UNFC
Why do we classify resources?
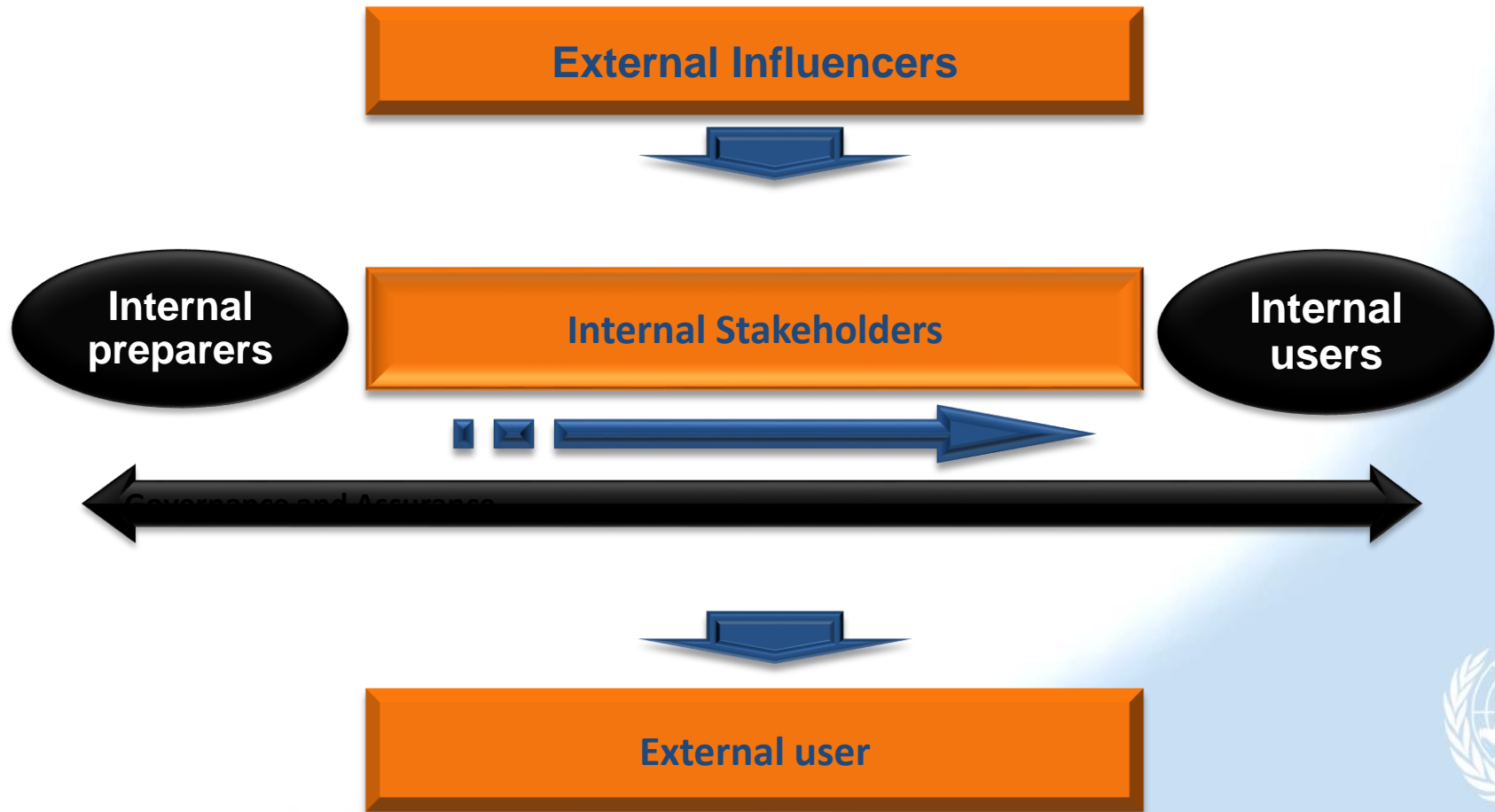
David MacDonald

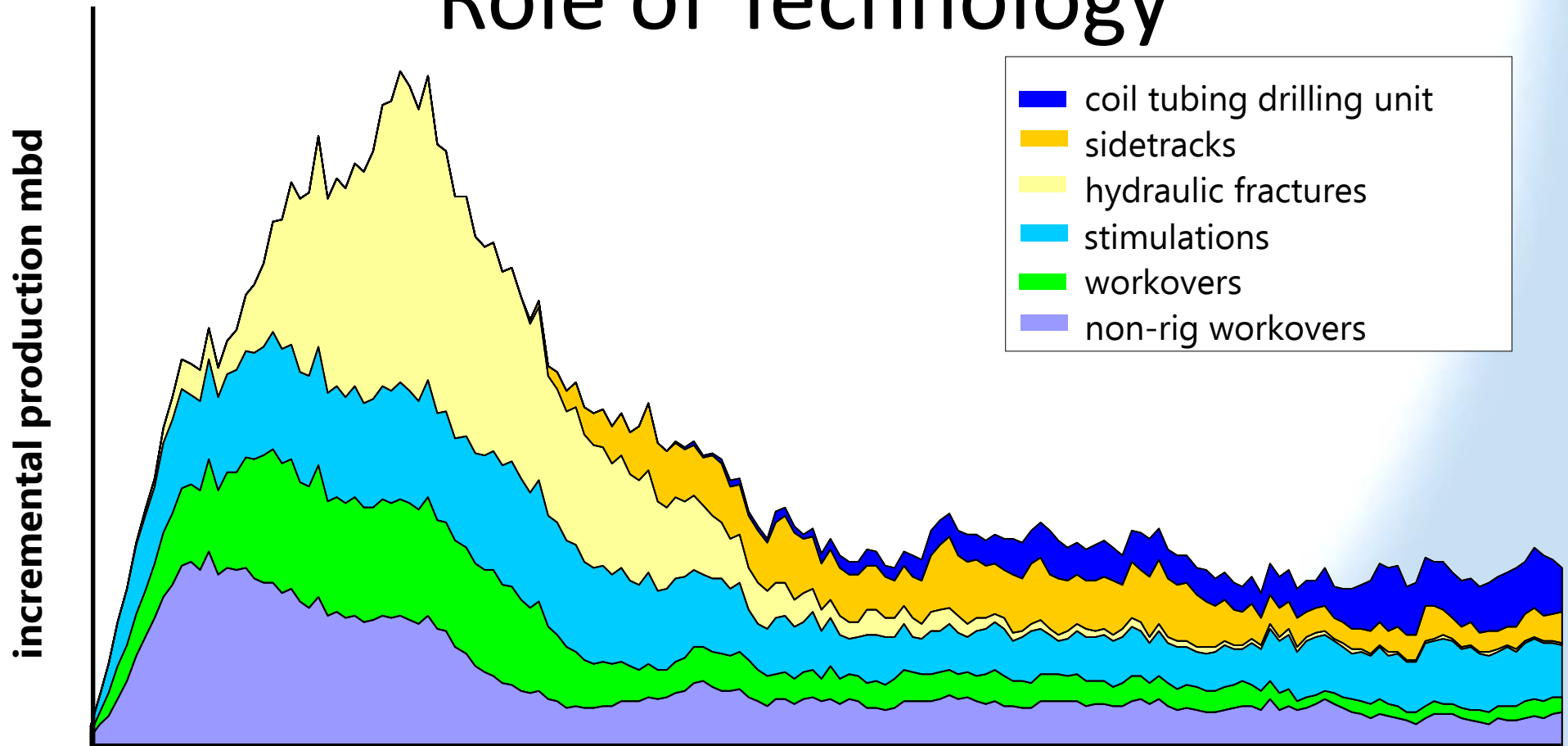**EGRC Chair**

VP Segment Reserves, BP

UNECE Workshop
Geneva, 25 April 2017

UNECE

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Stakeholders for Resource Classification

External Influencers

Internal preparers

Internal Stakeholders

Internal users

Governance and Assurance

External user

Role of Technology

Chart legend:
- coil tubing drilling unit
- sidetracks
- hydraulic fractures
- stimulations
- workovers
- non-rig workovers

Y-axis: incremental production mbd
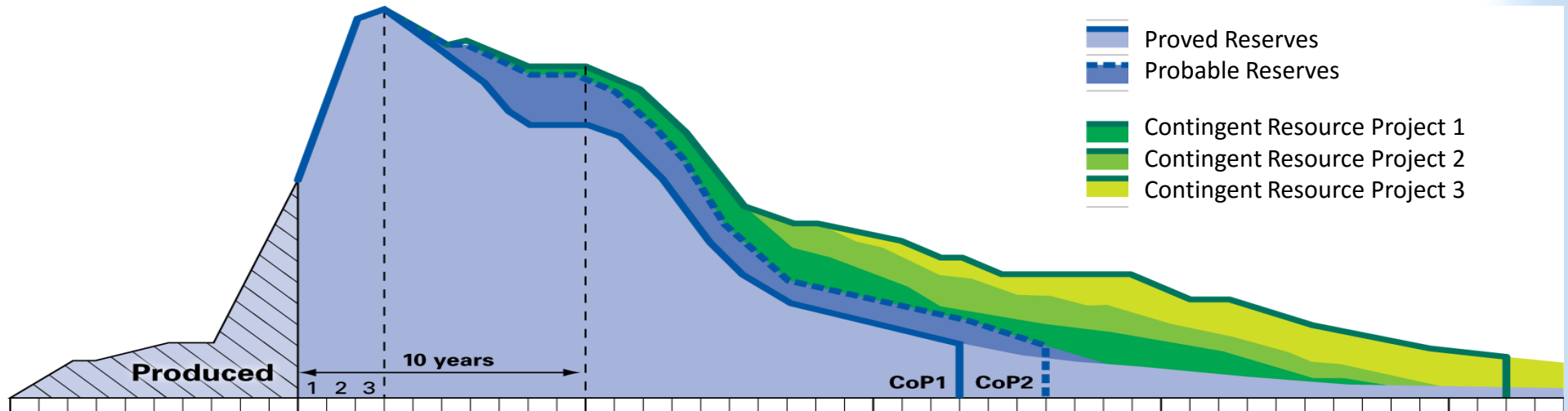
The improvement of hydrocarbon recovery and investment efficiency is demonstrably linked with advances in technology.

The right linkage between depletion and technology plans is vital to maximising value from our assets.

The Depletion Plan & Business Planning

Activity Plan
Focuses on production of proved and probable reserves and timely execution of activity to complete future projects, such as water and/or gas injection
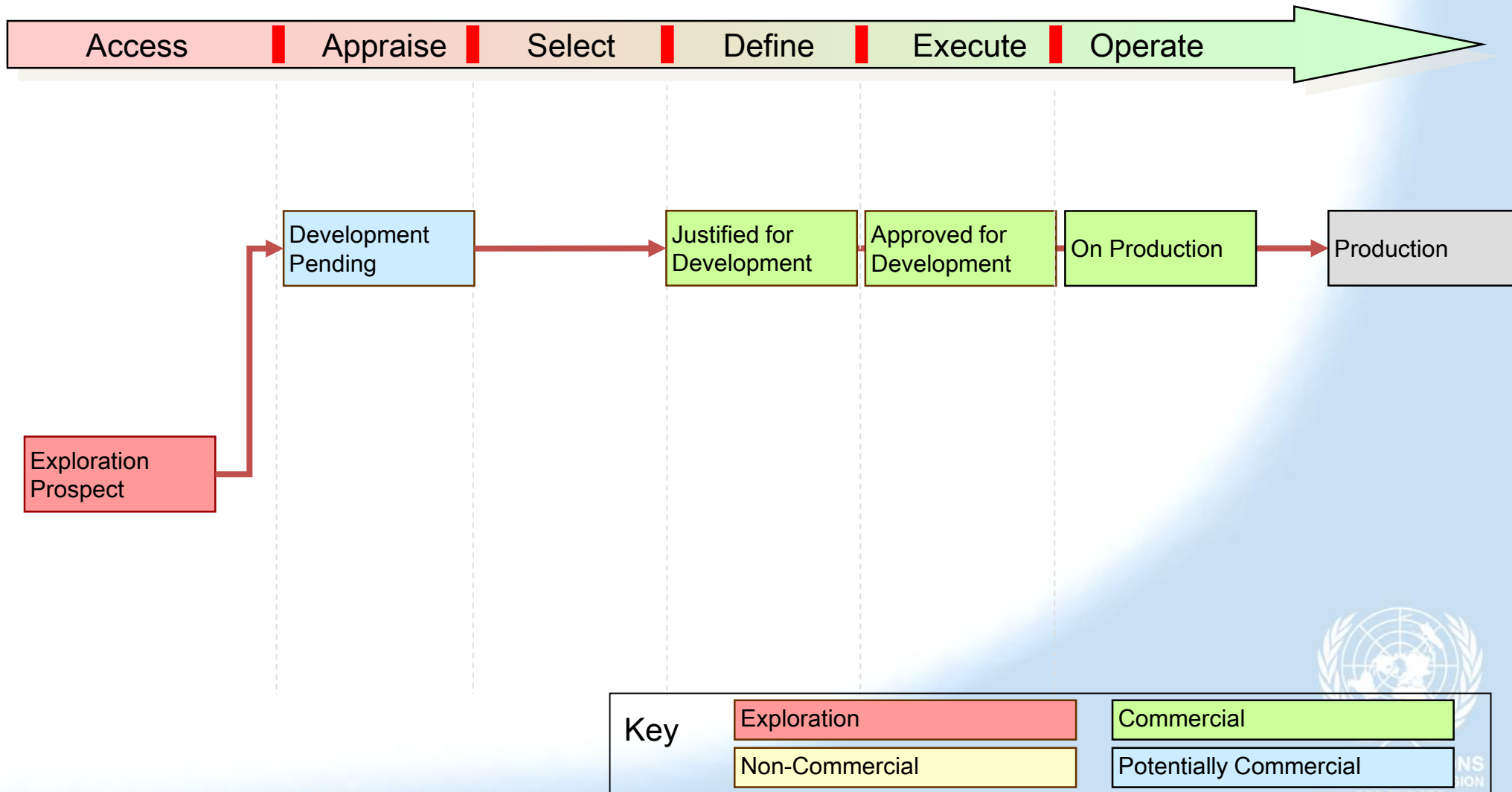
Business Plan
Focuses on the medium to long term value of the Asset but is constrained by assumptions regarding corporate strategy and investment availability.
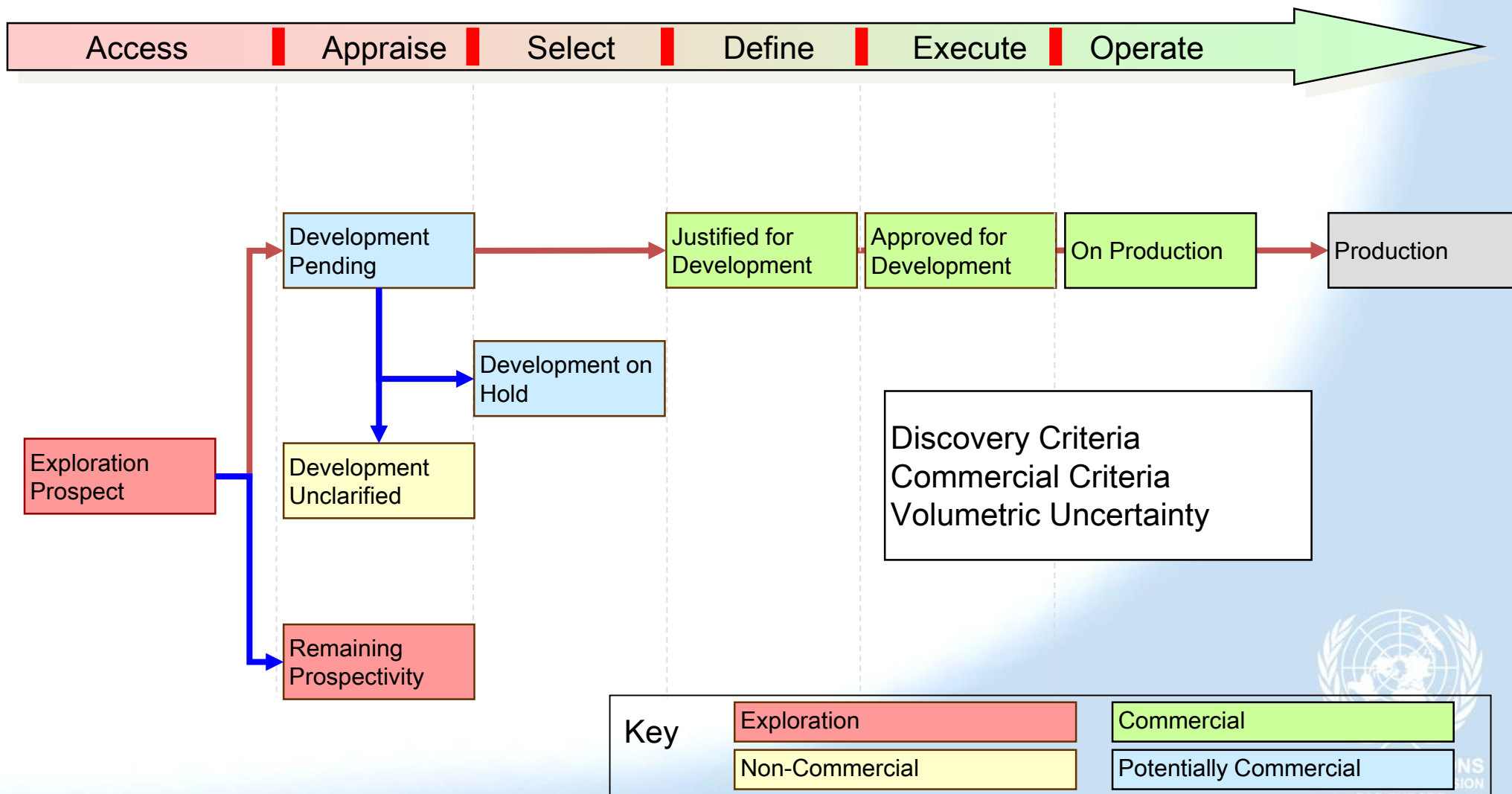
Depletion Plan
Describes the total resource envelope including the proved and probable reserves and Contingent Resources up to the estimated ultimate recovery or technical limit.

Resource Progression

Access | Appraise | Select | Define | Execute | Operate

Exploration Prospect → Development Pending → Justified for Development → Approved for Development → On Production → Production

Key

Exploration	Commercial
Non-Commercial	Potentially Commercial

Resource Progression

Diversity in stakeholder characteristics

- Ability to tailor reporting information
  - Range of information available- financial statements or beyond?

- Level of sophistication
  - Sophisticated users
    » Industry specialists
    » Use of information as inputs to own analysis using own assumptions
    » Use of full range of value relevant information

  - Less sophisticated users
    » Greater reliance on financial statements

- Conflicts between stakeholders?
  - Views on cost/ benefit of information
- View of what is useful information

- Is there one 'answer' that meets the needs of all users?

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