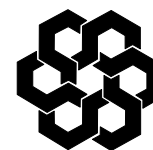


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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB.

Board positions are set out in Standards.

Note: These notes are based on the staff paper prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB paper. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board meeting: July 2005, London
Project: Extractive Activities research project, Education session
Education session cover note (Agenda Paper 5)

Purpose

1. The purpose of the July 2005 public education session for the extractive activities research project is to:
 - (a) expand Board members' understanding of:
 - (i) the key elements of the existing reserve and resource definitions for minerals and oil & gas;
 - (ii) the similarities and differences between those definitions – and the two industries more generally; and
 - (b) provide Board members with a further opportunity to ask mineral and oil & gas technical experts questions about reserves and resources; and
 - (c) seek the Board's initial reaction to the possible directions for defining reserves and resources for financial reporting purposes.

No decisions are expected for this session.

Background

2. In accordance with the project plan, the extractive activities project team's¹ research focus is directed towards the financial reporting of reserves and resources. The immediate focus of the project team's research is to consider how to define reserves and resources for financial reporting purposes. Settling on a preferred definition of reserves and resources is considered to be a prerequisite for completing the other research objectives relating to the recognition, measurement and disclosure of reserves and resources.
3. On 19 April 2005, the Board held its first public education session on the extractive activities research project. The session comprised separate presentations on mineral reserves and resources and oil & gas reserves and resources, and broadly speaking, covered the following topics:
 - (a) types of minerals / oil & gas deposits;
 - (b) process for estimating reserves and resources;
 - (c) factors influencing the estimate of reserves and resources;
 - (d) major reserve reporting codes/classification systems for the industry; and
 - (e) future directions for the codes/classification systems.
4. The presentations were delivered by:
 - (a) minerals: Pat Stephenson (*AMC Consultants; Member and immediate Past Chairman of the (Australasian) Joint Ore Reserves Committee*) and Niall Weatherstone (*Rio Tinto Technical Evaluation Group, Member of the UK Ore Reserves Committee, and Member of the Combined Reserves International Reporting Standards Committee*); and
 - (b) oil & gas: Duncan Frost (*BP plc; Member of the Society of Petroleum Engineers Oil & Gas Reserves Committee*).

Session outline

5. The July education session will build on the April education session and provide Board members with a more detailed understanding of the attributes of the reserve and resource definitions for minerals and oil & gas in advance of the Board considering at a future meeting how reserves and resources should be defined for use in an eventual IFRS. The majority of this session will be devoted to a "questions and answers" session to follow on from the limited question time available at the conclusion of minerals and oil & gas presentations at the April education session.

¹ The extractive activities project team is led by the Australian Accounting Standards Board and also comprises the national standard setters from Canada, Norway and South Africa.

6. This session will comprise:
 - (a) a recap of the key points identified in the April session, with a focus on the similarities and differences in the reporting and estimating of reserves and resources for the minerals and oil & gas industries;
 - (b) questions and answers with mineral and oil & gas technical experts; and
 - (c) an initial discussion on the possible directions for defining reserves and resources for financial reporting purposes.
7. Attending the session to answer questions about minerals and oil & gas reserves and resources will be:
 - (a) Duncan Frost (in person);
 - (b) Niall Weatherstone (in person);
 - (c) Pat Stephenson (via video link); and
 - (d) Louis Rozman (via video link – *CH4 Gas Limited, past member and Deputy Chairman of the (Australasian) Joint Ore Reserves Committee*).

Materials

8. A number of background papers have been prepared to support the discussion at the July education session (refer agenda paper 5A).
9. [Not reproduced in observer notes]