

Update UN Framework Classification for Fossil Energy & Mineral Resources

UNECE Working Party on Gas 22 January 2008

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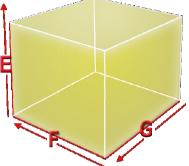
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What is the UNFC?



United Nations Framework Classification for Fossil Energy and Mineral Resources

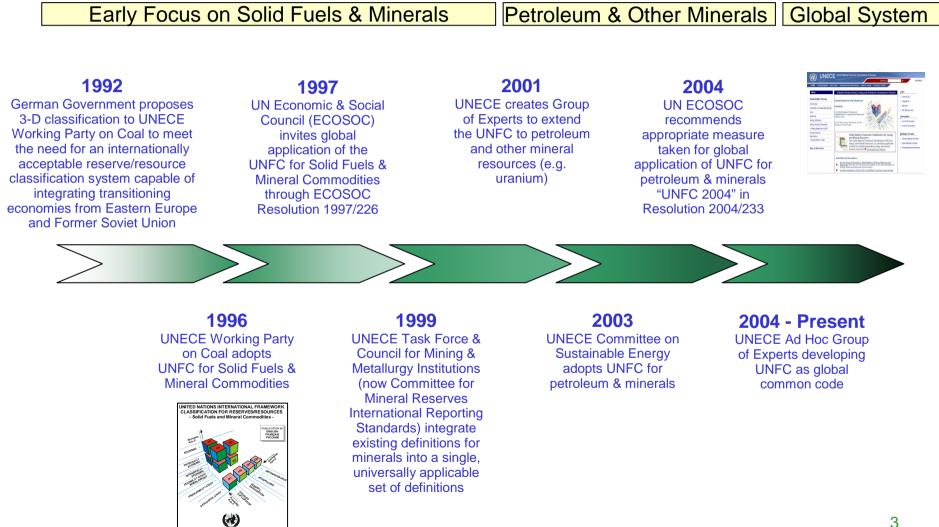
- 3-D system to classify and report reserves/resources using 3 principal metrics:
 - economic viability (E)
 - technical feasibility/project maturity (F)
 - knowledge of the geological endowment (G).



- Simple, <u>universally applicable</u> scheme for classifying and evaluating energy and mineral reserves and resources
- Allows a common international understanding within and across commodity classes
- A <u>flexible</u> system for application at global, national, industrial, institutional or financial level
- Managed within the UN System by the UNECE
- Adopted, adapted or tested in over 60 countries, principally for application to mineral resources



History of UNFC





UNECE Ad Hoc Group of Experts

- Created in 2004 in UNECE to deliver on ECOSOC resolution
 - <u>Develop</u> one global common code for energy and minerals, including definitions, specifications and guidelines for application
 - <u>Establish</u> institutional governing structure to keep UNFC relevant and updated
- Transparent and voluntary process
- Wide range of stakeholders
 - Governments, NGOs and business/private sector
 - International organizations, incl. IAEA, IEA, IEF, OPEC, WEC and WPC
 - Professional associations incl. AAPG, CRIRSCO, EFG, IASB, IOSCO, IVSC and SPE
 - Experts involved with development of the current SPE/WPC/ AAPG/SPEE classification were also involved in development of UNFC
 - Coordinate with IASB's Extractive Industries Research Project

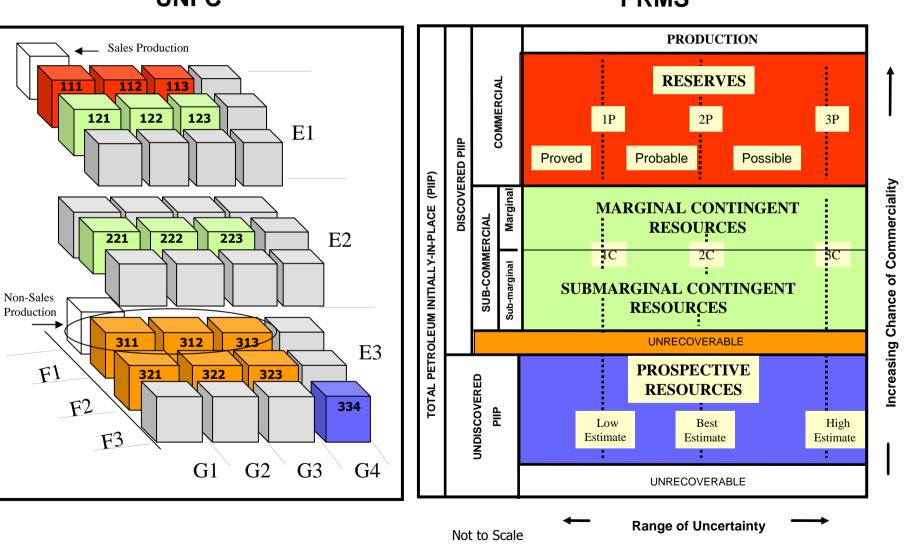
What Happened in 2007?



- Change of Vision
 - Former vision One global code
 - New vision 2 roles
 - UNFC as overarching "umbrella" system onto which other systems can be mapped providing a means of common understanding facilitating communication across systems and commodities
 - UNFC adopted or adapted directly
- Mapped UNFC against SPE, CRIRSCO and Russian systems
- Initiated investigation of UNFC for recipient reservoirs (carbon capture and storage, natural gas storage, etc) based on suggestion from SPE and Working Party on Gas (Jan 2007)
- International cooperation
 - London and Oslo City Groups on National Statistical Accounts
 - International Multi-disciplinary Reserves Conference Washington, DC
 - International Accounting Standards Board



ALIGNING PRMS-UNFC CLASSIFICATION MATRICES





Next Steps for 2008

- Conclude initial mapping and begin mapping UNFC to other systems
- Revisions to UNFC 2004 to facilitate mapping
- Assess impact of proposed UNFC changes to any national classification systems that are based on UNFC 1997 or UNFC 2004
- Specifications/guidelines
- UNFC for recipient reservoirs
- 5th Session– 15-16 April 2008 in Geneva
- Governance



Thank You!

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