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**The Rt Hon Matthew Hancock MP**  
Minister of State for Business, Enterprise and  
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Dear Mr Cluff

It was a pleasure to meet you earlier this month and to hear your plans for the generation of gas by offshore Underground Coal Gasification (UCG) in the UK. I was very interested to hear of the history of UCG and your thoughts on the potential role it might play in our future energy supply.

As I said when we met, Government recognise the need for new sources of energy for our economy. I am aware of the potential for offshore UCG, and the potential benefits that a domestic UCG industry could bring, for example in new jobs as well as decreasing our reliance on energy imports. I also recognise that when used in conjunction with carbon capture and storage technology, UCG could provide a potential source of future low carbon electricity generation.

I understand that UCG technology has been demonstrated at pilot scale in other parts of the world. The Government would welcome the development of UCG in the UK in a safe and sustainable way. We are keen to create a regulatory environment which helps rather than hinders those with ambitions in the sector

As you know, the Coal Authority is responsible for licensing UCG and there is a regulatory system which provides industry with a defined way forward to progress projects. I am glad you have been in discussions with regulators and understand you intend to make a planning application in due course.

I would therefore be happy to look for opportunities for making the Government's position on UCG clear in the future, and I look forward to working with you.

Yours sincerely

**THE RT HON MATTHEW HANCOCK**