

Update UN Framework Classification for Fossil Energy & Mineral Resources

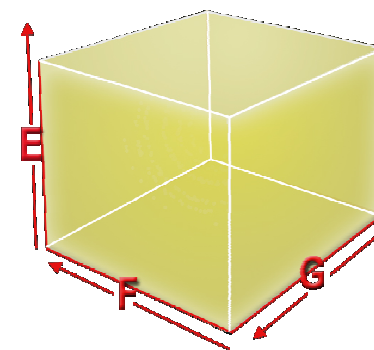
UNECE Working Party on Gas
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What is the UNFC?

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, universally applicable scheme for classifying and evaluating energy and mineral reserves and resources
- Allows a common international understanding within and across commodity classes
- A flexible 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

Early Focus on Solid Fuels & Minerals | Petroleum & Other Minerals | Global System

1992

German Government proposes 3-D classification to UNECE Working Party on Coal to meet the need for an internationally acceptable reserve/resource classification system capable of integrating transitioning economies from Eastern Europe and Former Soviet Union

1997

UN Economic & Social Council (ECOSOC) invites global application of the UNFC for Solid Fuels & Mineral Commodities through ECOSOC Resolution 1997/226

2001

UNECE creates Group of Experts to extend the UNFC to petroleum and other mineral resources (e.g. uranium)

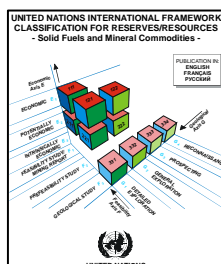
2004

UN ECOSOC recommends appropriate measure taken for global application of UNFC for petroleum & minerals "UNFC 2004" in Resolution 2004/233



1996

UNECE Working Party on Coal adopts UNFC for Solid Fuels & Mineral Commodities



1999

UNECE Task Force & Council for Mining & Metallurgy Institutions (now Committee for Mineral Reserves International Reporting Standards) integrate existing definitions for minerals into a single, universally applicable set of definitions

2003

UNECE Committee on Sustainable Energy adopts UNFC for petroleum & minerals

2004 - Present

UNECE Ad Hoc Group of Experts developing UNFC as global common code

UNECE Ad Hoc Group of Experts

- Created in 2004 in UNECE to deliver on ECOSOC resolution
 - Develop one global common code for energy and minerals, including definitions, specifications and guidelines for application
 - Establish 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?



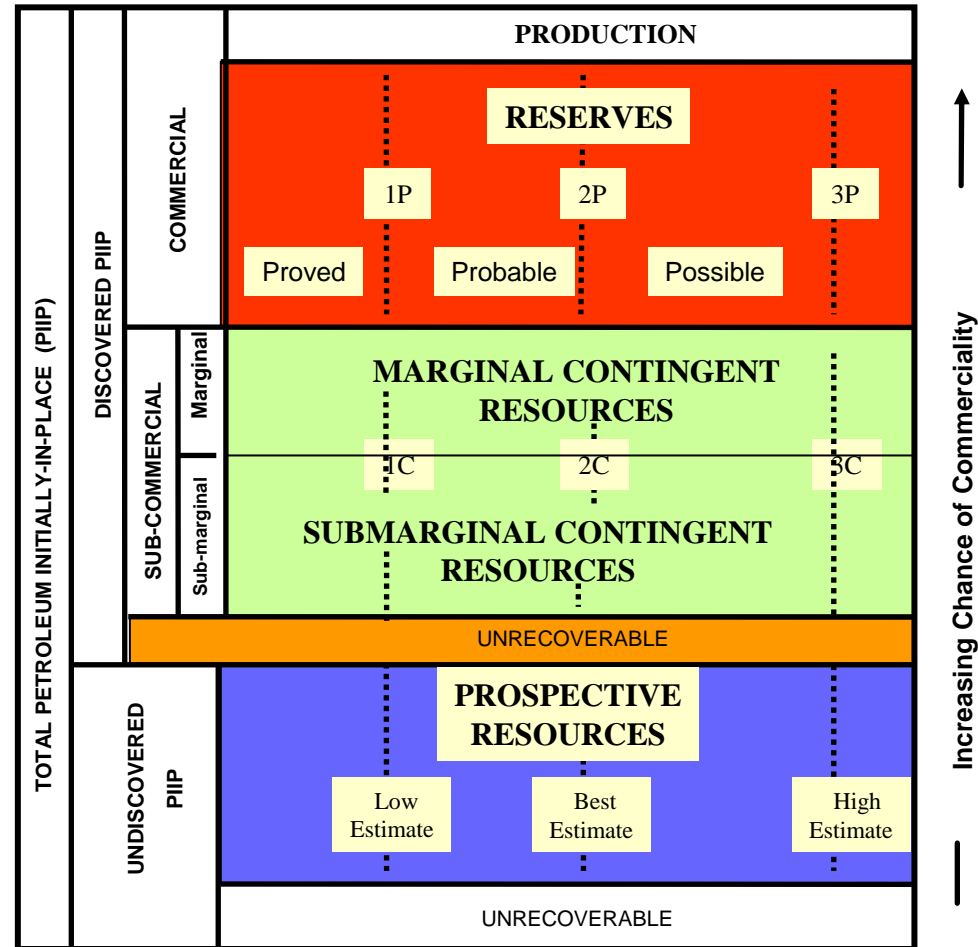
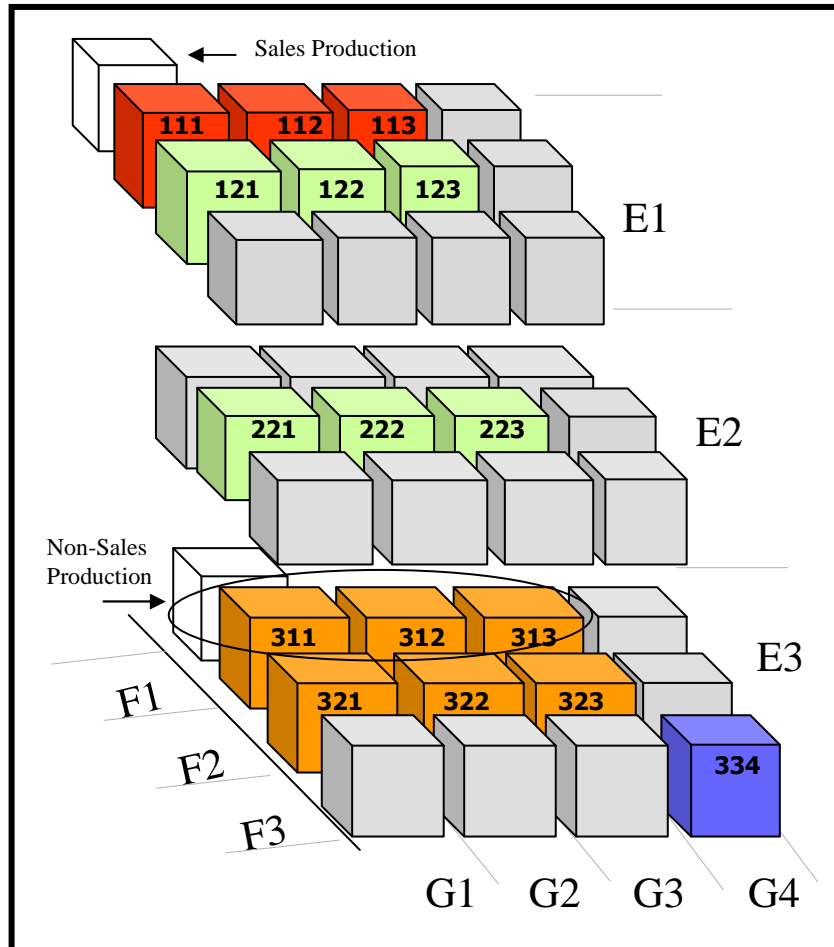
- Change of Vision
 - Former vision – One global code
 - New vision – 2 roles
 - UNFC as overarching “umbrella” system onto which other systems can be mapped providing a means of common understanding facilitating communication across systems and commodities
 - UNFC adopted or adapted directly
- Mapped 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



UNFC

PRMS



Not to Scale

← Range of Uncertainty →

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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