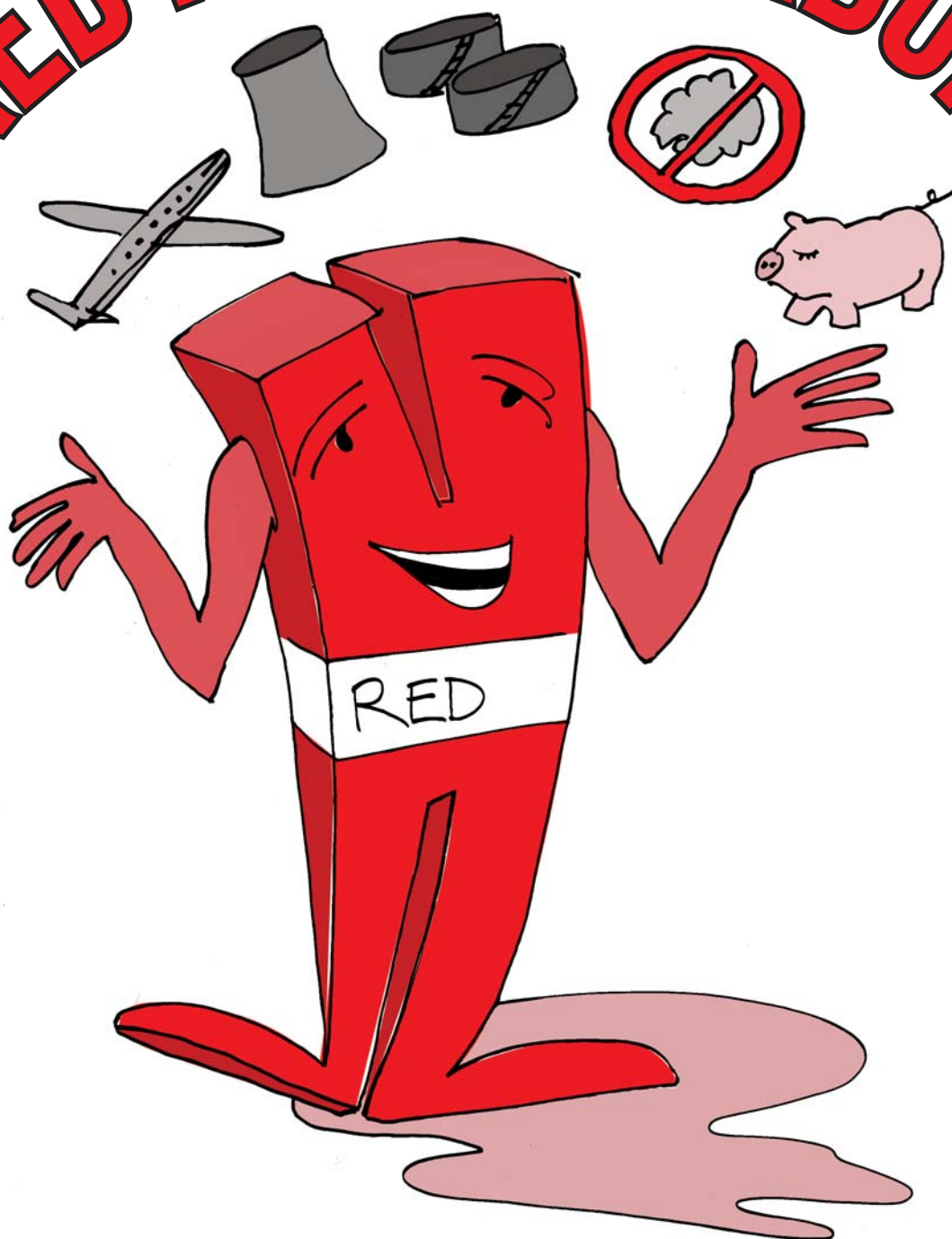


RED HYDROCARBON



HOW TO HAVE FOSSIL FUELS AND LOW CARBON ALL AT THE SAME TIME

USING COMMERCIALLY AVAILABLE CAPITAL INVESTMENT, NO SUBSIDY AND ENERGY PRICES PEOPLE CAN ACCEPT - A MARKET INSTRUMENT FOR HYDROCARBON WHICH DOES NOT EMIT ANY NET CO₂, WHICH CAN BE DRIVEN BY ENERGY BUYERS, REGULATORS AND INVESTORS, TO ENCOURAGE OR FORCE AN INCREASING AMOUNT OF CARBON CAPTURE EVERY YEAR

CAN YOU COLOUR RED HYDROCARBON IN?

Based on the Red Hydrocarbon idea by Dr Rex Gaisford

Art – Alexandra McKenzie

Graphic design – Very Vermilion

Text – Karl Jeffery

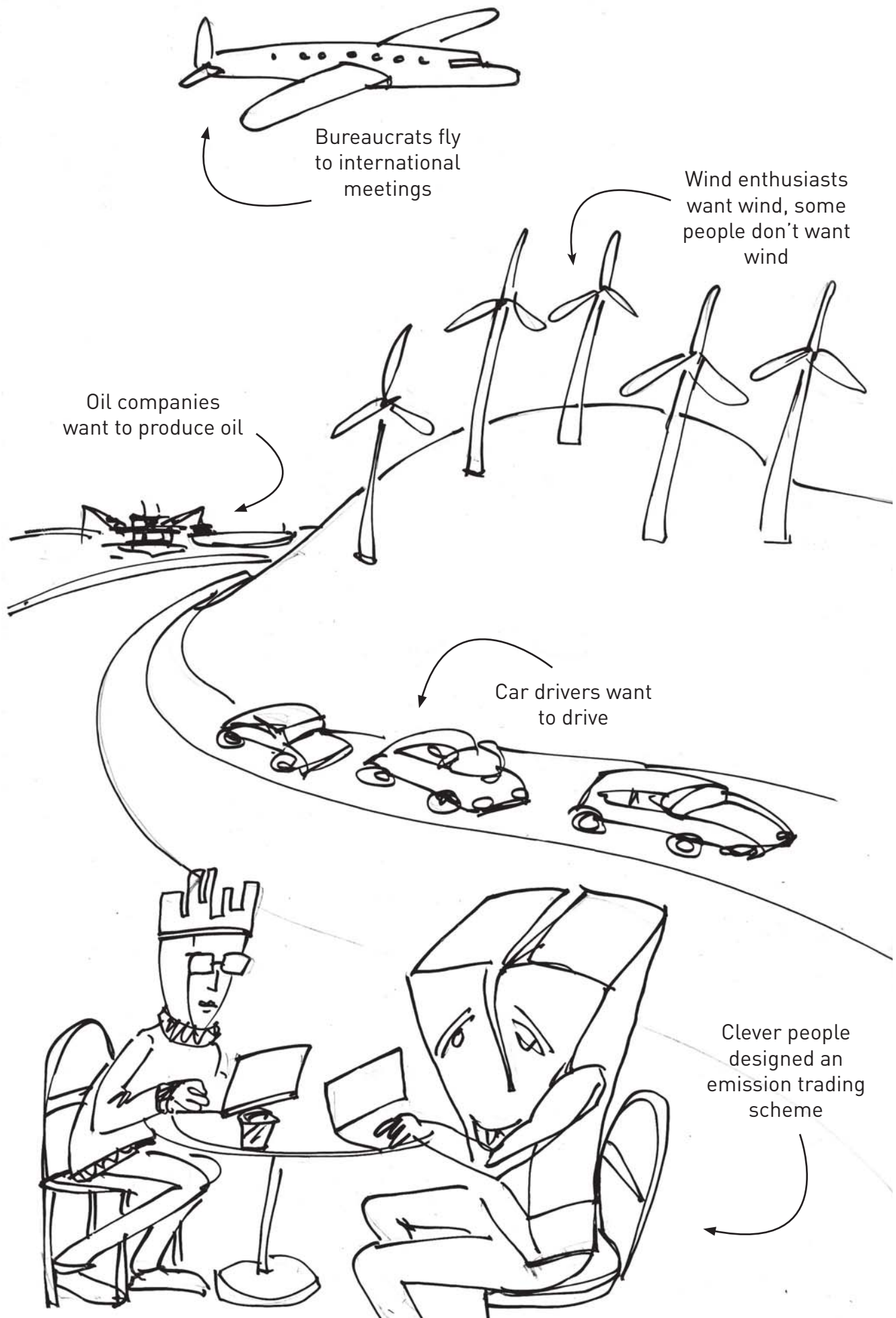
See www.redhydrocarbon.com

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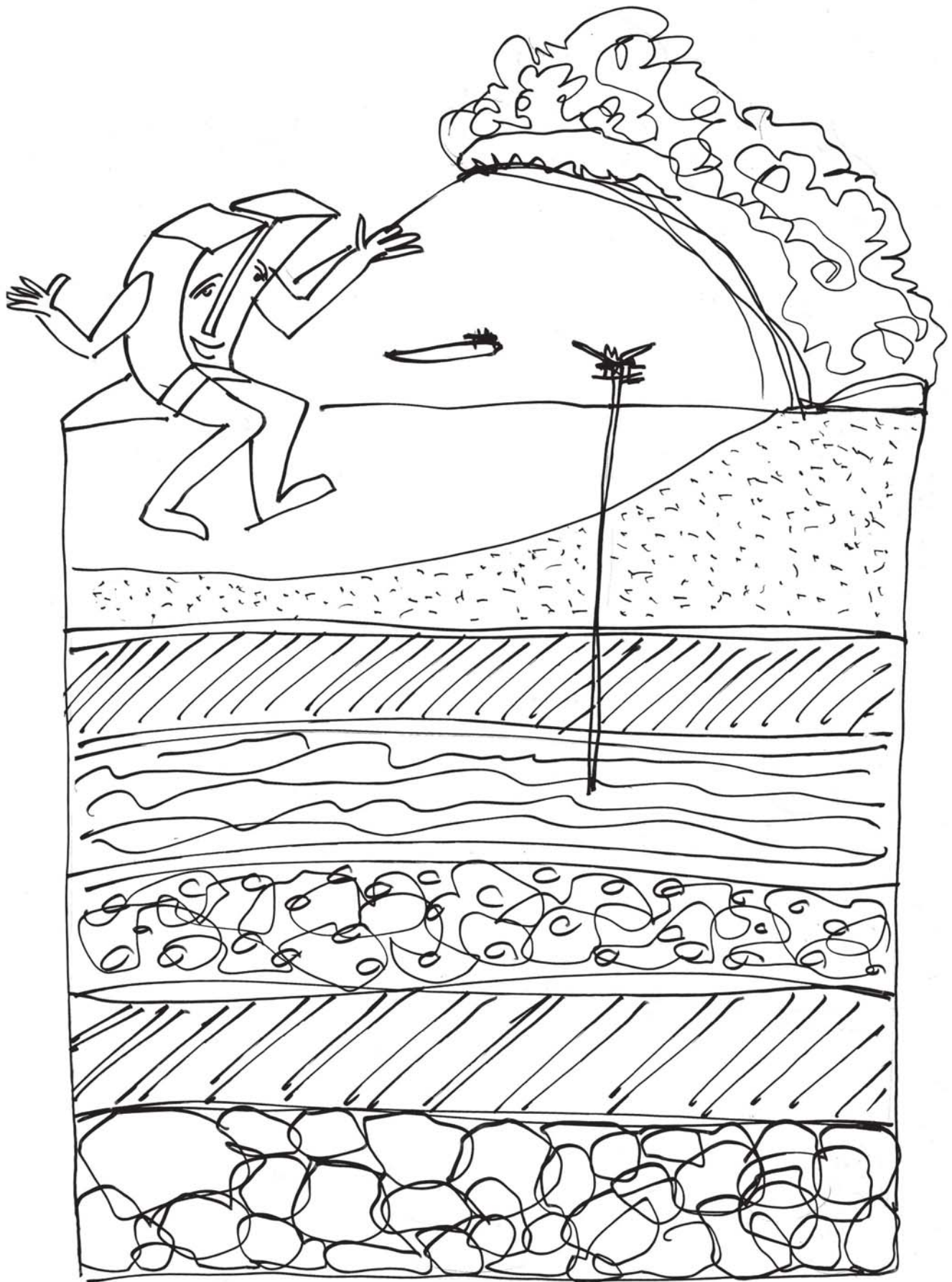
RED HYDROCARBON



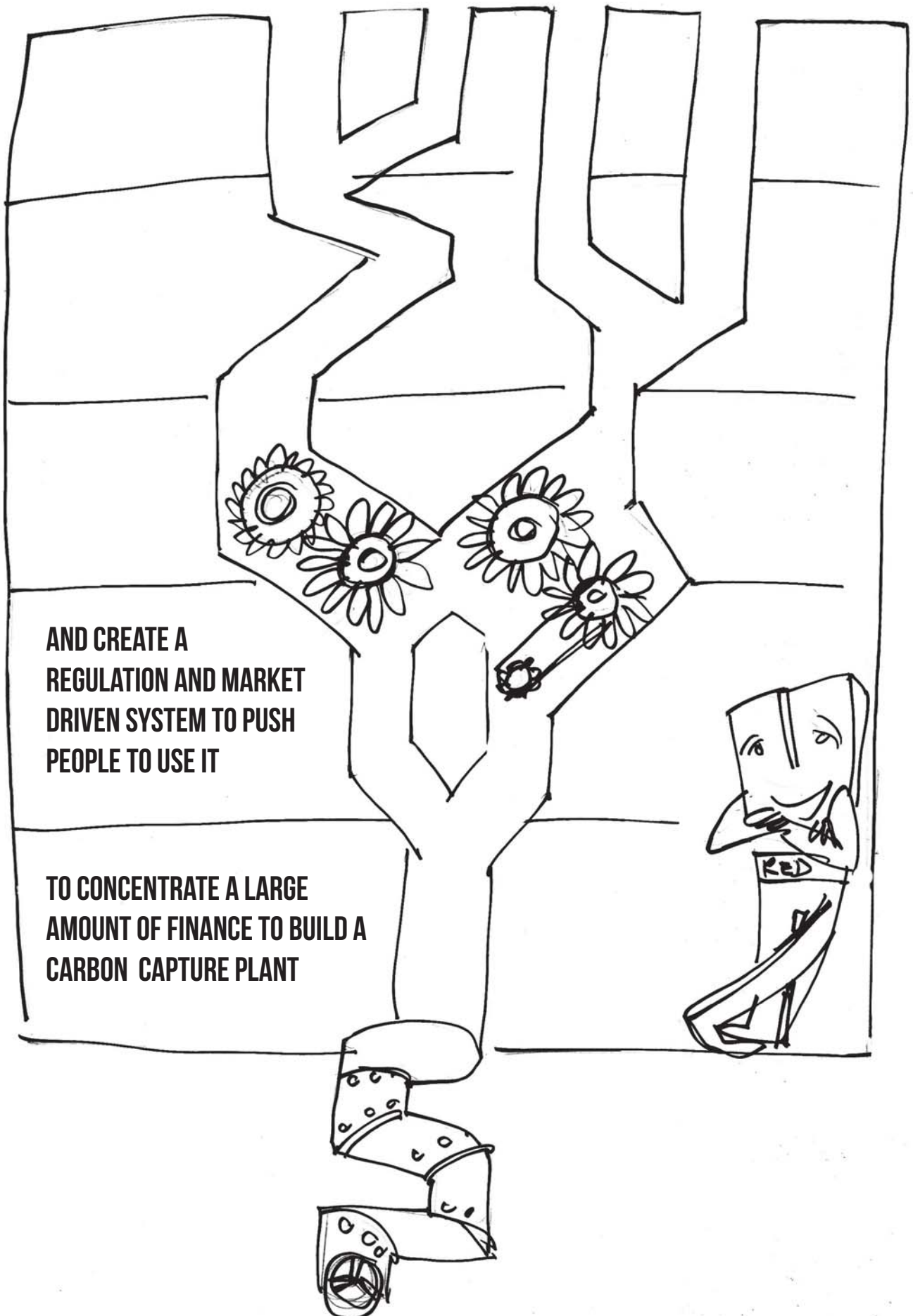
BECAUSE THE FOSSIL FUEL VS RENEWABLE DEBATE IS GOING NOWHERE



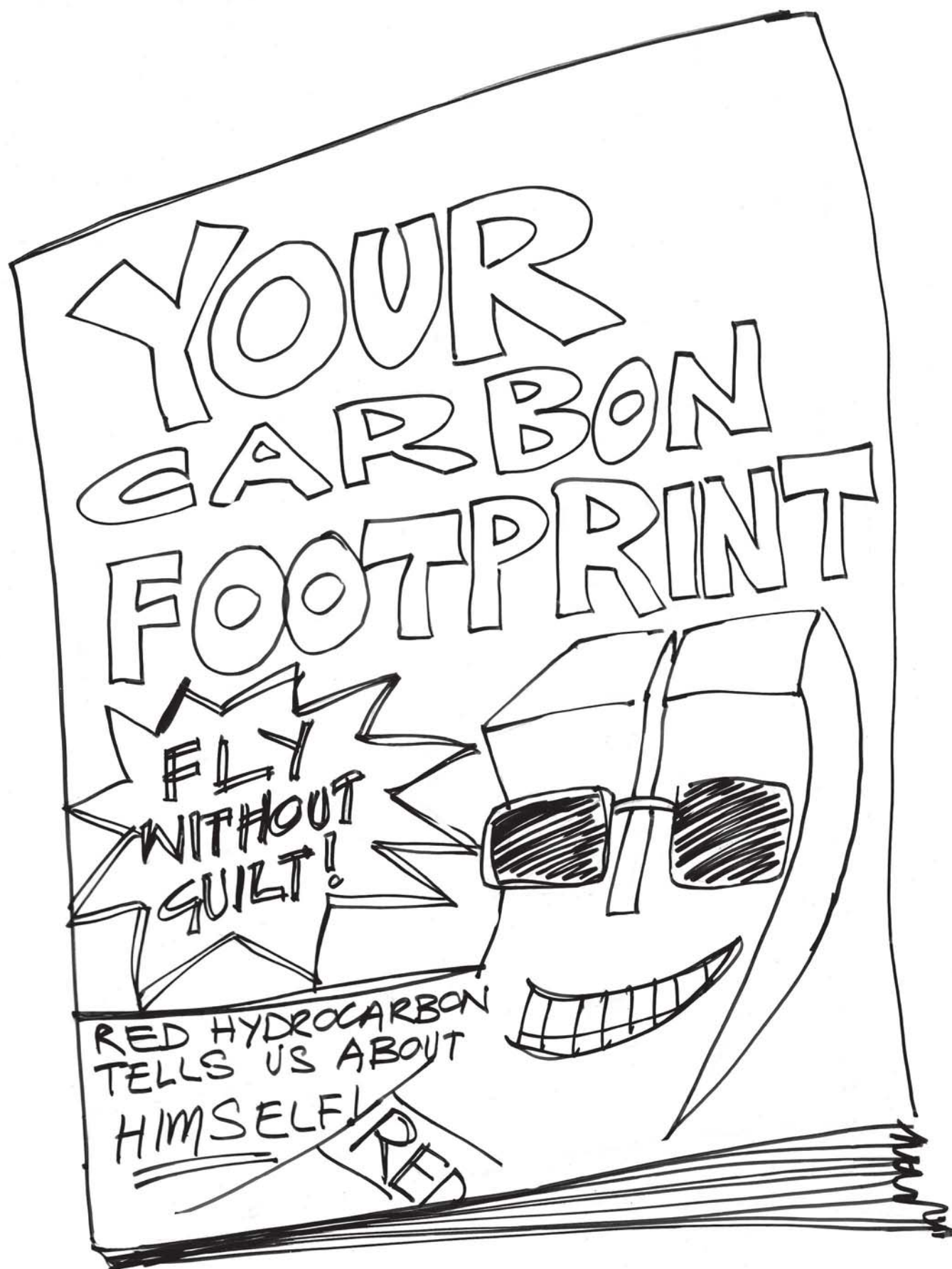
**BUT WE CAN HAVE FOSSIL FUELS AND LOW CARBON AT THE SAME TIME
USING CARBON CAPTURE AND STORAGE**



THE CHALLENGE IS GETTING CARBON CAPTURE FINANCED. THE SOLUTION IS TO SPREAD THE COST OF CARBON CAPTURE OVER MANY ENERGY BUYERS



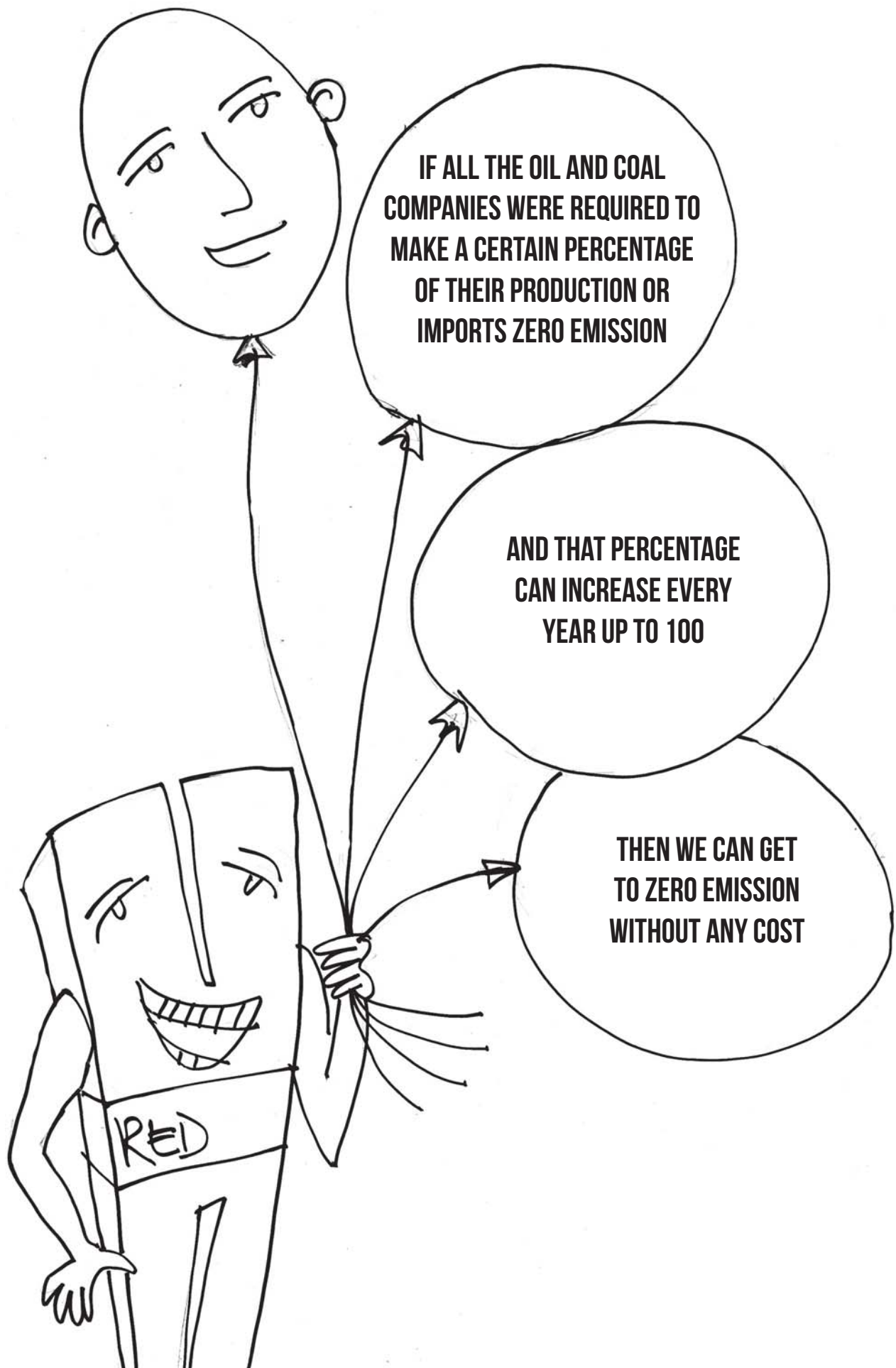
ENERGY BUYERS: LOTS OF PEOPLE WOULD BE WILLING TO SPEND A BIT OF EXTRA MONEY ON A FLIGHT, IF IT MEANT THEY DON'T HAVE TO WORRY ABOUT CO2 DAMAGE THEIR FLYING CAUSES.



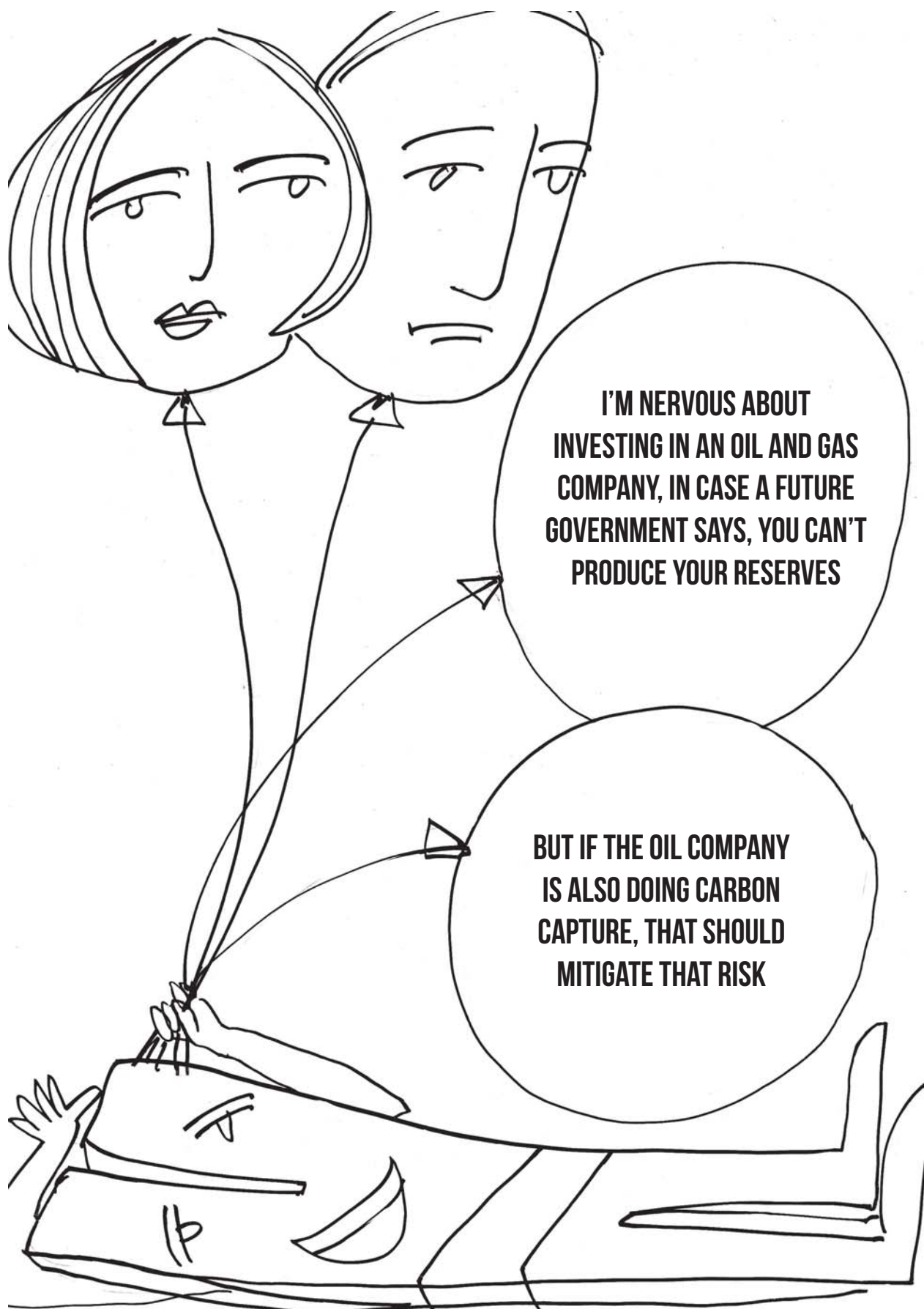
**SOME PEOPLE MIGHT SPEND 10% MORE ON THEIR ELECTRICITY BILL, IF IT MEANS
THAT IT IS AN EXTRA 25 PER CENT ZERO CARBON.**



THE REGULATORS MIGHT SAY:

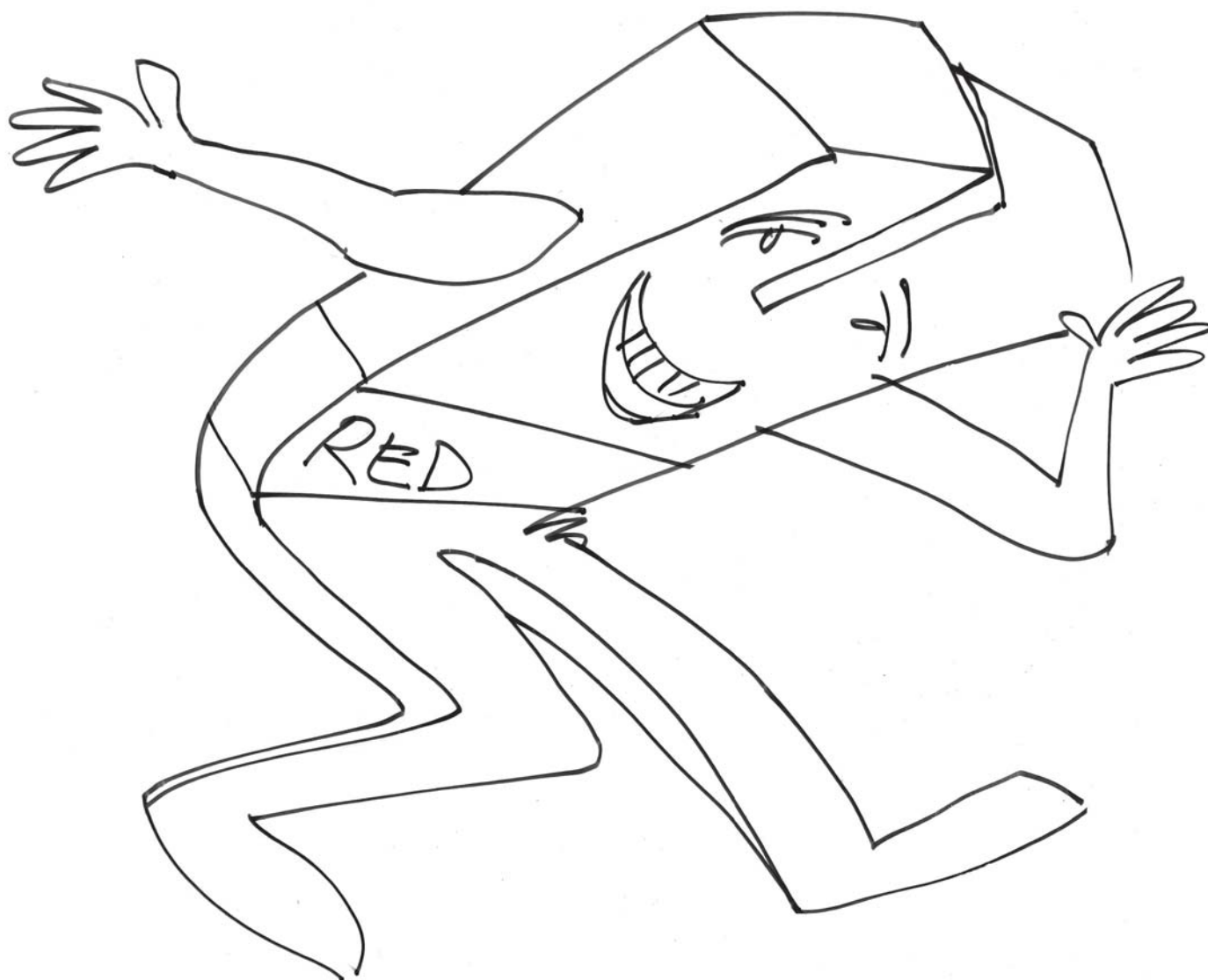


OIL AND GAS INVESTORS MIGHT SAY:



RED HYDROCARBON

A MARKET INSTRUMENT FOR HYDROCARBON WHICH DOES NOT EMIT ANY NET CO₂, WHICH CAN BE DRIVEN BY ENERGY BUYERS, REGULATORS AND INVESTORS, TO ENCOURAGE OR FORCE AN INCREASING AMOUNT OF CARBON CAPTURE EVERY YEAR



Rex Gaisford has designed what we believe is a strong financial framework for achieving zero carbon with no emissions, but we need you to colour it in - to develop the markets and policy to make it work.

To explore further, you can read Rex's in-depth paper at <http://bit.ly/rexredhc3> and the summary on the following page

And sign up to our newsletter at www.redhydrocarbon.com, to keep up to date with news and events about Red Hydrocarbon.

HOW RED HYDROCARBON WORKS

Red Hydrocarbon is based on a dual market scheme, dividing all hydrocarbons into two market classes, each working independently as free markets.

“Black” hydrocarbon means business as usual.

“Red” hydrocarbon means that it causes no net CO₂ emissions.

By regulation or market forces, supply of black hydrocarbon is gradually capped. This means that CO₂ emissions are reduced along a planned decline trajectory until they are almost eliminated, after around 50-100 years.

The traded volume of Black hydrocarbon trends down but scarcity drives market price up. The traded volume of Red hydrocarbon trends up as market demand increases.

All hydrocarbon produced is available to serve both Black and Red market demand.

The energy produced from both Black and Red hydrocarbon competes with each other, and other forms of carbon free energy, and so trend towards price comparability.

Subsidies and special tax regimes no longer apply to either the HC or energy market.

Governments are not involved in pricing. The markets alone rule the price of energy and the price of HC production.

All types of carbon free energy (including Red HC energy) become investible, so all types of carbon free energy are able to compete with one another, commercial/ private investment alone supports the Investment without state aid, and the investment potential of the HC industries’ and its expertise is preserved and available for the fight against climate change and in their own vital interests.

The hydrocarbon industries become important investors in Red hydrocarbon energy.

The aim is to reduce CO₂ emissions overall to zero or to a tolerable level, in a practical, long term & sustainable basis, in an acceptable time frame, on the basis of commercially available capital investment, using a market driven system, independent of the public purse, without competitive/discriminatory, taxes and public subsidies, whilst delivering energy prices that people can tolerate and accept.

Red Hydrocarbon is a not-for-profit think tank which aims to engage everyone in new discussions. It is particularly relevant to professionals already involved in politics, business and commerce including those who are directly involved with the hydrocarbon industries, the energy industry and the climate issue.

To read more about how it can work, see [**http://bit.ly/rexredhc3**](http://bit.ly/rexredhc3)

