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ECONOMIC COMMISSION
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Date: 24 March 2006

**UNECE Response to the IASB Extractive Activities Research
Request for Information on Measurement of Reserve Volumes and Values
dated 6 January 2006**

Dear Mr. Brady,

In your message of 6 January 2006 addressed to Mr. Sigurd Heiberg, Chairperson of the UNECE Group of Experts on the Harmonization of Fossil Energy and Mineral Resources, a response was requested on two questionnaires concerning reporting of minerals and oil and gas reserves/resource volumes and values, one for preparers and one for users of financial information.

The UN Economic Commission for Europe established a Group of Experts to harmonize the various global codes for reserves and resources reporting in the extractive industries, notably the Group of Experts on Harmonization of Fossil Energy and Mineral Resources Terminology.

This letter represents the views of the UNECE and also the United Nations Economic and Social Council, which has passed two resolutions (in 1997 and 2004) recommending one common code for extractive industries. The Group of Experts will respond to the questions posed under separate cover as they see fit. A basic premise for our work is that the comments relate to one single standard and not one of several coexisting standards. Comments are made on this assumption.

We acknowledge the excellent work that the IASB and the US FASB are undertaking to achieve convergence between International Financial Reporting Standards and US GAAP. In this regard we note in particular the significant difference in the requirements for the reporting of oil and gas reserves established by the US SEC and those in use elsewhere in the world.

It is our view that it is of overriding importance that there be one common global set of reporting standards to serve global capital markets and this applies very much to the work of the IASB's Extractive Industries Research Project. We therefore encourage the IASB to take this project forward in conjunction with the US FASB and IOSCO (including the US SEC).

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Mr. Glen Brady
Project Leader
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We appreciate the opportunity to comment and look forward to further dialogue with the IASB on harmonization of global standards for reporting energy and mineral reserves and resources of energy. If you would like additional information or clarification on the UNECE's efforts in this area or these comments in particular, please feel free to contact Ms. Charlotte Griffiths or Mr. Clark Talkington in the Industrial Restructuring, Energy and Enterprise Development Division. Ms. Griffiths can be reached at +41 22 917 1988 or charlotte.griffiths@unece.org and Mr. Talkington may be contacted at +41 22 917 2671 or clark.talkington@unece.org.

Yours sincerely,



George Kowalski
Director, Industrial Restructuring, Energy and Enterprise Development Division
UN Economic Commission for Europe