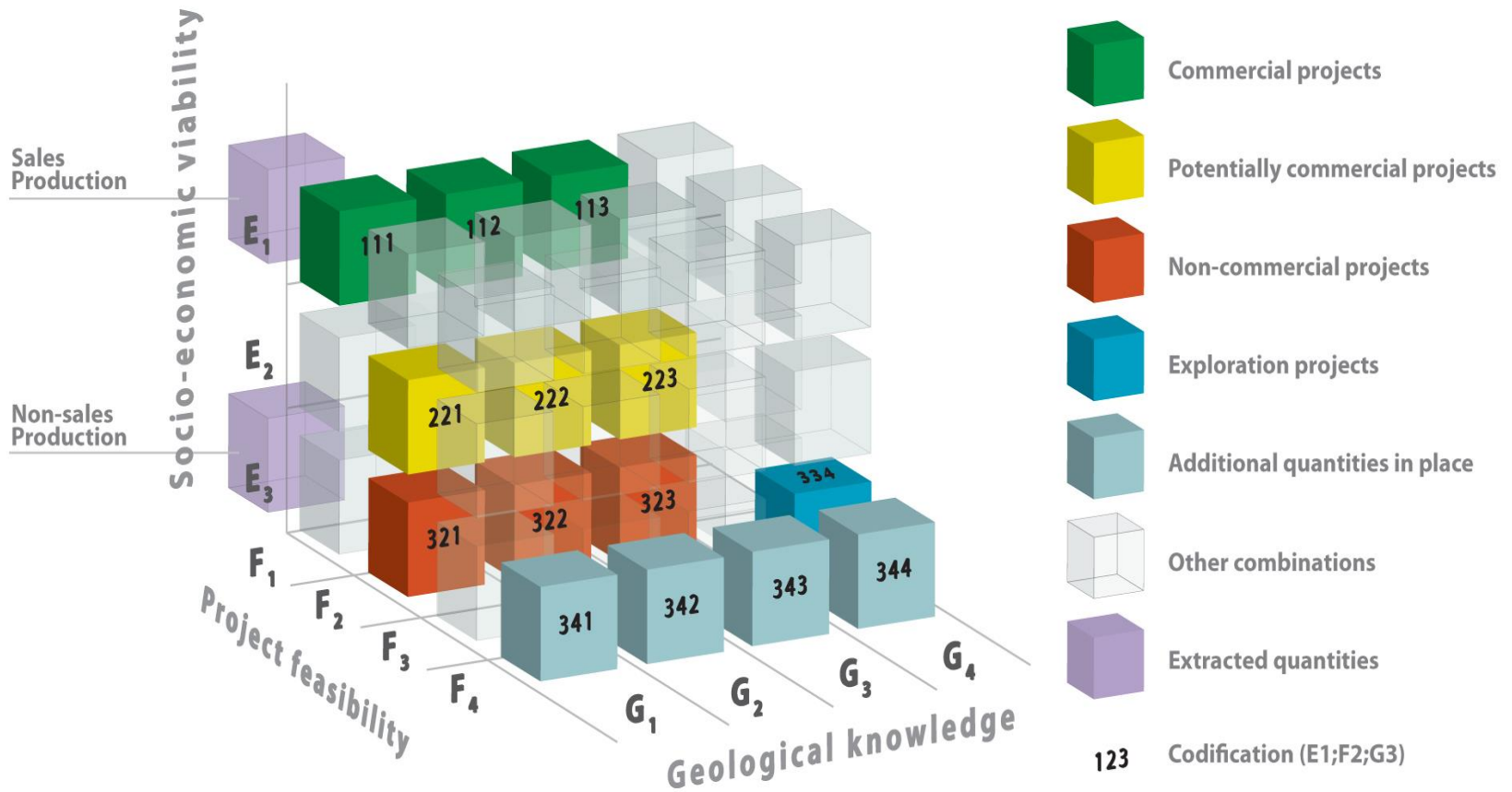


Regional application

Categorizing and classifying projects taking account of social and environmental factors

Regional applications will not alter the basic structure of the UNFC



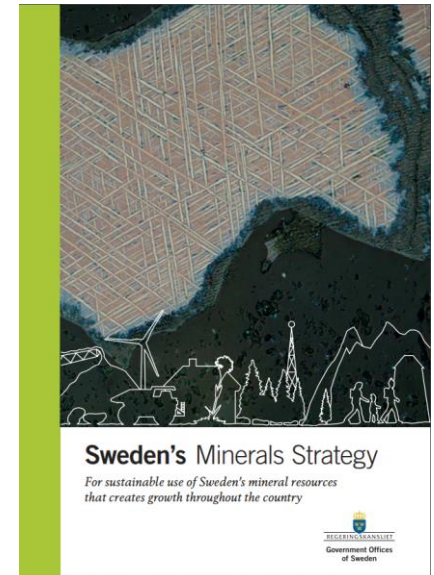
Categories may be subdivided to reflect local strategies, needs, laws and regulations

- General law
- Environmental law
- Fiscal law and regulations
- Petroleum and mineral laws and regulations
- Contract law

Regional strategic objectives

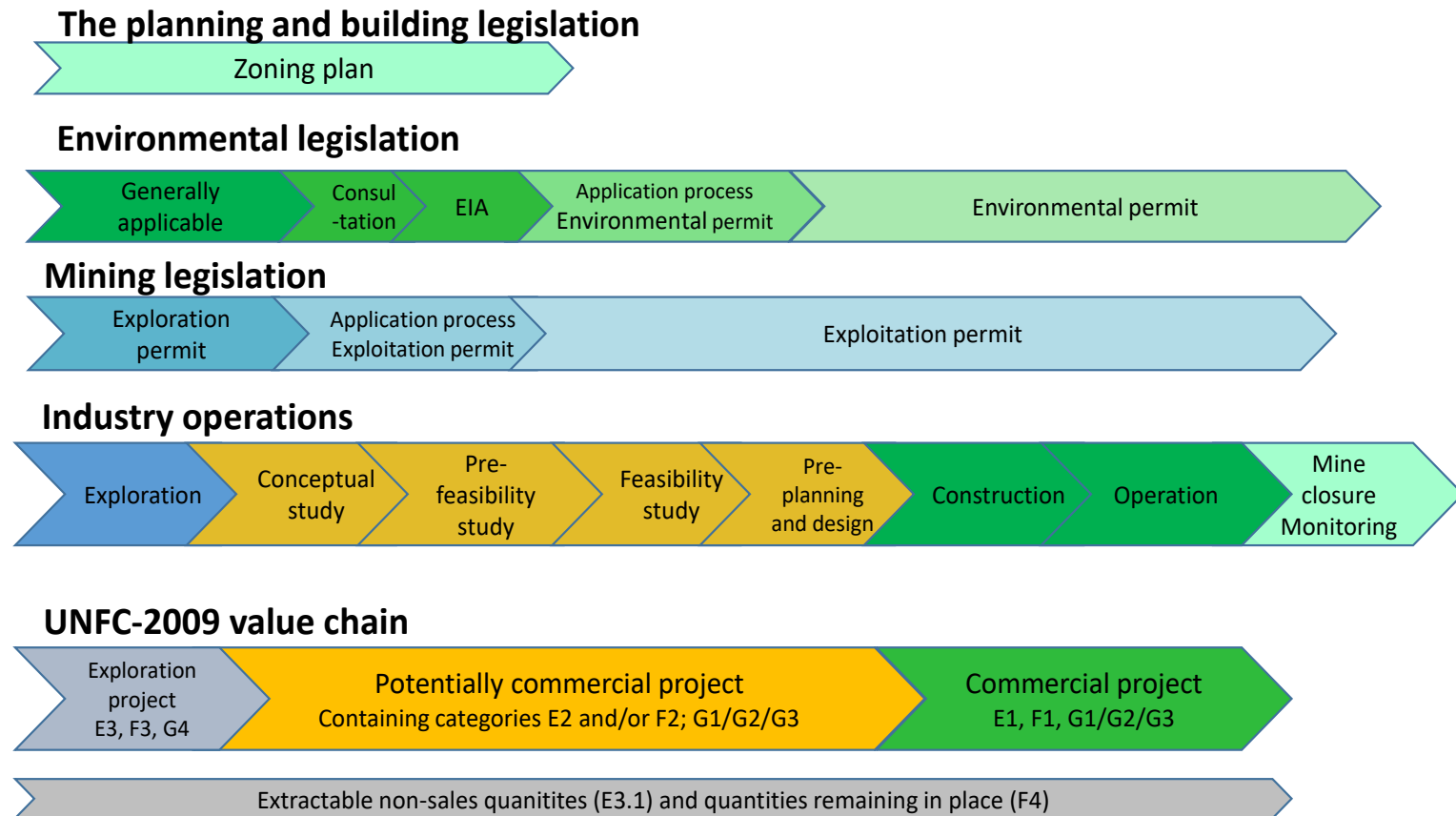
Example for the Nordic mining sector (ref: EGRC-9/2018/INF.3 12 April 2018)

- Sweden's minerals strategy identifies five strategic objectives.
 1. **A mining and minerals industry in harmony with the environment, cultural values and other business activities.**
 2. **Dialogue and cooperation to promote innovation and growth.**
 3. **Favorable framework conditions and infrastructure for competitiveness and growth.**
 4. **An innovative mining and minerals industry with an excellent knowledge base.**
 5. **An internationally renowned, active and attractive mining and minerals sector.**
- In nearly all of them, the UNFC numbers matter.
- Mineral strategies and policies in Finland (Geological Survey of Finland, 2010) and Norway (Norwegian Ministry of Trade, Industry and Fisheries, 2013) conform to the same overall objectives and principles as the Swedish one.



Categories may be subdivided to reflect applicable laws and regulations: Example from Finland, Norway and Sweden

Schematic of mining-related project life cycles in government and industry processes (conceptual).



Categories may be subdivided to reflect applicable local needs: E-axis attributes

- **Proposal from the Social and Environmental Considerations Task Force of the Expert Group on Resource Classification:**

E2	<i>E2.1</i>	<i>Not all economic, social and environmental contingencies have been resolved, but there is a high probability that they will be resolved within the foreseeable future.</i>
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	<i>E2.2</i>	<i>Not all economic, social and environmental issues have been resolved, but there is a medium probability that they will be resolved within the foreseeable future.</i>
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- **Guidance for the application of the United Nations Framework Classification for Resources (UNFC) for mineral resources in Finland, Norway and Sweden**

Attribute iii (written E2iii):

- *Not all economic, social and environmental issues have been resolved and the unresolved issues cannot be influenced by Stakeholders. They are expected to be resolved within the foreseeable future.*

The Norwegian petroleum law obliges both the private and public sectors:



Section 1-2

Resource management

...Resource management of petroleum resources shall be carried out in a long-term perspective for the **benefit of the Norwegian society as a whole**. In this regard the resource management shall provide revenues to the country and shall contribute to ensuring welfare, employment and an improved environment, as well as to the strengthening of Norwegian trade and industry and industrial development, and at the same time take due regard to regional and local policy considerations and other activities.

Section 4-1

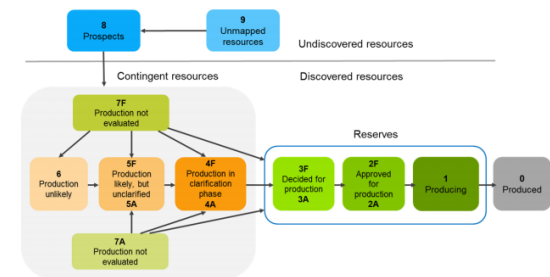
Prudent production

Production of petroleum shall take place in such a manner that **as much as possible of the petroleum in place in each individual petroleum deposit, or in several deposits in combination, will be produced**. The production shall take place in accordance with prudent technical and sound economic principles and in such a manner that waste of petroleum or reservoir energy is avoided. The licensee shall carry out continuous evaluation of production strategy and technical solutions and shall take the necessary measures in order to achieve this.

F-axis attributes facilitate compliance with the law

(ref: EGRC-9/2018/INF.3 12 April 2018)

- **Attribute “f”**: First development project for a deposit. A project is identified with the attribute “f” (for first) when it is the first development project for one or more deposits. The attribute is used with categories F1.2, F1.3, F2.1 and F2.2. Projects with additional resources in new deposits in discoveries may also be assigned the “f” attribute when inclusion of the resources will increase the minerals volumes in place in the deposit.
- **Attribute “a”**: Project to optimize the recovery from a deposit. A project is identified with the attribute “a” (for additional) when the project leads to improved sales of quantities in place or of the quantities categorized as non-sales quantities by a project with an attribute “f”. Attribute “a” is used with categories F1.2, F1.3, F2.1, F2.2 and F3. The “a” attribute is also used to identify projects that can extend production through increased Value at Source or otherwise.

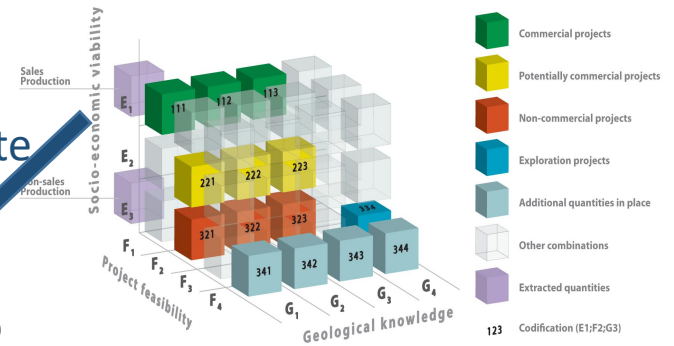
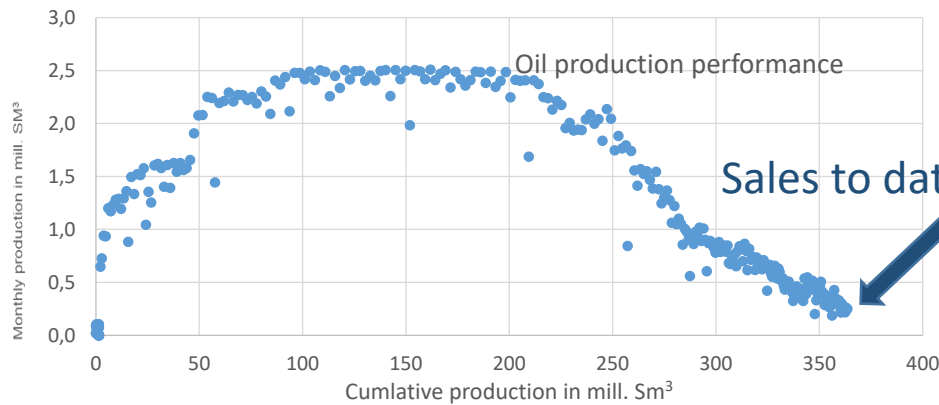
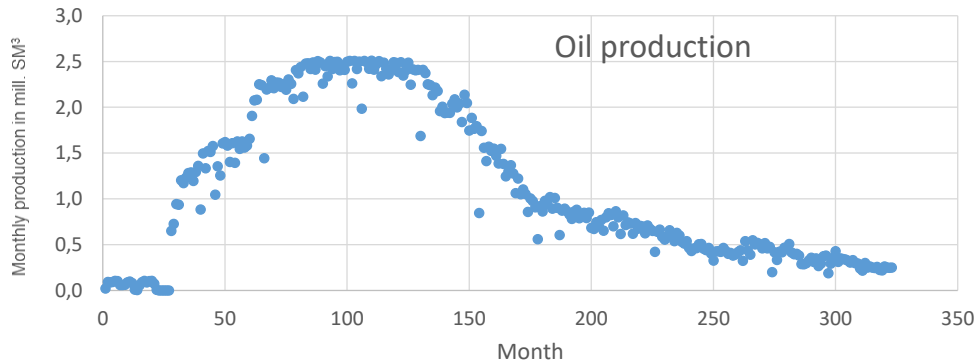


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**The Norwegian Petroleum Directorate's
resource classification system 2016**

Users may need time to be associated with the quantities

Oseberg field oil production and oil production performance (Source: NPD.no)



National or regional reporting requirements may require alternative quantifications

- Decisions by management, partners, Government and other primary stakeholders require quantification of the full UNFC based on a view of future framework conditions.
- Financial regulators require comparable quantities across investment opportunities. Quantification is required based on prescriptive standard framework conditions, sometimes observed past conditions. They may demand disclosures to be limited in order for all investors to have equal information.
- **Preparers must serve both with the quality both require. Attributes can be used to identify the quantification used (i.e. Government; US Securities and Exchange Commission, management; partner a,b,c, etc..)**

Thank you



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