SAMOG Committee Meeting Minutes

Date of Meeting	02 March 2023	**Time**	15:30
Chaired by:	Peter Dekker	**Location**	Zoom
Minutes prepared by:	Camielah Jardine		

Present:

Peter Dekker ***Chair***	Jeff Aldrich Annalie de Bruyn Andy Clay Sean Davids Mike Tosdevin	Bernadine Joubert Zakaria Rashid

SAIMM Secretariat:
Camielah Jardine

Apologies:
Shane Hattingh
Tarryn Myburgh

Topic	Discussion
1. Welcome	Mr Dekker welcomed everybody to the meeting. One of the topics of the meeting would be to finalise the SAMOG Code updates. Mr Clay requested that a quick discussion be held on where this was heading and how long it would take. There was still a lot to go through, but he did not feel it should be taking as long as it was. Mr Dekker advised that it had been decided to go through this line-by-line instead of accepting what Mr Tosdevin had done. This suggestion had been put forward by Mr Clay and Ms de Bruyn; to go through it in detail. Mr Clay advised that this had not been his intention, which had been to isolate his comments to what Mr Tosdevin had proposed. If his intention had been misinterpreted, he would rescind this; otherwise, it would take a very long time. Mr Dekker responded that was his fear and he wanted to finalise it as quickly as possible, as currently the progress was very slow. The apologies were noted.
2. Minutes of previous meeting	The minutes of 02 February 2023 as previously circulated were accepted as a true reflection of the meeting proceedings, subject to the following amendments: – Shane Hattingh had submitted his apologies – Siobhan was present at the meeting – Under Point 4 (Page 3) – the last sentence in the first paragraph should read: 'It also required the Chartered Member to be named and make public a whole **list** of information on the GSSA website'. – Under Point 4 (Page 4) – the last sentence in the fourth paragraph should read: 'He asked whether the GSSA Member no longer existed; or it did exist but it was not of a suitable **stature** to be considered a QRE or QRA?'

	– Under Point 5.9 (Page 5) – the first sentence should read: 'Mr Aldrich took the meeting through some of the differences between **COGEH** and PRMS with regard to economics'. Ms Jardine agreed to make the corrections and send the amended minutes to all members. **Action**: Camielah Jardine Minutes proposed by Jeff Aldrich Minutes seconded by Andy Clay
3. Action items from previous meeting	**Actions and outstanding items:** It was confirmed that Mr Dekker's e-mail address had been shared with Bernadine and Zakaria from the JSE. The minutes had been corrected and redistributed to all members. An e-mail had been resent to members, advising them of items to be discussed with ASC. Regarding the draft response re GSSA membership, Mr Dekker advised that he had sent this directly to Dr Marshall and that some committee members were copied on this. The GSSA's suggestion had not been accepted. This had been highlighted in the meeting with the SSC; that SAMOG was very disappointed that it had all been written for the minerals industry and not taking oil and gas into account. He advised that SAMOG could not get on board with this.
4. RETIREMENT OF MR TOSDEVIN	Mr Dekker advised that Mike Tosdevin would be retiring this year, which would have implications for the SAMOG Committee. Mr Tosdevin did not have any proposal and just wanted to let the Committee know that he was retired in six months. He was on the Readers Panel and advised that, as a result of retiring, he had ceased his membership with the Energy Institute. The Energy Institute was an RPO, with a Code of Conduct. He was still a member of the SPE, but he did not think the SPE had a disciplinary code. He was just making members aware of that; in case it disqualified him from being a member of the Committee. Mr Dekker did not believe it affected the Committee, but he was not sure of the Readers Panel. He asked whether Mr Tosdevin would mind staying on after retirement. Mr Tosdevin responded that he would still be available. Mr Dekker added that he would like to resign as Chairman of SAMOG but would like to stay on the Committee. He suggested that the Committee would have to think about how to go forward and invited any ideas. Mr Clay believed it should be left as a topic to be reviewed in time, as the main purpose of the Committee was to get the rewrite done. As a recent new member on the Committee, Mr Aldrich asked that, beyond the rewriting of the Code, what further obligations there were for the SAMOG Committee in the long term, i.e. 1-3 years out. What was the goal and role of the Committee?

	Ms de Bruyn believed that once the Code had been rewritten, the listing requirements had been drafted and it had gone through the consultative process and the requirements were implemented; the Committee could pick up on practical issues that could be discussed with the Readers Panel. If there was a 'sticky' issue and the Readers Panel was in two minds, or there was a shortcoming in the Code; this might require setting up a working group to consider the Code again and make some changes. Over time, the Code would have to be considered again. Mr Dekker added that it was a long-term, cyclical thing, but if the Committee had to report on issues that had happened with the Readers Panel, the Committee had to look at these issues. This would be very important as more and more oil and gas companies listed with the JSE. Ms de Bruyn agreed that technical interpretations of the Code might come up. On the solid minerals side there were quarterly meetings for the SAMREC and SAMVAL Codes, with some standing items on their agendas. These working groups were open to anybody, and people might attend and discuss interpretations of the Code. Mr Aldrich added that there was a variety of hydrocarbons or gas plays that were available in South Africa and the SAMOG Code had to stay up to date on all of those. Ms de Bruyn advised that the JSE had to be considered and an eye needed to be kept on developments to keep on track.
5. SAMOG CODE UPDATE	Mr Dekker shared his screen, which showed that most of the things that Mr Tosdevin had suggested had been changed back to the old version, because it had been decided in the discussions not to change this. He did not want to redo things. Some discussion followed on the proposed changes. These changes had been sent around for comment and Mr Clay had made the most comments. Mr Dekker was in favour of it and, in discussion, Mr Clay had suggested that it should be considered line by line. Section 6 had not been done yet. Regarding 5.9 Disclosure of Resources other than Reserves, this was previously under 5.9 and had been moved to 5.14. It was originally titled 'Disclosure of high case estimates of Resources and Reserves other than Reserves'. It had then been moved and it had changed to 'Disclosure of Resources other than Reserves'. Some of Mr Tosdevin's original suggestions had been included. Mr Aldrich believe that one that was missing was a few things to align it with the PRMS, i.e. it did not state whether the resources were contingent or perspective (the class of resource). Further, it did not state risk levels within that, like 1C, 2C, 3C, i.e. the level of confidence. Within the PRMS, this was slightly different. You could add a certain level, but this was only at a play level, which was fine. You had to write in why you were stating that particular level and the confidence level behind it. He advised that he would have to go back to PRMS in order to add a bit more to it (e). This was unproved property and this was the perspective of the property. Mr Clay suggested adding in a new clause under the location of the resources and just putting in the level of confidence or the

	classification of resources. Mr Dekker advised that this was for resources other than reserves. Clause F was only in the case of unproved property and all the rest were proved property, as long as they were reserves. Those were the contingent resources. He agreed that there was a whole level of different resources given. The whole thing was only for unproved resources. A discussion followed on the risks and uncertainty. There was also some discussion on contingent resources and it was decided to change Clause 5.9 1 (e) to read: (e) The classification and the categorisation associated with recovery of the resources Sean Davids suggested referring to the PRMS around classification. Mr Aldrich suggested that, under Clause 5.9 1 (a), it should read: 'the reporting entity equity holding in these resources'. Clause 5.9 1 (b) would read: 'the location of these resources'. Clause 5.9 1 (e) would read: 'the classification and categorisation associated with the recovery of these resources as described in the PRMS'. Clause 5.9 2 (b) related to the most specific category of resources in which the resources can be classified, as set out in PRMS and must identify what portion of the estimate is attributable to each category. (the word COGEH) had been removed). Clause 5.9 2 (c) the word COGEH had been removed in this clause. Regarding Clause 5.10 Analogous Information; in Clause 1 (c) the word COGEH had been removed. Clause 5.11 Net asset value and net asset value per share This clause was left as is. Clause 5.12 Reserve Replacement – this clause was rewritten as follows: 'Written disclosure concerning reserve replacement must include an explanation of the method of calculation applied and be in line with the PRMS. Clause 5.13 Netbacks Clause 5.13 (a) was removed and the numbering changed. Clause 5.14 Disclosure using Oil and Gas metrics Some discussion took place around this and it was decided to leave the wording as is. Clause 5.15 – this clause was removed and the numbering changed. Clause 5.16 – Restricted disclosure – summation of resource categories Mr Aldrich believed that split definitions had caused quite a lot of concern. A discussion followed. Mr Dekker advised that for this purpose, SAMOG would align with PRMS on contingent resources. It was decided to change it to 'Prohibited disclosure – summation of resource categories'.

	A lengthy discussion followed on Clause 5.16.2 Clause 5.17 – Disclosure of high-case estimates of resources and reserves other than reserves The last three words would be removed and it would be changed to 'Disclosure of high-case estimates of reserves'. Clause 5.17 2 was changed to read 'If a reporting entity discloses a high-case estimate of resources, the reporting entity must also disclose the corresponding low and best-case estimates' Mr Dekker suggested that members look at the Definitions for the next meeting. Mr Clay requested that the marked-up version be sent and then to do the final draft. Mr Dekker confirmed that he would send out two versions: one with all the mark-ups and one where he had accepted all the mark-ups. **Action**: Peter Dekker Ms de Bruyn asked whether the 'look and feel' of the Code should be more aligned with PRMS. Mr Clay responded that the PRMS was not a reporting standard and what the Committee had done was to create something that allowed people to report to this particular set of standards. Mr Dekker suggested that the Definitions had to be clearer. He added that there was not too much left to complete. Part 7 had to be updated. Mr Clay commented that that was why he had suggested sending out the two versions. Ms de Bruyn suggested sending out Mr Tosdevin's proposal as well. Mr Clay agreed to check whether he had a copy and believed that topics of conversation should also be taken into account. **Action**: Andy Clay Ms de Bruyn confirmed that she did not have the version with Mr Clay's comments and Mr Dekker agreed to send this to all members. **Action**: Peter Dekker Mr Clay commented that one of the things that resonated with him was the valuation section. He believed that, for future reference, this was a major topic of conversation with some interesting views on how to handle it. Ms de Bruyn suggested separating the valuation out of SAMOG and putting it into SAMVAL as a specific Oil & Gas annexure. Mr Clay was not averse to that and believed there was insufficient Oil & Gas expertise on those committees. Ms de Bruyn suggested asking some of the SAMVAL people to join this Committee. Mr Clay supported that idea, but suggested that this be parked until the SAMOG Code had been updated. Some discussion followed on what was required regarding Oil & Gas valuations. QRE's had to understanding economics in order to do reserves. Mr Dekker believed it was difficult to find all that in one person.
6. ANY OTHER BUSINESS	Ms de Bruyn asked, from a Solid Minerals perspective, the SAMREC Committees had a separate group working very hard on Definitions for ESG and disclosure. It was more focussed consideration of ESG issues in estimating the resources and reserves. She asked what PRMS had

	done in this space and whether there was anything to keep in mind from that perspective. Mr Aldrich responded that in the Guidance they came up with an ESG statement where they included several paragraphs in the recent guidance that had just gone out. He offered to resend those. Various governments would need ESG regulations that had to be considered. The PRMS could always be considered as a very active ESG document as a whole. It was not prescriptive, but it was more of a guidance. **Action**: Jeff Aldrich
7. MEETING CLOSURE	Mr Dekker thanked everyone for their attendance and contribution.
8. NEXT MEETING	Date of the next meeting is 13 April 2023.

Matters arising/Action Items

Meeting Date	Action	Responsible	Due	Status	Comments
02 March 2023	Send out two versions of update document, one with mark-ups and one with mark-ups accepted	P Dekker	13 April 2023		
02 March 2023	Send out M Tosdevin's proposal to all members	A Clay	13 April 2023		
02 March 2023	Send version with A Clay's comments to A de Bruyn	P Dekker	13 April 2023		
02 March 2023	Resend guidance update document from PRMS to all members	J Aldrich	13 April 2023		