1. Underground coal gasification (UCG) converts coal seams, through a process of combustion, into a synthetic gas that can be used for power generation, industrial heating or the production of diesel fuel and ammonia.
2. Two UCG trial projects are in operation near Chinchilla, and a third project near Kingaroy is planned to commence in early 2009.
3. Cabinet approved a policy requiring UCG trial projects to be subject to a Pilot Phase which will require stringent monitoring of, and reporting by, the individual projects, and that tenements subject to overlap of tenure between CSG and UCG proponents will be resolved according to an enhanced Department of Mines and Energy management process.
4. Cabinet approved the appointment of an independent scientific expert panel to assist in the preparation of a Government report on the Pilot Phase.
5. Cabinet approved the establishment of an UCG Industry Consultative Committee considering and recommending options for resolving resource and technology conflicts.

**ATTACHMENT 11**

1. *Attachments*

* Nil