UNFC applied to commercial assessments

by Sigurd Heiberg, Chairperson, Commercial Working Group
Definition of Commercial

 Ready for buying and selling in a market. In the document it is used separately for physical quantities or capacities (in the case of storage), and for the legal rights to projects, defined as assets.
Early conclusion: Distinguish between Commercial quantities, non-sales quantities for use and for non-use
The United Nations Framework Classification for Resources Applied to Commercial Assessments – draft considerations

- Introduction
- Valuation
- Application of UNFC in making commercial assessments
  - The assessments of commercial supplies
  - Commercial assessments of assets
    - Resource management applications
    - Fiscal and contractual designs
    - Capital allocation, project development and commodity transactions
    - Asset transaction
    - Portfolio optimisation
    - Public reporting, including corporate and financial reporting
- Complex portfolios of more than one commodity
- Facilitating commercial assessments when updating UNFC
- Conclusions and recommendations
The UNECE Expert Group on Resource Management is invited to consider the following recommendations:

1. The Expert Group will distinguish between commercial quantities, non-sales quantities for use and non-sales quantities who will each have separate reference points. The full UNFC will be used for both commercial quantities (as before) and for non-sales quantities for use. Necessary changes in the terminology will be made. Non sales quantities that are not used will continue to be categorised as before, with the F categories being equal to the F categories of the project.

2. The Expert Group recommended the Commercial Working Group to complete its review of developments related to commercial aspects and assess how they are reflected in the updated UNFC to support commercial assessments of projects.

3. The Expert Group agreed to extend the mandate of the Commercial Group for the duration of its own mandate.
The EGRM Commercial Working Group

- Members
  - Carolina Coll, International Finance Corporation
  - Daniel Trotman, EY
  - David Elliott, Expert
  - Julian Hilton, Aleff Group
  - Kathryn A. Campbell, Attorney
  - Michal Lynch-Bell, Independent Director
  - Nick Stansbury, Legal and General Investment Management
  - Sigurd Heiberg, Petronavit a.s. and PETRAD (Chairperson)
  - Steve Griffiths, ERC Equipoise Ltd.

  - Bureau
    - Bernard Seiller
    - Bradley van Gosen
    - Roger Dixon
  - Technical Advisory Group
    - Alistair Jones, TAG Chairperson
    - Satinder Purewal, Chairperson, Petroleum Resources Working Group
    - Ulrich Kral, Chairperson, Anthropogenic Resources Working Group
  - Petroleum Resources Working Group
    - Andrew Barrett
    - Barbara Pribyl
    - Claudio Virues
Thank you

Sigurd Heiberg
Chairperson, Commercial Working Group

Sigurd.Heiberg@petrad.no