

**HD** France's Total joins shale gas hunt in Britain

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MELBOURNE, Jan 13 (Reuters) - Total has agreed to invest up to \$48 million for a stake in shale licenses in Britain, the first major oil company to back the industry in a country seen as one of Europe's strongest prospects for unconventional oil and gas development.

Dart Energy said on Monday Total would acquire a 40 percent interest in two licenses in Lincolnshire, in central England, paying \$1.6 million in back costs and up to \$46.5 million funding a shale exploration program.

**TD**

Total would become operator of the licenses once the work program is completed.

The investment is tiny in oil industry terms, and especially small in the context of the tens of billions of dollars spent every year by Total, one of the world's top five investor-controlled oil and gas groups.

However, having such a large player as a partner will be a feather in the cap of industry minnows Dart Energy, Egdon Resources, IGas and eCORP Oil & Gas UK Ltd, with which Total will partner on two exploration licences.

"This opportunity is an important milestone for Total E&P UK and opens a new chapter for the subsidiary in a promising onshore play," Total's senior vice president for northern europe, Patrice de Vivies, said in a statement.

Total is already involved in shale gas projects in the United States, Argentina, China, Australia, Poland and Denmark, bringing expertise to advance Dart's shale prospects, Dart CEO John McGoldrick said.

Geological studies show Britain to have large shale reserves, which could reverse a rising dependency on energy imports, but more drilling is needed to see whether the deposits are economical.

Britain's government has thrown its weight behind shale gas exploration despite strong local and environmental opposition to the controversial extraction practice of hydraulic fracturing, or fracking - one of the techniques used to develop shale and unconventional gas blocks.

Dart last year sold down stakes in 13 shale licenses in Britain to GDF Suez, helping to fund extensive exploration.

**RF** BRITAIN-SHALE/TOTAL | AUF | ABN | E | RBN | O | OIL | UKI | RNP | DNP | PCO | PEN

**CO** fdp : Total SA | daeglm : Dart Energy Limited

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