



NEWS ALERT

FOR IMMEDIATE RELEASE (9 February 2005)

‘IVSC publishes 2005 Edition of International Valuation Standards’

The IVSC has today published the seventh edition of the International Valuation Standards – IVS 2005.

For the first time the International Valuation Standards include specific standards addressing the valuation of assets of the minerals and petroleum industries. The new Guidance Note containing those standards is *Valuation of Properties in the Extractive Industries*. This guidance was developed by an expert group representing Australia, Canada, South Africa and USA. During the development, the expert group received global input from interested bodies and individuals, and maintained frequent interaction with the leadership of the Extractive Industries Project Team of the International Accounting Standards Board (IASB). The IASB’s Project Team, which comprises representatives of the national accounting standards setters from Australia, Canada, Norway and South Africa, is conducting standards development research for the IASB’s long-term extractive activities project. The IASB issued the International Financial Reporting Standard *Exploration and Evaluation of Mineral Resources* (IFRS 6) in December 2004, completing its first step for convergence of accounting practices of minerals and petroleum companies around the world. The IVSC guidance supports the requirements of IFRS 6.

Trevor Ellis, chairman of the IVSC Expert Group, said: “Companies working in the oil, natural gas, and mining industries operate in one of the most internationalised sectors of the global economy. Large and small companies work around the world in the exploration, development and extraction of mineral and petroleum resources. It is now common for such companies to be listed on the stock exchanges of two or more countries, and to arrange multinational financing for their projects. To conduct such complex international business efficiently, uniform global valuation standards and definitions are necessary, that are based on internationally recognised classifications for mineral and petroleum resources and reserves, and are designed to support the International Financial Reporting Standards. This international environment has been the stimulant for extending the IVS 2005 Edition to incorporate comprehensive

supplemental valuation standards specifically designed for valuation of the unique assets of the minerals and petroleum industries.”

Printed copies of IVS 2005 are available at US\$50.00 each (inclusive of postage and handling charges) and can be ordered on-line – www.ivsc.org. An order form can be downloaded from the site. IVS 2005 will be available to view free of charge on the IVSC web site at a later date.

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NOTES TO EDITORS

(1) Contents of the seventh edition, IVS 2005:

General Valuation Concepts and Principles	
Code of Conduct	
Standard 1	Market Value Basis of Valuation
Standard 2	Valuation Bases other than Market Value
Standard 3	Valuation Reporting
Application 1	Valuation for Financial Reporting
Application 2	Valuation for Lending Purposes
Guidance Note 1	Valuation of Real Property
Guidance Note 2	Valuation of Lease Interests
Guidance Note 3	Valuation of Plant/ Equipment (under review)
Guidance Note 4	Valuation of Intangible Assets
Guidance Note 5	Valuation of Personal Property
Guidance Note 6	Business Valuation
Guidance Note 7	Consideration of Hazardous and Toxic Substances in Valuation
Guidance Note 8	The Cost Approach for Financial Reporting (DCR)
Guidance Note 9	Discounted Cash Flow (DCF) Analysis
Guidance Note 10	Valuation of Agricultural Properties
Guidance Note 11	Reviewing Valuations
Guidance Note 12	Valuation of Specialised Trading Property
Guidance Note 13	Mass Appraisal for Property Taxation
Guidance Note 14	Valuation of Properties in the Extractive Industries
Information Paper	Valuation in Emerging Markets

(2) American Institute of Minerals Appraisers (AIMA) passed a resolution at its Annual Meeting in February 2004 which states “that the AIMA endorses the work of the International Valuation Standards Committee in developing and publishing the *International Valuation Standards*, including valuation standards for the extractive industries of minerals and petroleum.” Another resolution requires “that AIMA members must abide by the *Uniform Standards of Professional Appraisal Practice* or the *International Valuation Standards* when conducting value appraisals of assets or business interests of the minerals (including petroleum) industry, except in the case where regulations require the application of an alternative set of valuation standards.” AIMA Newsletter, April 2004, on www.mineralsappraisers.org. The resolutions were subsequently approved by the full AIMA membership.