

How the UN is Aiming to Standardize Reserves Classification Guidelines?

Update for the Working Party on Gas

Clark Talkington
Secretary

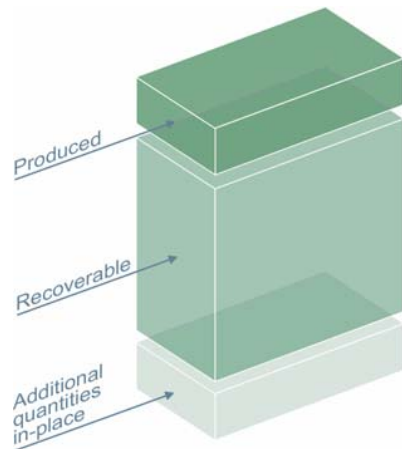
UNECE Ad Hoc Group of Experts on Harmonization of Fossil
Energy and Mineral Resources Terminology

What is the UNFC?

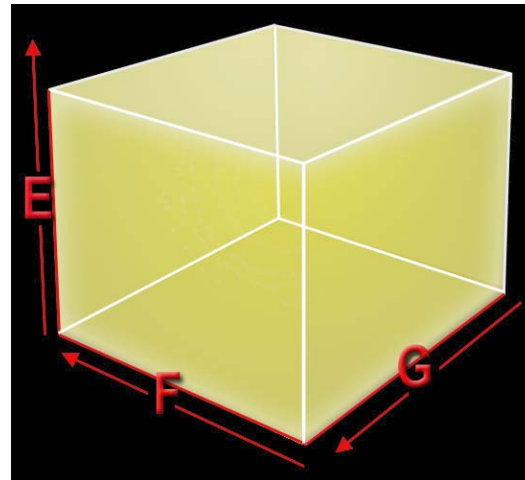
- **UN Framework Classification for Fossil Energy and Mineral Resources**
- **Simple, universally applicable scheme for classifying and evaluating energy and mineral reserves and resources**
 - **Conventional**
 - **Unconventional**
- **Allows a common and necessary international understanding**
- **A flexible system for application at global, national, industrial, institutional or financial levels**
- **An “umbrella” framework**
 - **to harmonize existing terminologies and definitions worldwide (3-D system onto which other systems can be mapped); and/or**
 - **A system that can be adopted for direct use**

UN Framework Classification (UNFC) for Petroleum

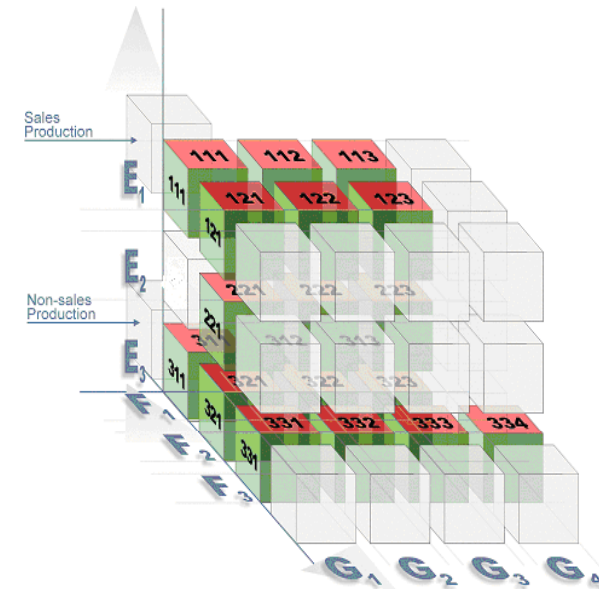
Total Initial in-Place



Principles



Classification



Economic and commercial viability

- ◆ E1 Economic
- ◆ E2 Potentially economic
- ◆ E3 Intrinsically economic

Field project status and feasibility

- ◆ F1 Justified
- ◆ F2 Contingent
- ◆ F3 Undefined

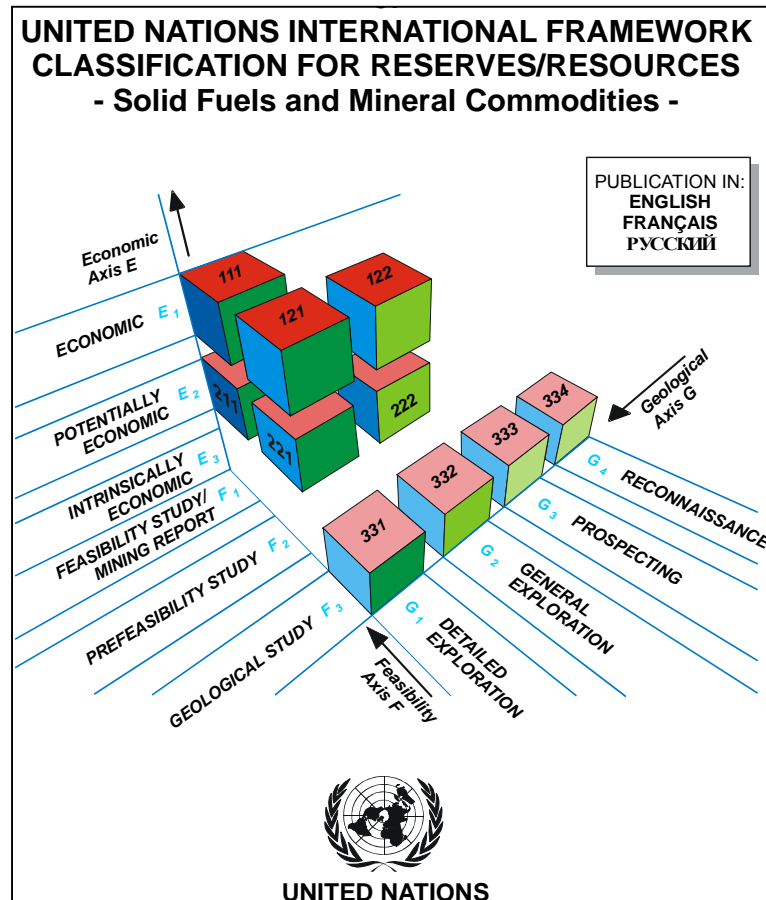
Geological knowledge

- ◆ G1 Reasonably assured
- ◆ G2 Estimated
- ◆ G3 Inferred
- ◆ G4 Potential

Why the UNFC?

- **Enhance international communication**
- **Support business processes and improve efficiency of resource management**
- **Facilitate international financial reporting**
- **Enhance the security of energy supplies and of the associated financial resources**

History of UNFC



- **UN Framework Classification for Solid Fuels and Mineral Commodities first initiated in 1992.**
- **UN ECOSOC recommended all UN Members States to use the system in 1997.**
- **Now successfully applied or tested in more than 60 countries.**

History of UNFC continued

- **2001, UNECE Committee on Sustainable Energy created a Group of Experts to extend principles of UNFC to other energy resources (oil, natural gas and uranium).**
- **2002-2004 Group of Experts worked intensively with its design and harmonization with other systems.**
 - **Experts involved with development of current SPE/WPC/AAPG Classification also involved in development of UNFC.**
- **UN Framework Classification for Fossil Energy and Mineral Resources established, recommended for worldwide application by ECOSOC Resolution 233/2004.**

Wide Range of Stakeholders in Group of Experts

- **Governments**
- **Business/private sector**
- **International organizations, incl. IAEA, IEA, IEF, OPEC, WEC and WPC**
- **Professional associations incl. AAPG, CRIRSCO, EFG, IASB, IOSCO, IVSC and SPE**


Key Objectives of UNECE Group of Experts

- **Facilitate development of Specifications and Guidelines, through cooperation with SPE and CRIRSCO**
 - Petroleum in 1st and 2nd Quarter 2007
 - Minerals in 3rd and 4th Quarter 2007
- **Develop UNFC education/outreach programme**
- **Facilitate case studies on voluntary basis**
- **Begin considering UNFC application to recipient formations (eg., natural gas storage, carbon capture and storage)**

Key Objectives of UNECE Group of Experts

- **Seek to strengthen inter-agency cooperation and to cooperate and collaborate with all stakeholders**
- **Explore options for appropriate successor to Group of Experts**
 - **Group of Experts' mandate continued through December 2007 but some members are interested in longer term governance structure**
 - **Administer UNFC and manage outreach/education programme**
- **Next meeting: 10-12 September 2007, Geneva**

<http://www.unece.org/ie/se/reserves.html>


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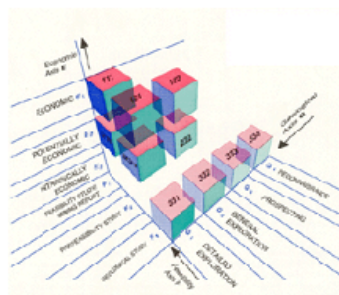
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Industrial Restructuring, Energy and Enterprise Development Division

Energy Reserves and Resources

including

- (i) United Nations Framework Classification for Reserves/Resources (UNFC); and
- (ii) Ad Hoc Group of Experts on the Supply of Fossil Fuels



United Nations Framework Classification for Energy and Mineral Resources

The United Nations Framework Classification (UNFC) for Energy and Mineral Resources is a universally applicable scheme for classifying/evaluating energy and mineral reserves resources. [\[Download Final Version\]](#)

Activities & Information

- [Ad Hoc Group of Experts on Classification of Energy Reserves and Resources](#) (formerly Ad Hoc Group of Experts on the Harmonization of Energy Reserves/Resources Terminology)
- [Practical Application of the UNFC in Selected Countries: Case Studies](#)

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Thank you for your kind attention.

 **UNECE** United Nations Economic Commission for Europe

SUSTAINABLE ENERGY

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