

# What Natural Gas from Coal Means to Nova Scotians

With a growing need around the world to find new and alternative energy sources, producing natural gas from coal offers a reliable and alternative energy supply for Nova Scotians and the world, and is expected to provide both opportunity and jobs in the province.

## ECONOMIC BENEFITS

Drilling for natural gas from coal has already benefited Nova Scotia. Companies have spent an estimated \$10 million in the Springhill area searching for coalbed methane, and these investments are expected to increase. Exploration and production is expected to provide well-paying jobs, increase local and provincial tax revenues and lead to many direct and indirect economic benefits. It also provides opportunities for local businesses such as welding shops, construction companies, restaurants, water handling, trucking and environmental companies, etc.



## RESEARCH & DEVELOPMENT

Onshore oil and gas remains a frontier activity in Nova Scotia, however as the industry begins to grow, we expect to see more partnerships between industry and our universities and colleges, around R&D and around increased use of academic resources.

Thanks to onshore gas exploration, we have already witnessed the beginning of this trend. Stealth Ventures Ltd. has signed a memorandum of understanding with Dalhousie University and hired university graduate students for summer employment.



ONSHORE GAS  
**EXPLORATION**  
& DEVELOPMENT

**NOVA SCOTIA**  
Department of Energy

## ONSHORE ROYALTIES

Nova Scotia's onshore royalties are part of the Petroleum Resources Act. Unconventional gas, which includes coal gas, is subject to a royalty of 5 per cent of the product produced each month. The valuation is to be the fair market value of the product produced at the surface outlet. Royalty amounts will differ pending on the size of the development.

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## PROVINCIAL BENEFITS

Jobs, taxes, royalties. Nova Scotians benefit from our onshore gas projects in a variety of ways, both directly and indirectly. It is not only the land surveyor or driller that will benefit from a new job in the oil and gas sector. The family they support, the local restaurant they frequent or the businesses they visit are all positively affected.

Royalties from our oil and gas projects go to the provincial treasury, and then are used to help pay for new roads, hospitals and schools for all Nova Scotians.

A multi-stakeholder advisory committee has been created that will make recommendations around coal gas activity in the Springhill area, with representation from civic, community and business leaders. This committee will help link companies involved in the onshore development to the local community to enhance economic opportunities.

Compared to coal or oil, natural gas from coal has fewer emissions of sulfur, carbon and nitrogen. And because it is such a clean energy source, the demand for natural gas from coal is expected to increase significantly, attracting new attention to our province.

Using natural gas from coal would contribute to the reduction of greenhouse gas emissions. The Nova Scotia government's goal is to cut the province's greenhouse gas emissions by ten per cent below 1990 levels by 2020, while continuing to see our economy grow. Nova Scotia's natural gas from coal may play a part.



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