

MINING AND OIL & GAS REPORTING – ASX SHAKE UP

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ASX has recently released a consultation paper on the Listing Rule reporting requirements applicable to reserves and resources reporting by listed mining and oil and gas companies.

ASX says it is reviewing the opportunities to enhance reserves and resources disclosure by listed mining and oil and gas companies. The review is particularly aimed at:

- responding to stakeholder interest in improving the standards of public reporting of reserves and resources, and promoting the confidence in the public reporting of this information;
- reducing the potential for the disclosure of reserves and resources information to be misleading;
- promoting greater efficiency in the capital formation process for listed mining and oil and gas companies; and
- ensuring the reporting requirements are aligned with international best practice, but without a disproportionate compliance burden for listed companies.

The current disclosure regime

The Listing Rules and the *Corporations Act 2001* currently provide for disclosure based regulation of the reporting of exploration results, mineral resources and ore reserves based on the Joint Ore Reserves Committee (JORC) Code (Appendix 5A to the Listing Rules). The Code does not cover reporting of oil and gas reserves. This is covered by Chapter 5 of the Listing Rules and the continuous disclosure obligation in Listing Rule 3.1 and section 674 of the *Corporations Act 2001*.

Mineral resources and ore reserves

The key issues and proposals examined in the consultation paper in relation to mineral resources and ore reserves are:

- disclosure of exploration results and targets;
- disclosure of key assumptions underpinning mineral resource and ore reserve estimates;
- defining the level of study underpinning an initial ore reserve estimate;
- disclosure of production targets; and
- annual reporting and reconciliation of mineral resources and ore reserves.

Oil and gas reserves

The key issues and proposals examined in the consultation paper in relation to oil and gas reserves are:

- standardised petroleum resources definitions and a common classification system;

- general requirements for reporting of reserves and resources;
- annual reserves and resources reporting requirements;
- disclosure of exploration and drilling results;
- disclosure of key assumptions underpinning reserve and resource estimates;
- disclosure of production targets; and
- qualified reserves and resources evaluator requirements.

International best practice

With a view to international best practice, ASX has taken into account the Canadian and South African reporting regimes for mining and the Canadian and US SEC regimes, as well as the industry developed SPE-PRMS (Society of Petroleum Engineers (International), Petroleum Resources Management System) resource classification system for oil and gas. This may be particularly important for companies listed in more than one jurisdiction that are currently required to comply with multiple disclosure and reporting regimes.

What can you do?

Listed mining and oil and gas companies should consider how the issues and proposals set out in the consultation paper are likely to impact on their disclosure obligations, including the costs associated with disclosure.

ASX is inviting comments from all interested stakeholders by **27 January 2012** on the key reporting issues and proposals examined in the consultation paper. It proposes to hold a number of roundtable events and separate meetings with companies and other key stakeholders to seek feedback to ensure the development of appropriate new reporting requirements under the Listing Rules.

Click [here](#) to view the full '*ASX Listing Rules Review Issues Paper: Reserve and Resource Disclosure Rules for Mining and Oil and Gas Companies*'.

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