

Alignment of classifications and possible revision of the UNFC

by

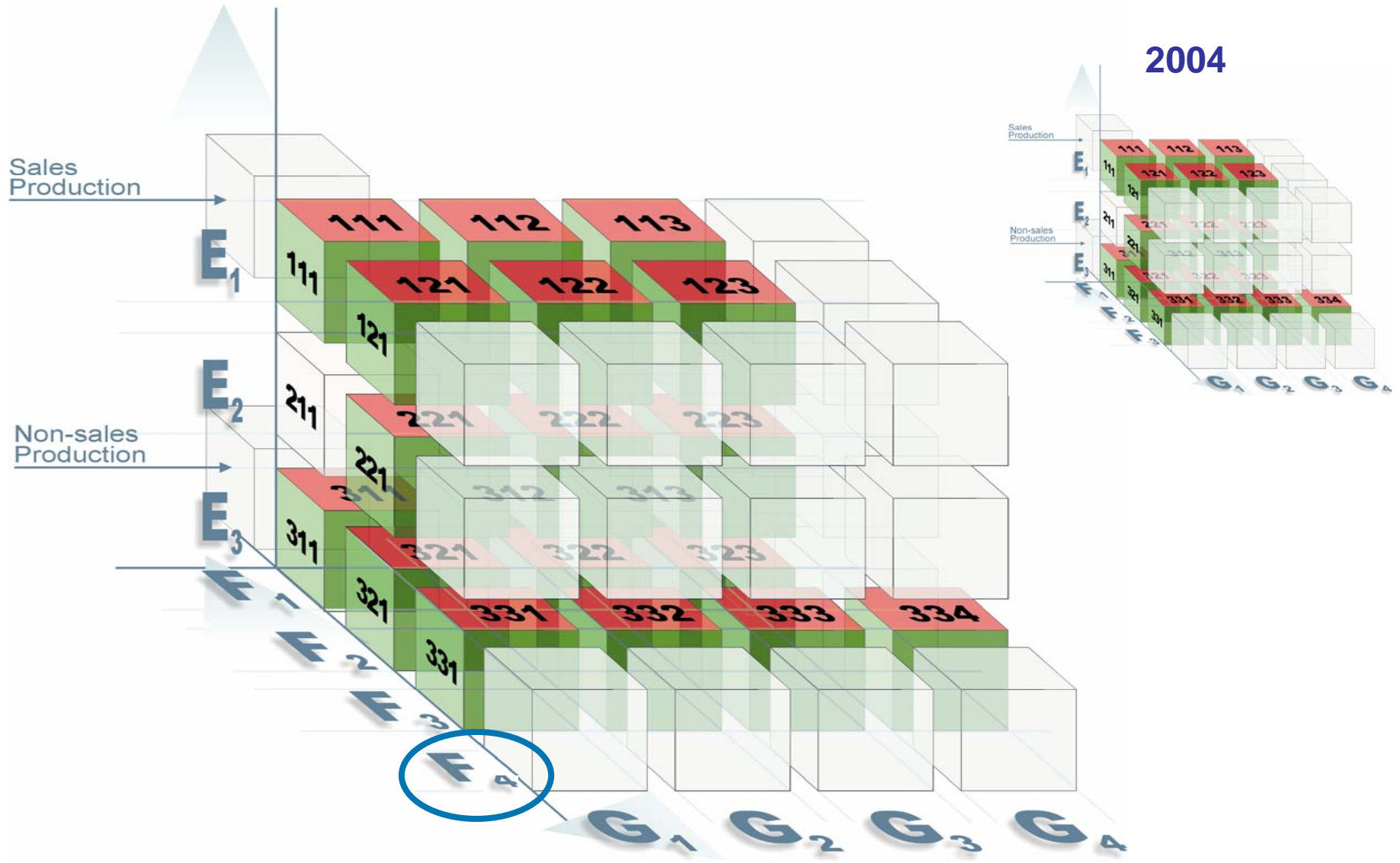
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UNECE Ad Hoc Group of Experts on Harmonization of
Fossil Energy and Mineral Resources Terminology
Fifth Session, 15-16 April 2008, Geneva

Abbreviation of the UNFC

Total commodity initially in Place	Recovered	Sales production		
		Non-sales production		
	Discovered	Recovery by commercial projects		
		Potential recovery by contingent projects		
		Additional discovered quantities in place		
	Undiscovered	Undiscovered recoverable quantities		
Additional undiscovered quantities in place				
Scenario Method		Low Estimate	Best Estimate	High Estimate
Incremental Method		High Confidence	Moderate Confidence	Low Confidence

The Revised UNFC



2004

UNFC Classes defined by categories and sub-categories						
Total commodity in place	Recovered	Sales production				
		Non-sales Production				
	Class	Status	Categories			
			E	F	G ¹	
Total commodity in place	Discovered	Recovery by commercial projects				
		On Production	Extraction is currently taking place.	1	1.1	1, 2, 3
		Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is under way	1	1.2	1, 2, 3
		Justified for Development	Implementation of the development project is commercially justified and there are reasonable expectations that all necessary approvals/contracts will be obtained.	1	1.3	1, 2, 3
		Potential recovery by contingent projects				
		Development Pending (economic)	Project activities are ongoing to justify development in the foreseeable future	1	2.1	1, 2, 3
		Development Pending (marginal)		2.1	2.1	1, 2, 3
		Development On Hold	Project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	2.1	2.2	1, 2, 3
		Development Unclassified		3.2	2.2	1, 2, 3
		Development Not Viable	There are no current plans to develop or to acquire additional data at the time due to limited potential.	2.2	2.3	1, 2, 3
		Additional discovered quantities in place				
				3.3	4	1, 2, 3
		Undiscovered	Undiscovered recoverable quantities			
			Exploration Potential		3.2	3
Additional undiscovered quantities in place						
			3.3	4	4	

AHGE Fifth session: UNFC Revision ¹ G categories may be used discretely, particularly when classifying solid minerals and quantities in place, or in aggregated form (e.g. G1+G2), as is commonly applied for recoverable fluids.

Definition of categories

Category / Sub-category	Definition
E1	Extraction and sale is economically¹ viable. Refer to definitions of E1.1 and E1.2.
E1.1	Extraction and sale is economic on the basis of current market conditions and realistic assumptions of future market conditions. ² Economic viability is not affected by short-term adverse market conditions provided that longer-term forecasts remain positive.
E1.2	Extraction and sale is not economic on the basis of current market conditions and realistic assumptions of future market conditions, but is made viable through government subsidies and/or other considerations.
E2	Extraction and sale has not yet been confirmed to be economically viable. Refer to definitions of E2.1 and E2.2.
E2.1	Extraction and sale has not yet been confirmed to be economic but, on the basis of realistic assumptions of future market conditions, there are reasonable prospects for economic extraction in the foreseeable future.
E2.2	Extraction and sale is not economic on the basis of realistic assumptions of future market conditions, and eventual economic extraction would require a substantial improvement in market conditions.
E3	Extraction and sale is not economic or economic viability has not yet been determined. Refer to definitions of E3.1, E3.2 and E3.3.
E3.1	Extraction without sale.
E3.2	Economic viability of extraction has not yet been determined.
E3.3	Currently considered to have no potential for eventual economic extraction.
F1	A technically and commercially feasible development project has been confirmed. Refer to definitions of F1.1, F1.2 and F1.3.
F1.1	Extraction is currently taking place.
F1.2	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is under way.
F1.3	Implementation of the development project is commercially justified and there are reasonable expectations that all necessary approvals/contracts will be obtained.
F2	A potential development project has been identified, but technical and commercial feasibility has not yet been confirmed. Refer to definitions of F2.1, F2.2 and F2.3.
F2.1	Project activities are ongoing to justify development in the foreseeable future.
F2.2	Project activities are on hold and/or where justification as a commercial development may be subject to significant delay.
F2.3	There are no current plans to develop or to acquire additional data at the time due to limited potential.
F3	Project evaluation is at too early a stage to determine technical and commercial feasibility.
F4	Additional quantities in-place.
G1	Quantities associated with a known deposit that can be estimated with a high level of confidence.
G2	Quantities associated with a known deposit that can be estimated with a moderate level of confidence.
G3	Quantities associated with a known deposit that can be estimated with a low level of confidence.
G4	Estimated quantities associated with a potential deposit, based primarily on indirect evidence.

² The term economically encompasses economic (in the narrow sense) as well as legal, regulatory, contractual and other socially determined conditions that need to be met.

³ Market conditions are defined to include prices, costs, legal/fiscal framework, environmental, social and other non-technical factors that directly impact economic viability.