicting policies.

3) The United Nations ('UN') Has Designated 2012 As The International Year Of Energy For All. Universities Are Now Beginning To Introduce Courses On Sustai Solutions. How Critical Is The Situation Both Financially And Environmentally?

Sandra Maurique
Prietocarrizosa

Financially it will cause an impact, because the development of Sustainable Energy Solution expensive.

John Ffooks
John W Ffooks & Co

Concentrating on managed forests (for example) to produce sustainable charcoal for energy would be quicker, easier and cheaper than any number of white elephants building solar plar Jatropha biofuel plantations.

Hermenegildo
Altozano
Bird & Bird

Renewable energy projects are still largely dependant on feed-in tariff or tax credit schemes. need to ensure regulatory stability and predictability in the income in order for the sponsors t reasonable financing for those projects. However, the learning curve has lead to a new scer renewable energies that were dependent on feed-in tariffs and subsidies are approaching su basis of pool prices.

Edmond Grieger
Von Wobeser Y Sierra,
S.C

Over the last decade, Mexico has made a concerted effort to lay the groundwork for the deve sustainable energy in the country, through the issuance of renewable energy policies, strate regulations. Financing has been made available through Mexican and international funds ar framework for private investment in renewable energy. To bring renewables to those who m able to afford them, government programs such as Procalsol promoting the use of solar hot the Hipoteca Verde (Green Mortgage) helping to finance the solar thermal market, have bee implemented. Mexico is also host to the Cleantech Challenge Mexico which is a forum for cl energy entrepreneurs and companies to compete for a prize and US venture capital.

Turning to sustainable energy solutions is not a matter of choice, but it may occur in a way d envisaged originally. Indeed, alternatives to oil and gas are no longer solely renewables but In fact, shale gas and shale oil are becoming major foci for energy production, and the indus clean energy could suffer as a result. Coal might also recover some of its previous popularit countries are continuing to develop nuclear energy. Energy prices are expected to decrease in the US due to the development shale gas, and other competing countries will need to adju remain competitive. Environmental issues have not had much success in recent months (cf.

Stephane Brabant
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Climate Change conference), and it is far from certain if the development of low cost energy, environmental benefits, will be a key priority in these times of economic crisis, particularly in markets. This would have a detrimental effect on efforts to protect the environment.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

We are unquestionably at the crux of the point in history where sustainable energy solutions become both financially and environmentally viable. The juncture appears to be right for a s development in the number of these projects with a visionary outlook promoted by internatio institutions that are looking at a green policy in their long-term credit facilities. A threat to the from the recent developments in fracking and horizontal drilling technologies that have gene new round of proven reserves of shale gas and shale oil, particularly in areas where until rec energy related activities existed, such as some areas in the US, Mexico, China, Russia and I

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

Climate change driven regulations and the increase of energy costs have pressured differen adopt sustainable energy policies that consider the incorporation of solutions for energy effic incentives for sustainable energy projects. In the case of Chile, Congress is currently debati proposes to establish as a mandatory requirement that traditional energy companies show e the energy they supply come from sustainable sources.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

Conventional energy sources such as fossil fuel and coals are expensive and not everybody especially in the areas of under-developed and developing regions have resources and acce energy sources. With more than 7 billion people in the world and more to come, demands in energy sources makes them more expensive and inaccessible.

One of the agenda of the Sustainable Energy for All initiative is ensuring universal access to services. Thinking with financial hat, universal access to modern and sustainable energy me and new opportunities for entrepreneur, more jobs for the poor that would lead to income ge energy, decreased variability in energy cost, and in the end a better and sustainable econom countries, not only for developing countries but in a global range.

In environmental concern, usage of conventional energy sources is dirtier than, say, the usa power energy. We could expect that with the Sustainable Energy for All initiative environme conserved and people could have a better life.

4) In Light Of The United Arab Emirates' Ambitious 'Vision 2021' Plans, How Ca Move To Become A More Sustainable Environment?

Edmond Grieger
Von Wobeser Y Sierra, S.C.

The UAE 'Vision 2021' speaks of diversification of its energy sources and the mitigation of th change, among other aspects. Mexico has also developed a long-term strategy to diversify i including a goal of supplying 35% of its electricity through renewable sources by 2024, and M Climate Change Law has set the groundwork for developing the knowledge, institutions and all sectors of Mexican society to combat this global problem.

John Ffooks
John W Ffooks & Co

Other countries can become more sustainable if they ignore wholly unrealistic, politically mot stick to supplying sustainable fuel that 90% of the population needs – and which is currently rapidly diminishing hardwood forests. Walk first – run later.

Hermenegildo Altozano
Bird & Bird

Country plans are driven by different goals. Targets need to be measurable and when estab Governments and not by business community may result in consequences not originally fore

In the case of the energy sector the dilemma between long-term sustainable energy sector a term needs should be reflected in the energy "mix" whereby clear long-term signals should b regulator. Stability of the regulatory frame is the key driver for the energy sustainability. Oft change, particularly when changes in government occur. In the case of Spain nuclear powe traditionally an "ideological" option. While socialist party has traditionally followed the path c power, the conservative party has shown signs of enhancing it although no new nuclear pow portfolio of the power companies due to the lack of confidence in a long-term predictable reg new nuclear power capacity (specifically 5 projects that were in an advanced stage) was froz resolution of the Spanish parliament in 1984 that passed a National Energy Plan which impo those new projects. This decision resulted in the need of compensating the energy compani additional costs for the energy consumers.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

The global energy market is becoming increasingly competitive and sophisticated. Decision included in the UAE's referred plans only makes it clear that even formerly clear leaders in th make significant efforts to stay ahead of the pack by introducing policies that emphasise the sustainable, environmentally friendly, financially viable and socially responsible activities. M under close scrutiny and it is now clear for all local political forces that unless the country em aggressive move to expand its proven reserves and new production sites, the depletion rate significant wells will mean that the country would not only no longer be able to be a net expo moreover not even be able to satisfy its own domestic consumption needs. While the prospe Constitutional amendments are dim, the reality is that the most significant hurdles for a new in the energy sector are perfectly viable through legislative and regulatory revisions, some of the form of PPP type agreements, and others with enhanced and less restrictive government for PEMEX and CFE (the State run monopolies in the oil and electricity sectors, respectively) natural gas has been largely deregulated and where significant privately funded projects exis of positive and successful legal reengineering.

Many countries believe that the road to sustainability is renewable energy. Although it is a g should also look into energy efficiency, clean coal, carbon capture and storage and other me make the transition to a sustainable environment more efficient. Even though countries seer efforts for this to occur, commentators reckon that the latest discoveries of large shale oil an keep fossil fuels as the primal source of energy for at least the next 50 years. It is a strong c discoveries will shift the manner in which the geopolitics of oil have worked for the last 50 ye

Stephane Brabant
Herbert Smith
Freehills

Employee participation in decision-making and an emphasis on corporate social responsibilit due account of human rights can help to create and sustain socio-economically responsible environments.

The importance of employee participation and CSR is recognised by government regulators globalised economy. For instance, OHADA law provides for employee participation in corpo Furthermore, the proposed Uniform Act on Employment Law provides for employee freedon prohibits discrimination and child and forced labour. In Morocco, the business organisation (générale des entreprises du Maroc (CGEM) has established a voluntary CSR charter and as independent verification body inspired by the norm ISO 26000. These measures allow comp reap the positive reputational benefits associated with good CSR practices. A separate volu was also adopted during the France-Africa Summit in 2010.

Public and business community information dissemination concerning CSR practices is anot in the move towards a more responsible business environment. Universities and professiona Cameroon and Guinea have recognised this and began dissemination efforts. Legislatures a private initiatives to promote good corporate governance by imposing legal obligations aimed economically responsible businesses.

In 2012, the French Government launched a debate on energy transition that should lead to energy planning law by the end of 2013. The debate focuses particularly on energy efficienc energy usage and the gradual decrease of nuclear energy in France's electricity generation

On the corporate side, since 2001, listed companies in France have had an obligation to disc concerning the social and environmental impacts of their business practices. In 2012, this ol extended to certain private companies and to include information about the company's comn sustainable development, action against discrimination and the promotion of diversity (Art. L. French Commercial code). The law provides for the verification of such disclosure by an ind

5) Wind Power Is Growing At A Rate Of 30% Annually And Since 2010 We Have In Renewable Energy Projects Such As The 2000 MW Ouarzazate Solar Project. Projects Already Built, Or In The Pipeline, Constitute The Best Examples Of Com Infrastructure?

Stephane Brabant
Herbert Smith
Freehills

Our Paris office is currently advising one of the successful bidders for the development of thr available in the first round of France's first offshore wind tender. This project, which will be lo Channel and Atlantic coasts, is the most important renewable energy project ever developed probably the largest renewable project in Europe to date. The first round of the tender proce July 2011, as part of France's efforts to build 3GW of offshore wind by 2018, and 6GW by 2C Renewable Energy Directive, France is required to source 23% of its energy from renewable

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

There are two very good examples in Mexico; (i) the Oaxaca II, III and IV wind farm in Mexic farm in Latin America; and (ii) the Cierro Prieto Power Plant, one of the largest geothermal p world. Most of the countries have as an axis to their energy policy the security of supply. Or achieve security of supply is by diversifying energy sources and energy matrixes in each cou mind, renewable projects will continue to materialise. These projects, however, face several

them many times unattractive for private investors. Incentives in the form of tax credits and
have proved to be unsuccessful; in addition, producers of renewable equipment (specifically
been affected by the economic environment (i.e., Solindra, Q-Cells, etc). Hence, we have ye
projects will finally turn the corner and become more attractive to investors.

Mexico has a privileged geographical location. Not only is it next door to the most important
market in the world, but it is also the location of some of the most relevant sources of oil and
hemisphere. It is also known that Mexico has one of the greatest number of places where so
present in stable form during most of the year, and areas like the Isthmus of Tehuantepec ar
great number of wind farms due to the constant flow of eolic force throughout the year. All th
combined, topped with the US strategic need to reduce its dependence on oil from sources i
Middle East, explain why there is so much interest in the new public policies surrounding ene
investments in Mexico.

Edmond Grieger
Von Wobeser Y Sierra, S.C

In Mexico the development of renewable energy projects has importantly increased in the pa
especially the development of wind farms by important transnational companies. Starting in 2
development of several projects under an "Open Season" scheme started and having a signi
projects in 2009. The estimated wind potential in our country is around 10,480 MW, the appr
installed capacity is about 1299.65 MW and the tendency is still increasing.

The most relevant wind farm projects are located in the State of Oaxaca, within these project
the Project by Parques Ecológicos de México with 79.9 MW of installed capacity; the EURUS
installed capacity of 250 MW and the 67.5 MW wind farm by Eléctrica del Valle de Mexico. T
important wind farm projects that are in process of being developed in the country, such as th
by Fuerza Eólica de Baja California for the exportation of energy to the USA and the 228 MW
Desarrollos Eólicos Mexicanos de Oaxaca, among others.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

Indonesia has built approximately five, 80 (eighty) kilowatt wind power project in Pulau Selay
and Bangka Belitung in addition to many hybrid wind-diesel and wind-solar project throughou
Although wind power project is new to Indonesia, the Government has targeted to have, at l
power projects by 2025.

Hermenegildo Altozano
Bird & Bird

In the particular case of Spain the most significant portion of projects recently built or in the p
represented by solar thermal plants. Up to this date 39 thermal solar plants representing an
1781 MW have been installed. Some additional 20 projects are in an advanced stage. How
legislation introduced with retrospective effect to cut-off feed-in tariff for the portion of power
fossil fuels has resulted in the freezing of some of these projects due to the difficulty of obtai
resources.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

In Chile there are many sustainable energy projects in the pipeline. However, I would say th
example of pending infrastructure, not already completed. Still there is much to be done to l
promote accessibility to sustainable energy technology. A related issue is also the general b
projects do not have environmental impacts and that the implementation of some of them ha

some impacts that were not known or underestimated. Therefore, another challenge will be properly address their impacts.

6) Following On From The Largest Accidental Marine Spill In The History Of The Industry You Would Think That Extra Precaution Would Ensue. However, Since Million Barrels Of Oil Into The Gulf Of Mexico In 2010, We Have Seen ExxonMo Barrels Of Oil Into The Yellowstone River In 2011 And A Further 80,000 Gallons Louisiana During 2012. What Regulations And Procedures Need To Be Put Into I That 2013 Is Less Of A PR Disaster For The Oil Industry?

Stephane Brabant
Herbert Smith Freehills

The PR disasters of the past primarily arise from the occurrence of an operational incident – outwith the company's control, but publicly attributed to it – combined with suboptimal comm states / regulators and the general public before, during and after such an event. This has le oil companies' motives. While not all companies have been slow to grasp how to best handl there would appear to be room for improvement. The individual companies, as well as the ir thus face an uphill struggle to rectify their image. This will take time and discipline, and canr overnight. 2013 will be critical to demonstrate that lessons have been learnt from past mista communication relating to it. PR is, of course, not restricted to negative events alone, but PF has the biggest "make or break" potential for companies' and the industry's image.

Previously, only incidents occurring in developed countries were likely to attract significant c western media. However, modern communications technology and increased focus by activ put all incidents potentially in the spotlight, wherever they occur. Greater awareness of the p financial impacts to arise from major incidents makes early and appropriate communications crucial. Rules of disclosure by publicly listed companies of matters which may affect the ma may apply – meaning that all such communications will need to be carefully vetted in advanc the powers of courts to order disclosure of internal corporate communications, routine use of communications that may later prove relevant to an incident, should one later occur, is almos Internal procedures to maximise the availability of legal privilege (where available) as a prote potential need to disclose sensitive internal discussion or analysis may prove to be advantag

If all goes well, an operational incident never happens in the first place. Oil majors already h procedures to manage operational risk driven by the need to avoid legal, business and reput Most will have reviewed the need for changes in response to the 2010 Deepwater Horizon in scope for further internal changes may be limited. Continuous management of operational ri complex in large global operations and may be more so as companies extend into more chal One of the main difficulties is managing the information generated in order to make it both ir management for strategic decision-making and at the same time relevant to personnel in the preventing actual incidents from arising.

Regulation by itself will of course never entirely remove the risks inherent to the industry. Th is that best regulatory outcomes are achieved by setting the overall standard to be achieved than through detailed and prescriptive requirements. In Europe, draft legislation now under r promoted to establish minimum standards for safety and environmental regulation of the offs throughout EU waters. It also attempts, however, to impose similar standards for EU-based EU waters.

The goal of external communications strategies and procedures must be pre-emptive and open communication, as well as more active cooperation with governments and regulators, in the event of a threatened or actual incident; in short, good expectation management. Ideally, governments and regulators are made stakeholders in problems in order to curb any negative responses (in particular rash / emotional ones that may be used to placate public sentiment, appeal to voters etc.). This is ultimately achieved via increased transparency – both internally and externally.
Internally, in the case of an incident; clear routes of escalation to people with the authority to make quick decisions coupled with appropriate prioritisation vis-à-vis other matters is necessary in order to align the intra-company position from the start. This will allow for more effective dealing with the problem. Following on from that, there should be clear and continued ownership of communication throughout the "PR-life" of that event.

Externally, key contacts with regulators and other relevant bodies should be identified with whom good relations should be maintained at all times if at all possible.

John Ffooks
John W Ffooks & Co

- Facile to compare a spill of 4.9 million barrels with one of 1,000 barrels – 0.0002 of the
- Use the same units. 80,000 gallons is barely 2,000 barrels. See comment above.
- Regulations would include making it compulsory for journalists to compare like with like are the same, you can immediately see 2011 and 2012 were a triumph.
- However, there is nothing relevant in our region.

Hermenegildo Altozano
Bird & Bird

The temptation to introduce restrictive measures or tighter regulations may produce adverse foreseen effects. In the case of the oil industry further restrictions in relation with upstream a in the increasing of oil prices and in the freezing of non-conventional fuel exploration and exp

On the basis that the responsible party of a damage has the obligation to cure it, appropriate and the obligation to restore environment (i.e. the obligation to install renewable capacities ir economic adverse impact originated as a result of oil spill) may be one of the remedies.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

None of these incidents can be taken lightly. Besides the PR reputational nightmare for ene companies, all these damages result in increasing concern about the activities of IOC's and I There can be no mistake. No savings in the environmental cost of doing exploration and exp can be wise decisions in the long run. All these companies must realise that the long-term e and Macondo incidents (to name just two) are far more damaging than the introduction of inc accident free technologies. We are clearly not exempt of new unfortunate events as these o not be tolerated would be for same defects to materialise again. Technological development where most of these events can and should be prevented. Where risks exist, prevention me maximised.

I believe that extra precaution will definitively follow as a requirement to all petroleum industr change of conduct is voluntarily or forced by regulation or insurance Companies. The Unitec place important statutes to address oil spills with important liability provisions for clean up an However, I believe that regulation should also focus in proper incentives and disincentives f improve their internal organisation and decision-making processes to ensure key maintenan decisions are adopted at the proper level with the necessary information.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

7) At The 8th African Development Forum In October 2012, The UN Under Secr Executive Of Secretary Of The Economic Commission For Africa (ECA) Come Ou The Immense Loses Africa Incurs Yearly Through Lack Of Adequate Strategy An Management Of Its Natural Resources Base. Meter Equipment Tampering And I Also Proving To Be A Widespread Problem In South Africa, While As Recently A An Oil Spill Spread At Least 20 Miles From The Niger Delta As A Result Of Oil T Problem Exclusive To Africa Or Is This An Issue Faced By All Developing Econor Done To Improve The Situation?

Stephanie Brabant
Herbert Smith Freehills

In his speech, the main point raised by Carlos Lopes, the UNECA Executive Secretary, was pool of natural resources, Africa neither consumes its minerals nor adds value to them befor and that the challenge for the continent is how to govern and harness its resources to achiev growth. This is a problem which although not exclusive to Africa is of much greater significa developing countries elsewhere, few of which are as resource rich. Corruption is endemic in most resource-rich countries and in Nigeria, for example, at least $400bn of oil revenue is be stolen or misspent since independence in 1960 (according to estimates by former World Ban Africa, Oby Ezekwesili), which is over 10 times its annual national budget. Africa could be p improved governance, stronger disclosure and anti-corruption requirements, greater transpa with extractive industries; and more diversified economies.

But the specific problems of energy loss mentioned, particularly through theft, are by no mea Brazil alone loses approximately 15% of its annual energy production to theft according to it Energy Agency (ANEEL), while India is thought to lose about 25% of its energy through tran distribution inefficiencies and another 10–15% through theft. Smart-grid technology is begin in many developing countries, including some African countries such as South Africa and Ta electricity transmission and distribution is a sector where technological evolution is gradual a smart grid technology and improved transmissions control systems has been delayed by cos need to balance priorities between new technology and aging infrastructure. South Africa is in that its technical losses are not unusually high compared with developed economies as its developed, but levels of theft and non-payment are high. The South African transmission co instituted a major programme to audit, measure and repair faulty customer meter installation connections, ring-fence electrical networks to balance energy delivered with sales, improve c to introduce pricing penalties for customers who are in breach of contractual/grid code requir transmission and distribution level.

Juan Francisco Torres Landa

While we cannot say that Mexico is alien to the type of illegal activities described that are tak we are nowhere near those extremes. There is a known problem with hydrocarbon theft thro tapping of pipelines, not a small problem by any standard. However, through the use of tech pressure changes, and increased use of sophisticated safety/security protocols, the frequenc those thefts is being consistently reduced. In addition, poor management of natural resource problem – most Latin American and Asian countries suffer the famous "Resource Course". of studies and white papers addressing the poor management of the extractive industries rev commentators agree that the reduction of "rent seeking", information asymmetry and poor re

Barrera, Siqueiros Y Torres Landa

are the keys to resolve "Resource Course" issues. Probably, one good measure that many / Latin American countries could adopt, is the adhesion to the World's Bank Extractive Industr Initiative ("EITI").

John Ffooks
John W Ffooks & Co

There is no "immense loses Africa incurs yearly through lack of adequate strategy and focus of its natural resources base". You cannot "lose" money you never had.

Any loss suffered by the country is due to the procedural hurdles in-country being so high tha retarded or cancelled; any remaining monies are hypothecated to pet white elephant project generated.

If the people quoted actually meant that "more attention should be given to developing a bala under which both natural resource companies and host governments can quickly monetise n the benefit of both parties, taking into account capital investment and overall risk (country, fir engineering, etc)" then you are right. But they didn't say that because it doesn't grab headlir

Electricity theft may be a problem – although surely not even vaguely similar to the first part more serious is the fact that state generation and distribution companies are subsidised, und neglected monopoly political piggy-banks. De-regulate the market, privatise the state monop compete) and the problem will disappear.

Hermenegildo Altozano
Bird & Bird

Large scale thefts of oil occur in countries where economy is not yet developed and oil resou controlled by NOC. This is a problem occurring at this stage in some African countries but n other countries should economic crisis become deeper and financial situation deteriorates. (investment not only in upstream but also in downstream may result in the increase of securit pipelines.

8) The Concerns About Possible Pollution To Ground-Water By The Chemicals In Fracturing ("Fracking") Fluids, And The Leakage Of Methane, A Gas That Aggrav Warming Have Resulted In France And South Africa Slapping A Moratorium On Concerns Justified?

Stephane Brabant
Herbert Smith Freehills

Industry argues that concerns regarding possible pollution of groundwater are much overstat are sunk to depths considerably below the water table, and so the opportunities for such con essentially either a breach in the well casing, fracking fluids or other hazardous materials spi which percolate down to the water table, or (more controversially) fluids underground which or naturally occurring faults and migrate back up through the strata into aquifers. Whether th possible is the subject of investigations by the Environmental Protection Agency in the USA. groundwater pollution was raised by the Gasland film, in which residents in the vicinity of sha water from their kitchen taps. The allegation that this was caused through contamination by established and may have been a pre-existing problem in the area, however there are instan groundwater pollution caused through poor well casings. The other point made by industry added to fracking fluids are generally not harmful. Increasingly, operators in the US have eit following State regulation disclosed the chemicals used. The fracking process may also cau naturally occurring hazardous substances or properties into the fracking fluid which may nee

Potential groundwater impacts will be an aspect to be examined by environmental regulators and may be controlled through permit conditions and verification of well design and implementation.

Methane is a more powerful albeit shorter-lived greenhouse gas than carbon dioxide, which is known to escape during shale gas operations. In the USA, the issue is being addressed by requiring operators to use "green completions" on their wells. It is probable that the same would be required in Europe from the outset, at least in relation to the commercial production stage.

John Ffooks
John W Ffooks & Co

No. Luddites have always tried to hold back the tide of progress. See also GM crops.

Edmond Grieger
Von Wobeser Y Sierra, S.C

Mexico has important reserves of shale gas that it could exploit, but it is considered that its p at this time. In addition, it will require a significant investment in geological studies, gas infra personnel, new technologies and the development of a regulatory regime that incentivises in adequately protects workers, communities and the environment. It is therefore expected tha market is not likely to get off the ground for several years.

Sandra Manrique
Prietocarrizosa

At the present, there are not enough studies which can demonstrate the real impact of the ch hydraulic fracturing, hence proper studies must be developed in order to determine the real i chemicals and if it is real, not only the moratorium is justified but also the prohibition for the u chemicals.

Hermenegildo Altozano
Bird & Bird

Perception of risk is different depending on the particular situation of each country. France h nuclear power installed capacity and although neighbouring countries such as Spain and Ge restrictive measures concerning nuclear power due to concerns on this technology the fact is perception is rather different.

While it may be true that not all risks associated to certain activities have been yet fully ident single economic activity in the natural resources sector may represent safety risks. The deci Scilla of non economic growth or the Caribdis of the potential risks.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

These technologies are certainly new and are in many respects still in the exploratory stage jurisdictions. While it may be a little extreme to stop altogether their use, if the evidence sug significant risks for their use, it is not unreasonable for countries like France and South Africa to further evaluation and testing. The reality is that it would seem that the accumulated use i

where the technology is generating unexpected output of new hydrocarbons would appear tc for significant drawbacks to be prevalent in the use of fracking as an energy generation techr

Countries like France and South Africa have banned fracking, but countries as the UK, recer fracking. Poland is another country expecting a big shale gas revolution. This may obey to s necessarily being that fracking is environmental friendly or unfriendly. There is still a big deb United States, on the real environmental consequences of fracking, as there are no definitive the net effects of fracking. While this debate continues, Europe is in desperate need of natu reserves are rapidly depleting and projects such as Nabucco, North Stream, and South Strea dependence of Europe on foreign natural gas; at best, Nabucco pipeline will reduce depende gas. Other suppliers include Algeria, but still, Europe will keep relining in natural gas imports demand. The decision to allow fracking in Europe certainly must take into consideration the effects, but there is a good possibility that the decision will side more on the energy security

9) On The Positive End Of The Scale, It Is Also Believed That The Shale Gas Boor Significantly For The Chemical Industry And Ultimately Benefit The Apparel, Ele Machinery And Other Industries. How Will This Affect Your National Economy, Will It Have On A More Global Scale?

Sandra Manrique
Prietocarrizosa

At the present in Colombia shale gas is not being commercialised, nevertheless there are im deposits which are going to begin the commercialisation in a short period. The consequence economy will be the possibility to acquire the gas at less cost.

John Ffooks
John W Ffooks & Co

It might mean there is less demand for the locally extractable oil & gas and therefore reduce into central government coffers. Ideally that would then mean there was less unaccounted c and the government was forced to perform better and more accountably for less. But this is probably just mean teachers go unpaid.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

The effects are already being felt as a result of sharp decline in regional gas prices. This is r regional pricing trends, particularly in the areas in the US (southwest and northeast) where tl has unexpected and unforeseeable output. Talking about the southwest region, those shale nothing about political boundaries and thus they extend into good portions of the Mexican nc area usually known for mining (in particular carbon deposits) and that are now expected to s related exploitation with the technology that was unknown just a few years ago. The overall offer to keep expanding and thus for prices to be either contained or even reduced, thus gen benefits to all those industries where gas plays a key role in their cost structure, electricity ge

A natural effect of the shale gas boom is that global offer of natural gas will increase, natural prices of said commodity. Such effect is more visible in the United States (and in Mexico). H pricing effect is not being felt in Europe or Asia just yet, where natural gas is being traded at

USD$13 the MMBtu while in the United States (Henry Hub) natural gas is being traded at approximately USD$3. A lot is being said about the United States possibly becoming a net exporter of energy (including natural gas in the form of LNG). Many re-gasification facilitates are being now converted into LNG export facilities. A natural thought is that if the United States starts exporting LNG from its vast shale deposits, prices in regions such as Europe and Asia will naturally decrease. However, commentators believe that the natural gas price will not remain as low as it is now. Future exports of natural gas to Europe, Asia and even Mexico plus local natural gas consumption may be a factor that may increase the price of gas.

Stephane Brabant
Herbert Smith
Freehills

Commentators have discussed how the availability of cheap shale gas in the USA will boost position as economic superpower, as well as having already contributed to it achieving energ USA begins to export surplus gas then clearly this will provide an extra source of income for affecting international energy geopolitics and perhaps threatening the continued link of interr the oil standard. In Europe, however there is no guarantee that the US position will be replic development of gas-fired power stations to make use of cheap gas is currently at a disadvan subsidised renewable generation sector. The availability of cheap surplus coal for power ge USA may also compete with gas. Commercially recoverable reserves of shale gas in Europ unproven. There is greater public opposition on environmental grounds; landowners do not financially as they generally do not own mineral deposits below their land (as in parts of the U populated or protected areas, and higher operating costs may also slow development. The E deciding whether there is a need to specifically regulate the industry in addition to the existin controls. In terms of its potential climate change impacts, it is quite possible that the changir caused by the shale gas revolution may be contributing to a lack of willingness of countries t reduction targets.
Environmentalists fear that shale gas will 'lock in' fossil fuel as the source of power generatio the development of renewables, whilst supporters point to its much lower carbon intensity in burning coal.

In the UK, which has now welcomed shale gas exploration after some concerns regarding in impacts, industry believes that it will serve to offset dwindling domestic North Sea oil and gas reduce electricity prices. However, estimated commercially recoverable reserves remain loo stage.

Hermenegildo
Altozano
Bird & Bird

Any reduction in the costs of production of energy shall benefit the overall industry and econ However it should be noted the increasing trend to levy fuels and power production so that t prices will for end-consumers "compensated" with higher taxes. In addition certain regulatory been already adopted as part of national policies (i.e. the preference of renewable energies t to the grid) may result in the short-term in the hindering of the new sources.

Edmond Grieger
Von Wobeser Y Sierra,
S.C

On the other hand, Mexico already imports natural gas for domestic use and demand is stea is a broad range of uses for natural gas and it is also cleaner than petroleum, so expanding i renewable energy sources could help Mexico reach its climate change mitigation goals. Thu of Mexico's shale gas resources as part of the country's medium- and long-term energy strat sense.

10) What Countries Currently Offer The Best Opportunities For Foreign Mining Companies?

Sandra Manrique
Prietocarrizosa

Colombia is one of the countries in South America which currently offers the best opportuniti investment, taking into account the mining potential for gold, silver, copper and oil reserves.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

As far as mining activities are concerned, few countries in the world offer a more streamlinec friendly, and tax efficient environment for mining companies than Mexico. Not only are minir allowed unlimited foreign investment participation, but also subject to securing mining conce the exclusive exploration and exploitation rights in the areas covered by such grants. Additic not charge royalties to mining companies or "windfall" taxes. Being the number one produce world, and a key player in other mining materials (gold, copper, antimonium, etc.), Mexico ha profound growth in the mining sector. There is a significant presence of foreign players, nan Australia and the US, countries that have accumulated very relevant investments in close to territory in Mexico, thus still leaving more than 70% ready for further new projects and expan best host countries offering mining opportunities, experts such as Behre Dolbear considers, investment destinations: (i) Australia; (ii) Canada; (iii) Chile; (iv) Brazil; and (v) Mexico. Othe States, Colombia and Peru also appear in the ranking.

John Ffooks
John W Ffooks & Co

Burkina Faso and Congo-Brazzaville (within Francophone Africa). Stable; decent legislation (Au and Fe respectively); ministers and officials willing to listen; local workforce ok.

Stephane Brabant
Herbert Smith Freehills

With its vast oil and gas and mineral wealth, Africa is attracting ever increasing levels of atte world's energy and other natural resources industries.

To give just a few examples, Guinea in West Africa (which will incidentally be the location of Freehills' first office on the African continent, which we plan to open in Spring 2013), is the w aluminium ore bauxite and holds rich deposits of iron ore, gold and diamonds. Nigeria also h undeveloped mining resources, which include iron ore, coal, bauxite, gold, tin, lead and zinc, Republic of Congo, Ghana, Tanzania, Namibia, and Zambia also hold high-value unexploite diamond, cobalt, gold, copper and other resources.

East Africa also offers great potential for investment opportunities in the oil and gas sector, f biggest natural-gas finds in a decade, notably offshore Kenya, Mozambique, Tanzania and U Algeria and Nigeria hold huge proven natural gas reserves.

In my view, these examples of just some of the investment opportunities currently offered by

with the continent's efforts to encourage foreign investment by taking positive steps towards reform of its legal and tax frameworks, clearly makes Africa one of the world's most exciting investment destinations.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

There are a number of countries that offer the best opportunities for mining and exploration c America, definitely Perú and Chile.

Hermenegildo Altozano
Bird & Bird

The only general rule that may be established is that those countries which facilitate explorat foreign companies and provide a stable regulatory regime for the exploitation phase are thos opportunities. It is however usually the case that countries with large scale natural resource: open the sector to foreign investment or claim the traditional International Law principle of pe of natural resources to adopt policies that may prevent foreign companies to invest on a long

Even in the same geographical area there are countries where foreign investors shall be trea not the same to carry out mining activities in Colombia or Peru or to do it in Bolivia.

11) What Natural Resources Are Proving To Be In High Demand At Present?

Sandra Manrique
Prietocarrizosa

At the present we think water is the natural resource with high demand.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

Copper has been very demanded, thus the high prices it has experienced. Whether this trer unclear.

Stephane Brabant
Herbert Smith Freehills

As well as oil, gas and coal (key resources driving today's world economies), rare earth elem principally in electronic equipment, including mobile phones) and phosphorous (a key ingred also increasingly in demand. The demand for rare earth elements and phosphorous is partic

due to the fact the two resources are only found in limited geographical areas (nearly all kno elements deposits are found in China while phosphorous deposits are only found in certain c US, China and Morocco).

Although iron is still an essential element for developing infrastructures, the increase in dem (which is used to make steel) has recently slowed. In the short to medium term many obser demand for iron ore will continue to increase at a slower rate than had previously been the c due to China's slowing economy and the world's continuing economic uncertainty.

Access to fresh water is also an issue of which governments and the markets are become m world's population increases, the demand for fresh water will also expand (whether this dem water or water required to irrigate the increasing amount of crops necessary to feed the worl population).

Hermenegildo Altozano
Bird & Bird

Water and oil.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

Europe in a dire economic and political crisis, the US with a dent in its economic performanc accumulating now over a decade of stagnation, China with a reduced growth rate in its GDP than normal performance compared to recent years, etc. All these events combined yield a scenario where economic activity is simply not at the levels where one could talk about good improvement in the economic prospects for the next years. In that context, however, there a countries and economic sectors that are seeing growth patterns and thus requiring natural re gas is one such resource in high demand, an aspect that is being positively affected by the s Similarly oil prices have not suffered that much, thus showing that demand is stable. Additio seen a rise in its iron and copper exports to China in recent years.

John Ffooks
John W Ffooks & Co

Gold and Iron Ore (despite discount to spot for Au and volatile price for Fe).

With increasing demand of technology in terms of quantity, quality, and modernisation, we vi minerals are proving to be high in demand at present.

The largest rare earth reserves are found in China, later followed by the United States, Austr China and the United States, the rare earth substance is contained in bastnaesite, which cor resource component.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

In Indonesia, the rare earth minerals are found along the tin lane in Bangka-belitung as well Kalimantan. In West Kalimantan, the minerals associate with uranium deposits.

Studies carried out by the Geology Research and Development Center of the Energy and Mi Ministry (KESDM) show that rare earth is also associated with uranium ores of the monazite been applied to uranium ores in Rirang, West Kalimantan Barat. Study executed in Bangka earth substances Niobium and Tantalum.

In the meantime, study in Kuala Kampar, Riau shows that there are several rare earth miner tantalum, zirkonium, neobium and yttrium. The existence of the rare earth minerals in the re related to the tin deposits in Sumatra. Kampar and Bengkinang, Riau, kasiterit as the main p with associated rare earth minerals, such as monazite, xenotim and zirkon are found.

12) With Carbon Prices Plunging, What Measures Can Be Taken To Generate Re Reduce Emissions Rather Than Just The Purchase Of Cheap Credits?

Edmond Grieger
Von Wobeser Y Sierra, S.C

The Mexican government must continue supporting and offering attractive and new incentive development of clean energy alternatives in order to develop an interesting alternative energ and foreign investors.

Stephane Brabant
Herbert Smith Freehills

National legislators have the option of either enacting stricter emission standards for larger e introducing an additional tax on carbon or other greenhouse gases. Both types of measures effect of requiring further investment in the relevant sectors and plants to equip the same ap stricter standards. Stricter standards would at the same time create possibly more demand f However, care will need to be taken that such measures are compatible with the relevant EU European legislators could also expand the EU ETS to more sectors, or alternatively increas compliance with the EU ETS to more than the current €100, whilst at the same time reducing credits allocated for free.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

One of the options that can be explored is for Governments to provide tax incentives for com big industrial companies, who could give evidence of emission reduction in conducting their I

Hermenegildo Altozano
Bird & Bird

To enhance the tax benefits for the clean-tech power production.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

Certainly the fact that carbon prices are going down makes it less easy to generate incentive emissions. However, global warming is a reality and many countries are firmly convinced an stimulated to support and enhance policies where emissions are reduced. We have seen ev levels where unilateral commitments are offered and documents, such as Mexico City that ol half its CO2 emissions by the year 2050. As mentioned above, tax credits and similar incent be ineffective. Other approaches could be taken by countries, including carbon capture and forms in which to reduce emissions.

John Ffooks
John W Ffooks & Co

Either impose carbon tax at genuine economic cost, or re-evaluate the basis of the carbon p was too low.

13) What Difficulties Does A Multi-National Embark Upon When Individual EU Their Own Carbon Reduction Measures Beyond The ETS Scheme's Scope?

Hermenegildo Altozano
Bird & Bird

Difficulties may be similar to those represented by different tax systems.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

Natural difficulties arising from the need to adapt to the new measures and have to cope wit requirements in the variety of jurisdictions they operate. In addition, the need to maintain co to be competitive considering those individual measures.

Stephane Brabant
Herbert Smith
Freehills

One of the main difficulties will arise from the interface of such a system with the EU ETS, as would likely apply to the same type of companies. Other issues may include concerns as to competition that may arise from such a scheme. Companies active in several jurisdictions m such a scheme (or schemes) may add to their administrative burden in the relevant jurisdicti that a national ETS were to apply to sectors that are not currently covered by the EU ETS, th issues would not arise, but concerns as to the competition issues arising from the relevant sc remain.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

This is a part of the puzzle that operating and doing business in the EU involves. Individual c rights to impose specific standards and operational requirements, and the carbon reduction r precisely in that category. Companies need to reconcile their operating plans and determine operating in a given country recognising that the compliance standards may vary from counti analysis is not that different from what is done when operating in other parts of the world whe vary from country to country, even if those nations are not united or part of a structure as the and other federal nations, there are some requirements that exist at the State level and that by every participant in such markets (i.e. California emission standards).

14) What Key Trends Do You Expect To See Over The Coming Year? In An Ideal W Would You Like To See Implemented Or Changed?

Sandra Manrique
Prietocarrizosa

From the environmental perspective, the implementation of bests practices to preserve the n to avoid the misuse of said resources.

Stephane Brabant
Herbert Smith
Freehills

In an ideal world, we could at least speak of an ideal project: this would be for the long-term the investors and banks, but also for the State, the local communities and all other stakehold achieve this, such an ideal project should be at least financially well-balanced, thereby provic "expected" revenues to all parties involved, viz. not only the investor and its shareholders, bu the local communities. Moreover, the "ideal" characteristic cannot solely be of a pecuniary n that the project minimises, as far as possible, the negative effects upon the environment and (employees, local communities etc.) and that it has, to the greatest extent possible, a positive terms of education, health and overall well-being.

John Ffooks
John W Ffooks & Co

I would like: Land reform; removal of all sectoral restrictions to foreign investment (e.g. no mi unified regional cadastral system for mining; a harmonised auction process for Oil & Gas; inc OHADA laws, e.g. land law and mining.

I expect: more resource nationalism; more violent instability (Niger to follow Mali); Guinea to

major projects approved; no progress or elections in Madagascar; a general return to the ba 'clientelism' amongst host governments.

Hermenegildo Altozano
Bird & Bird

There will be an increase of renewable energy projects in developing countries and the reop on nuclear power. Non-conventional fuels (i.e. shale gas) shall be also in the agenda. In an like to see a reliable and predictable regulatory frame and more respect and confidence in th

Edmond Grieger
Von Wobeser Y Sierra, S.C

The national energy strategy in our country to use clean and efficient sources of energy cont rapidly thanks to the significant and constant support of the federal government. There are s underway to offer more incentives, as well as to provide the necessary infrastructure and fin increase the viability of this alternative energy business. In an ideal world I would like to see and national intentions and objectives to reduce greenhouse emissions and use of clean ene binding instruments and not predominantly as soft law measures.

Paulina Riquelme
Eelaw Energy And Environment Legal Advice

I expect that pressure over fresh water resources will drive both governmental policies and r preserve fresh water supplies and to disincentive water contamination.

In addition, it is foreseeable that environmental regulations will become more stringent and le environmental practices and non-compliance particularly in the developing world and countri transition, as has happened already in Chile. Therefore, multinational Companies must be a and take action to ensure their own internal environmental policies are well understood and i the jurisdictions they operate.

Al Hakim Hanafiah
Hanafiah Ponggawa & Partners

With current sets of regulations in natural resources business in Indonesia, we are expecting boom in the business of mining, plantation, and oil and gas, subject, of course, to global tren Indonesian central and regional governments still need to work on their inter-coordination to complete investment opportunity to foreign as well as local investors. However, could see th learning, even with a slow but steady pace, to provide a better policy for energy and natural r

In an ideal world, we would like to see Indonesian central and regional governments that cou rhymes that could provide more security to entrepreneurs, foreign and domestic, with issuan concessions with no overlapping issues with one and another as well as reduction, if not con government red tapes and corruption that disturbs a lot of business projects in many areas.

Juan Francisco Torres Landa
Barrera, Siqueiros Y Torres Landa

2013 promises to be a very important year in energy related matters. Provided we do not se economic activity due to further complications in the EU, the US, China or Japan, the reality sector should be a very vibrant and active one. In Mexico the expectation is that we are on t entering a long term era of economic prosperity and GDP growth of over 6% per annum. Th political alignment, good leadership and an existing political pact, offers a formidable junctur sector in Mexico with projects and activities that could only have been dreamed about just a Hence, we are firm believers in several PPP projects, shale gas exploration/exploitation site contracts awarded by Pemex, greater opportunities for renewable energy projects, and a ree Pemex's operational structure (following in many respects Petrobras' footseps).

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