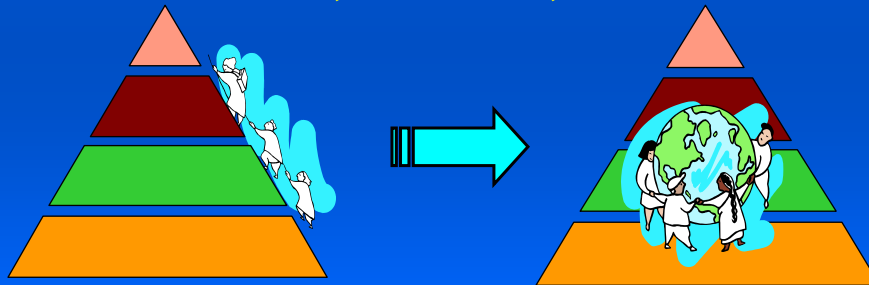


Convergence Team/IASB Working Session on Reserves and Resources Accounting Issues

Geneva, October 12, 2006



IASB/Convergence Team Working Session Oct 12/06

Attendee List

CRIRSCO	Niall Weatherstone Pat Stephenson Ferdinand Camisani
IASB	Glenn Brady Mark Walsh Riaan Davel Sue Ludolph
IOSCO	Wieste Koster Jack Albert Mark Mahar
SPE	John Ritter John Etherington
Observer	Jim Ross

IASB/Convergence Team Working Session Oct 12/06

Why we met (separately)?

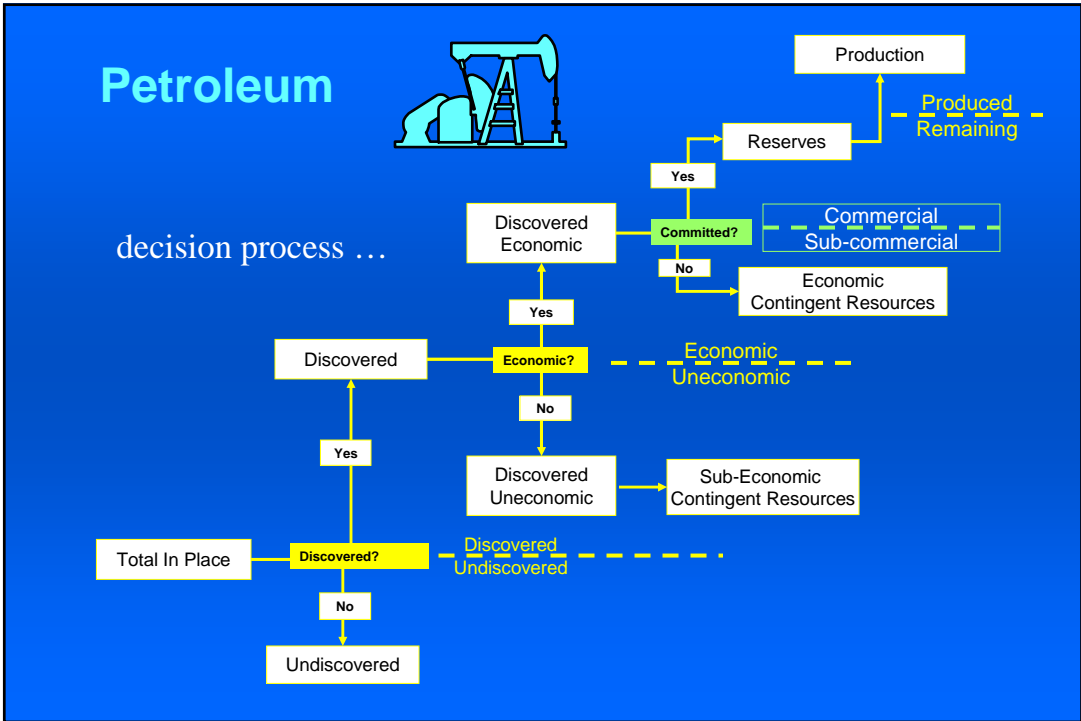
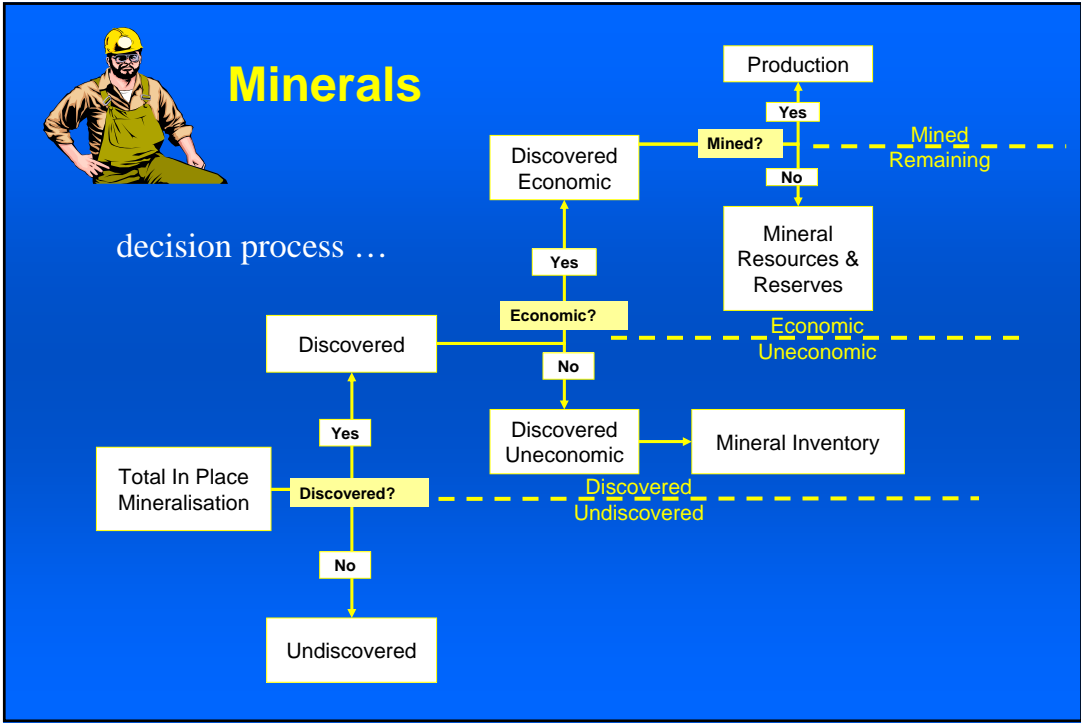
Because we were here!
Excellent facilities.....
First opportunity to physically get together.

Participants already well versed in background
allowed rapid review and discussion of issues.

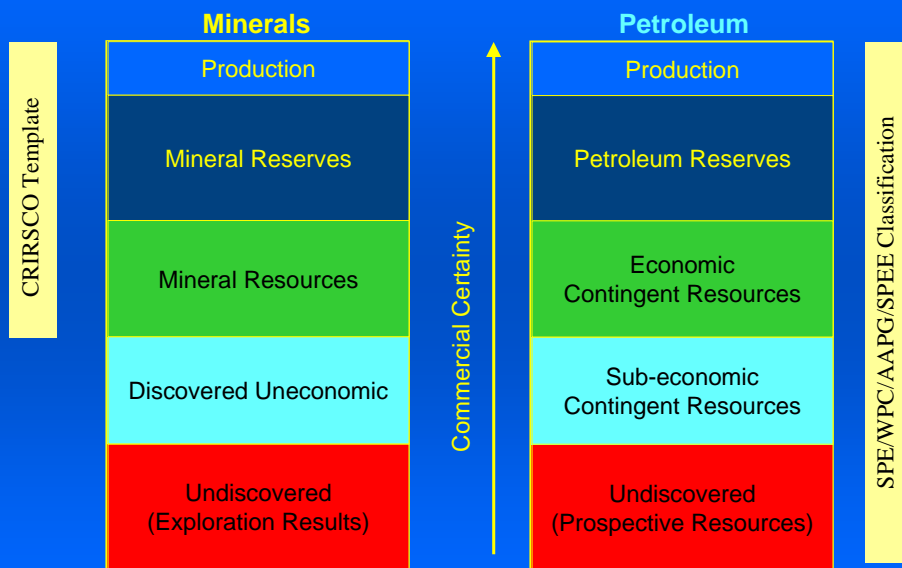
IASB Extractive Activities Project Chronology



2000	IASC Publication: Summary of Issues Extractive Industries <i>(project put on hold)</i>
2004	IASB Extractive Activities Project Team reactivates study of financial reporting issues concerning Reserves/Resources
2005	SPE and CRIRSCO participate in IASB Education System IASB issues first request to SPE/CRIRSCO for convergence studies
2006	SPE/CRIRSCO develop initial draft of Petroleum_Minerals Classification Comparison IASB issues detailed request to SPE/CRIRSCO for convergence studies SPE/CRIRSCO Convergence Team meets in Calgary Feb 2006 SPE/CRIRSCO Convergence Team submits initial report to IASB SPE/CRIRSCO receive and reply to IASB comments on Convergence study SPE/CRIRSCO/IASB project teams meet Oct 12 in Geneva
2007	



Classify based on Commercial Maturity



Convergence Topics

1. Scope of Resources
2. Scope of Reserves
3. Possible Reserves
4. Confidence Levels
5. Cost and Price Forecasts
6. Discount Rate
7. Views of Future Events (e.g. technology, gov't relations)
8. Disclosure of prices, costs and discount rates
9. Custody Transfer points/quantity being estimated
10. Competent /qualified person
11. Control
12. Ownership

Next Steps

Mapping to explain relationship of petroleum and minerals processes and terminology

- classification diagrams
- high level glossary

Develop clarification language:

- what is an asset?
 - when is it initially recognized?
- understand relationship between commercial and economic
- what constitutes commitment?
 - relation to asset recognition

Clarification of low confidence quantities in minerals industry

Next Steps

What is Fair Value? IASB to clarify.

Convergence Team to develop qualitative language to describe concept of best estimate.

Timing?

Project Team review with IASB week of 16 October 2006

Draft by year-end

Relationship to UNFC Interface?