

## **SEC Announces Proposed Rule Changes for Oil and Gas**

**By Andy Clay**

Well, it seems that the regulator, the SEC (Securities and Exchange Commission) can be progressive and after much lobbying by the AAPG (American Association of Petroleum Geologists) and SPE (Society of Petroleum Engineers) they have released a Concept Release document in December 2007 for industry comment.

The upshot is that the proposed rule changes include:-

1. Permitting the use of new technologies to determine Proved Reserves;
2. Enabling companies to additionally disclose Probable and Possible Reserves to investors;
3. Requiring the companies to report the independence and qualifications of a preparer or auditor of mineral resources and reserves;
4. Requiring the filing of reports for companies that rely on a third party to prepare reserve estimates; and
5. Requiring companies to report oil and gas reserves using an average price based upon the prior 12-month period.

See you in Cape Town for the Oil and Gas show in October!