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Dear Rachel,

I am writing to you in your role as Chair of the BEIS Select Committee to update you on the Government's shale gas policy. The Government has been clear that the development of domestic energy sources, such as shale gas, must be safe – both for local communities and the environment. Today, in a Written Ministerial Statement, the Government has updated its policy on hydraulic fracturing.

Cuadrilla, a private company exploring for onshore oil and gas, obtained Hydraulic Fracturing Consent in 2018 to undertake shale gas exploration activity at their site at Preston New Road, Lancashire. Hydraulic fracturing operations took place in 2018 and 2019. Their operations were tightly controlled by the relevant independent regulators, including the Oil and Gas Authority, who are responsible for regulating the licensing of exploration and development of England's onshore oil and gas reserves, including shale gas.

Following a seismic event of magnitude 2.9 on 26th August 2019, hydraulic fracturing at Preston New Road was suspended by the Oil and Gas Authority, in accordance with its strict regulatory controls. While seismicity was at a level below that at which we would expect significant damage, seismic activity at this level does impact local communities and was clearly unacceptable. An event of this significance was considered highly unlikely in the detailed plan that Cuadrilla provided to the regulator before their activities began.

In parallel to their action following the 26th August 2019 event, the Oil and Gas Authority have been analysing in detail data drawn from Cuadrilla's earlier operations that took place at Preston New Road last year. This included commissioning a series of expert reports to better understand and learn from the induced seismicity observed in 2018. The Government has recently received these reports and they have recently been published alongside a summary of their findings by the Oil and Gas Authority. The Oil and Gas Authority summary report contains a number of findings and interim conclusions and highlights that the causes of seismicity are highly dependent on local geology. While we cannot draw definitive direct comparisons between this site-specific evidence and other prospective shale gas sites, the limitations of current scientific evidence mean it is difficult to predict the probability and maximum magnitude of any seismic events, either in the Fylde or in other locations.

The Oil and Gas Authority wrote to me on 30 October, summarising their thoughts on the status of scientific understanding on hydraulic fracturing. I will be placing a copy of that letter in the libraries of the House, along with a copy of this letter.

On the basis of the current scientific evidence, Government is confirming today that it will take a presumption against issuing any further Hydraulic Fracturing Consents. This position, an effective moratorium, will be maintained until compelling new evidence is provided which addresses the concerns around the prediction and management of induced seismicity. While future applications for Hydraulic Fracturing Consent will be considered on their own merits by the Secretary of State, in accordance with the law, the shale gas industry should take the Government's position into account when considering new developments.

I hope you have found this update helpful.



THE RT HON ANDREA LEADSOM MP
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