



PRESS RELEASE
7th December 05

UNDERGROUND COAL GASIFICATION PARTNERSHIP FORMED
TO PROMOTE CLEAN COAL TECHNOLOGY

Yesterday, participants at a conference in London on Underground Coal Gasification (“UCG”) agreed to join together in The UCG Partnership to promote UCG as a major clean coal technology with significant commercial benefits as a major power source worldwide

The meeting, hosted by ABN AMRO Bank, was attended by representatives of the coal-rich countries, international and national energy and mining companies, suppliers of UCG technology, coal license owners and specialists in energy, CO₂ abatement and financing and brought together individuals from Australia, China, India, USA, Russia, South Africa, Indonesia, Japan, Canada, Norway, Netherlands, France, Singapore, the Czech Republic and the United Kingdom.

The meeting received news on the latest developments in UCG around the world and in particular presentations on current projects in China, Wyoming and India. At the conclusion of the meeting, the UCG Partnership invited those present to join them as members of an organisation that will be dedicated to become the centre of excellence for UCG.

The aims and objectives of The UCG Partnership will be:

- The focal point for public information on underground coal gasification development for Governments, press, and media generally.
- Source of information to members on all aspects of UCG including technology, research and the latest worldwide developments.
- The establishment of the benefits of UCG as a carbon abatement technology.
- The development of technology training in UCG.
- Round-table conferences on UCG for members.
- Identification of commercial opportunities for shareholder members to participate in UCG ventures around the world.
- Lobbyist for UCG as a clean coal technology around the world.
- The representative for the industry with Governments, the media and other bodies in areas such as economic, regulatory control, risk and security of supply issues.

- Consultancy services for individual members.
- Assistance with marketing and the promotion of UCG developments.
- Promotion of research in UCG activities and related aspects of CO2 storage.

Dr Michael Green who was Director of the EU trial and adviser on UCG at the DTI commented, “Yesterdays meeting hosted by ABN AMRO successfully brought together many leading figures in this sector from around the world, all strongly supportive of underground coal gasification as a route to secure, low carbon energy. It is clear that the future for this technology and the UCG Partnership is very bright indeed.”

END

For further information please contact:

Margareta Stanley at DBA on 020 7930 8033 email info @nchl.demon.co.uk

Dr Michael Green: Tel: +44 208 390 5132

Mr Rohan Courtney: Tel +44 7879 498544

Notes To Editors.

Underground coal gasification (UCG) is the in-situ conversion of coal into a combustible gas, which can be used for heating, power generation, or the manufacturer of chemicals. Coal gasification in integrated combined cycle power generation (IGCC) and carbon capture and storage is the favoured route to zero emission power generation in many countries. The UCG process is fast becoming a practical and commercial alternative to conventional coal gasification offering the same benefits of surface gasification at lower cost. UCG has been stimulated by new drilling and completion technology from the oil and gas industry, which was demonstrated first in early US trials and later in the European trial in Spain (1992-1998). This trial, which was supported by the European Commission and the Governments of the United Kingdom, Belgium and Spain, had the objective to extend the technology to deeper seams.

Since the end of the trial, the UK has led the further development of UCG in Europe, first with the DTI initiative to review the feasibility of UCG in the UK (1999-2004), the recently study of UCG in the Firth of Forth (2004-5) and the work of a small number of consultants who are responding to an increasing number of enquiries from around the world. At least one UCG trial, based on UK expertise is underway in China and negotiations over others in the USA, South Africa and India, are underway. Australia, which recently did a UCG trial (1999-2003), is a potential target for UK technology.