STAATSOLIE

STAATSOLIE MAATSCHAPPIJ SURINAME N.V.

ANNUAL REPORT 2021

PROJECTING SUCCESS

PROJECTS FOR SUCCESS

CONTENTS

BOARD REPORT AND LETTER

FINANCIAL AND OPERATIONAL PERFORMANCE

FINANCIAL STATEMENTS

The hydrocarbon potential of Suriname – which Staatsolie has been confidently projecting for years – is now coming to pass.

Following multiple significant discoveries in 2020 and 2021, Staatsolie intends to partner with international oil companies (IOCs) in the development and production stages of these discoveries. We also intend to clearly communicate how we are successfully transforming from a regional oil company into an internationally recognized and respected energy enterprise, with the people and processes in place to add value to all stakeholders, especially to our country.

The strong 2021 results shared in this report, achieved despite the ongoing challenges of the COVID-19 pandemic, attest to our solid leadership, our strong underlying assets and financial position, as well as our robust business systems as we continue moving forward.

To further safeguard the realization of our vision and long-term corporate objectives, we introduced our Projects for Success (PfS) initiative in 2021. This system (PfS) prioritizes our ten most important projects and places them on the agenda at the highest level within the company. This brings sharp focus to our decision making, risk management and capital allocation. The systematic execution of these PfS' aligns all stakeholders and therewith reduces execution time and delivers stronger results.

IN THE PAGES THAT FOLLOW, WE WILL HIGHLIGHT A SELECTION OF OUR CURRENT PROJECTS FOR SUCCESS.

ABBREVIATIONS USED

3D: three-dimensional
AGM: Annual General Meeting
bbl: barrel (ca. 159 liter)
capex: Capital expenditures
DST: Drill Stem Test
EBITDA: Earnings before interest, taxes, depreciation, and amortization
EOR: Enhanced Oil Recovery
ESIA: Environmental and Social Impact Assessment
GoS: Government of Suriname
HSE: Health, Safety and Environment
HSEC: Health, Safety, Environment and Community
IFRS: International Financial Reporting Standards
IOC: International Oil Company
IOR: Improved Oil Recovery
Kbbls: thousands of barrels
LTI: Lost-time Incident/Injury
MMbbls: Millions of barrels
MWh: megawatt-hour
opex: operating expenditure
oz.: (troy) ounce
PSC: Production Sharing Contract
RRR: Reserve-replacement ratio
STOIIP: stock-tank oil initially in place
TCF: trillion cubic feet
ULSD: Ultra Low Sulphur Diesel
VIU: Value in use

PROJECT FOR SUCCESS:

RAISE THE CAPITAL TO PLAY AN ACTIVE ROLE IN OFFSHORE ACTIVITIES

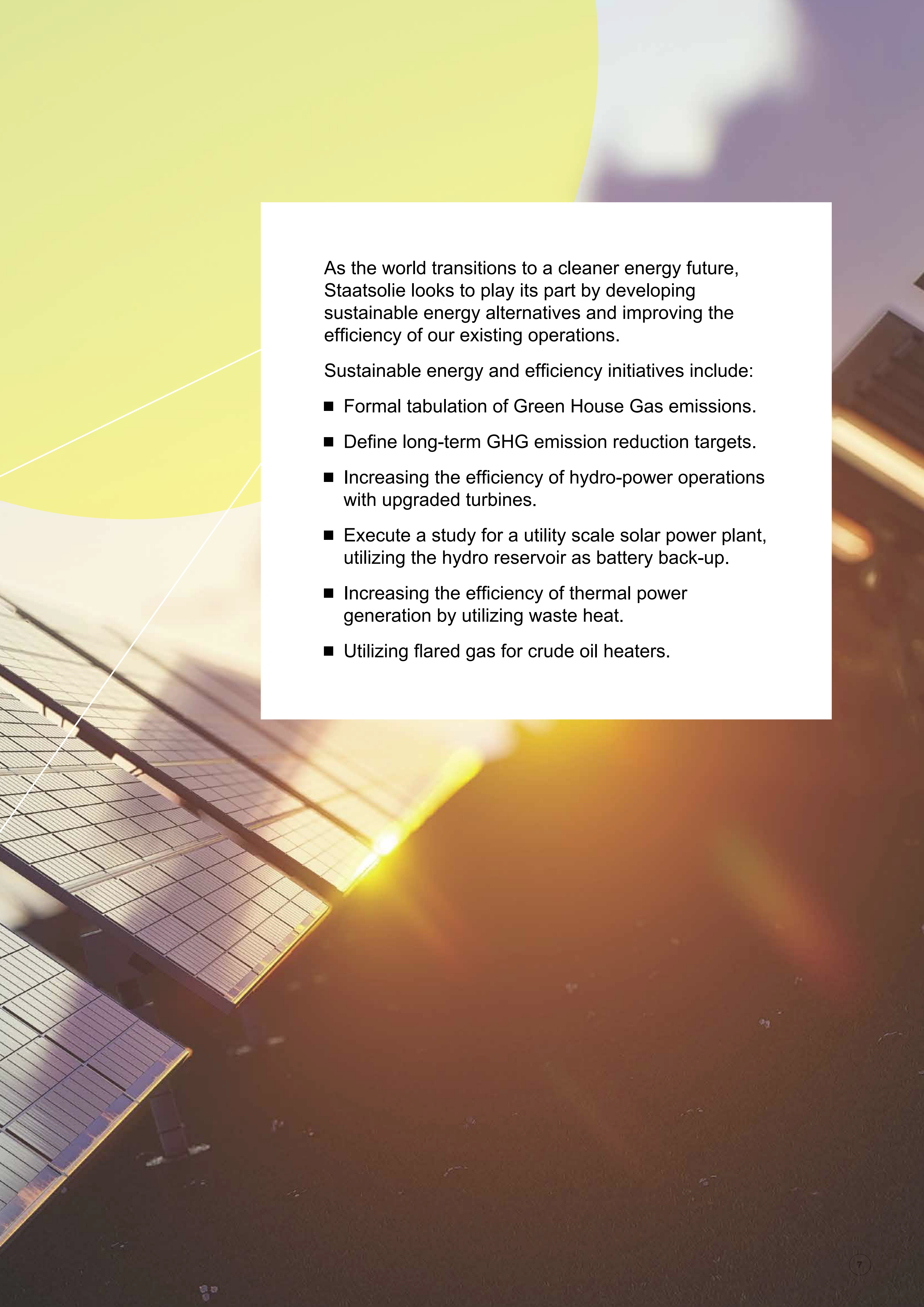
Staatsolie intends to actively participate with IOCs in the development of Suriname's offshore hydrocarbon resources. Currently, the 2022-2027 Staatsolie investment program is estimated at US$ 1.5 billion, the majority of which will be devoted to our first offshore participation.

Our approach to raising additional capital includes:

- Refinancing our corporate credit facility with current lenders.
- Tapping into the local, regional and international financing market.
- Exploring potential commercial opportunities with international partners.

PROJECT FOR SUCCESS:

EXPLORE SUSTAINABLE ENERGY OPPORTUNITIES



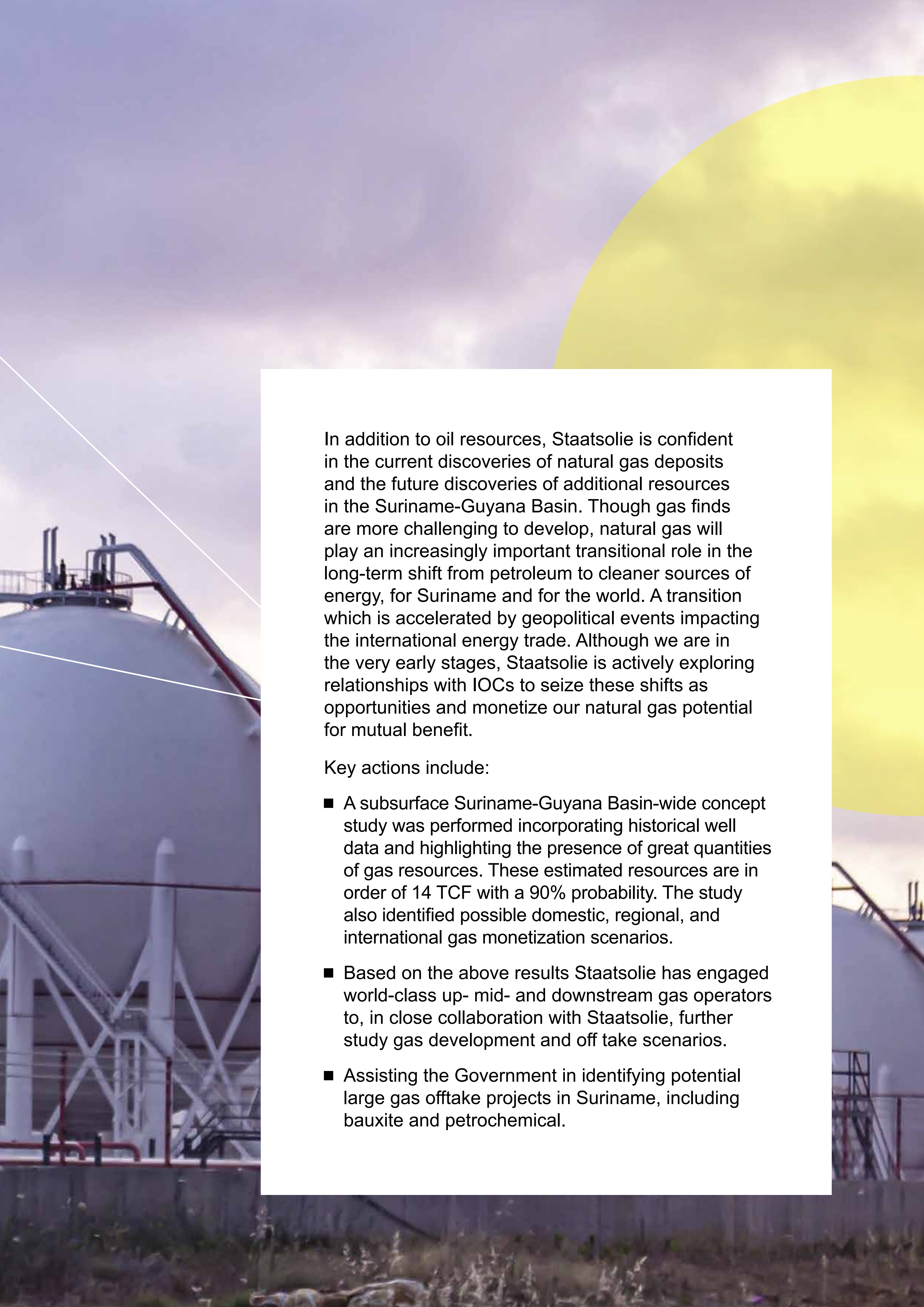
As the world transitions to a cleaner energy future, Staatsolie looks to play its part by developing sustainable energy alternatives and improving the efficiency of our existing operations.

Sustainable energy and efficiency initiatives include:

- Formal tabulation of Green House Gas emissions.
- Define long-term GHG emission reduction targets.
- Increasing the efficiency of hydro-power operations with upgraded turbines.
- Execute a study for a utility scale solar power plant, utilizing the hydro reservoir as battery back-up.
- Increasing the efficiency of thermal power generation by utilizing waste heat.
- Utilizing flared gas for crude oil heaters.

PROJECT FOR SUCCESS:

PURSUE NATURAL GAS OPPORTUNITIES



In addition to oil resources, Staatsolie is confident in the current discoveries of natural gas deposits and the future discoveries of additional resources in the Suriname-Guyana Basin. Though gas finds are more challenging to develop, natural gas will play an increasingly important transitional role in the long-term shift from petroleum to cleaner sources of energy, for Suriname and for the world. A transition which is accelerated by geopolitical events impacting the international energy trade. Although we are in the very early stages, Staatsolie is actively exploring relationships with IOCs to seize these shifts as opportunities and monetize our natural gas potential for mutual benefit.

Key actions include:

- A subsurface Suriname-Guyana Basin-wide concept study was performed incorporating historical well data and highlighting the presence of great quantities of gas resources. These estimated resources are in order of 14 TCF with a 90% probability. The study also identified possible domestic, regional, and international gas monetization scenarios.
- Based on the above results Staatsolie has engaged world-class up- mid- and downstream gas operators to, in close collaboration with Staatsolie, further study gas development and off take scenarios.
- Assisting the Government in identifying potential large gas offtake projects in Suriname, including bauxite and petrochemical.

VISION, MISSION AND VALUES

An extended strategic review took place in the first quarter of 2022, resulting in a revised Vision, Mission and Values for Staatsolie that reflect our exciting growth outlook. These revisions were adapted to Staatsolie's current reality and its aspirational path forward. The strategic objectives for the next 5 years were also adjusted.

VISION

Energizing a bright future for Suriname.

MISSION

Developing energy resources to maximize the long-term value for Staatsolie and Suriname.

VALUES (ZIET)

ZERO HARM:
We strive for zero harm to our people, especially the communities and the environment around us.

INTEGRITY:
We are honest and do what we say we will do.

EXCELLENCE:
We accept responsibility, deliver high quality work with a sense of urgency.

TEAMWORK:
We trust and respect each other, collaborate and create a non-blaming environment.

STRATEGY

Develop offshore & renewables, optimize onshore & downstream and growth capabilities, with an engaged workforce, inspired by our values.

OVERVIEW PERFORMANCE 2021

KEY FINANCIALS

US$ 558 M
Gross Revenues Consolidated

US$ 120 M
Net Cash Gold Income

US$ 387 M
EBITDA Consolidated

US$ 213 M
Profit Before Tax

US$ 186 M
Contribution to Government of Suriname (taxes, dividend and royalties)

KEY RATIOS

1.67
Leverage Ratio

1.64
Debt to EBITDA

3.29
Debt Service Coverage

69%
EBITDA Margin

CRUDE PRODUCTION

6 MMbbls

HIGH-END REFINERY PRODUCTION

2.98 MMbbls
Gasoline and Diesel

TOTAL SALES

2,416 Kbbls
Fuel Oil & Crude

32 Kbbls
Bitumen

1,903 Kbbls
Premium Diesel

143 Kbbls
Other

632 Kbbls
Premium Gasoline

AVERAGE OIL PRICE

US$ 70 per barrel

US$ 44 per barrel
2020

AVERAGE GOLD PRICE

US$ 1,798 per troy ounce

US$ 1,770 per troy ounce
2020

SUPERVISORY BOARD

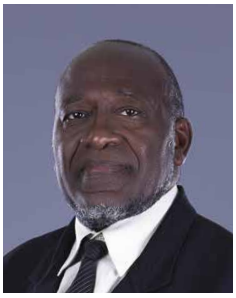
L. Brunswijk
Chairman

M. Santokhi
Deputy Chairman

N. Nannan
Secretary

G. Asadang
Member

J. Bousaid
Member



D. Caffé
Member

H. Dorinnie
Member

BOARD OF EXECUTIVE DIRECTORS

A. Jagesar
Managing Director/CEO

A. Moensi-Sokowikromo
Finance Director/CFO

R. Bissumbhar
Upstream Director

E. Fränkel
Power & Sustainable Energy
Deputy Director

G. Corrie
Vice President Offshore
Deputy Director

GENERAL INFORMATION

As at December 31, 2021

SOLE SHAREHOLDER

The Republic of Suriname represented by The President, His Excellency C. Santokhi

SUPERVISORY BOARD

L. Brunswijk
Chairman

M. Santokhi
Deputy chairman

N. Nannan
Secretary

G. Asadang
Member

J. Bousaid
Member

D. Caffé
Member

H. Dorinnie
Member

BOARD OF EXECUTIVE DIRECTORS

A. Jagesar
Managing Director/CEO

A. Moensi-Sokowikromo
Finance Director/CFO

R. Bissumbhar
Upstream Director

DEPUTY DIRECTORS

E. Fränkel
Deputy Director Power & Sustainable Energy

G. Corrie
Vice President Offshore

ASSET MANAGERS

S. Sabiran
Production Asset Manager

R. Vlaming
Refinery Asset Manager

M. Refos
Marketing Asset Manager

K. Raghosing
Controller

P. Brunings
Exploration and Non-Operated Ventures

F. Habieb
SPCS Manager Power Reliability & Maintenance

DIVISION MANAGERS

CORPORATE

I. Ambrose
Manager Corporate Audit

L. Donokarijo
Manager Gold Partnerships

E. Bergval
Manager Corporate HSE & Communication

M. van den Berg
Manager Corporate Supply Chain

D. van Dijk
Manager Governance, Risk & Compliance

J. Gajadin Joella
Manager Corporate Legal Affairs

T. Haarloo
Manager Corporate HRM

R. Hahn
Manager Corporate ICT

K. Kalijan
Manager Corporate HR Development

J. Makhanlal-Veldhuizen
Manager Tax

A. Profijt
Manager Treasury and Cash

D. Ratchasing
Manager ICT Project Management Office

A. Vermeer
Manager Financial Accounting & Reporting

UPSTREAM

S. Kisoensingh
Manager Production Operations

P. Kwakernaak
Manager Drilling Operations

S. Lumsden
Manager Supply Chain Management Upstream

M. Marengo
Manager HRM Upstream

K. Moe Soe Let
Manager Reservoir Management

B. Nandlal
Manager Functional Support Services

R. Mangnoesing
Manager Treatment & Delivery

A. Mohamedhoesein
Manager Projects & Engineering Support

A. Mohan
Manager Program IOR/EOR

R. Soekhlal
Manager HSSE Upstream

DOWNSTREAM

V. Bisnajak
Manager Technical Services

N. Debipersad
Manager Supply Chain Management Downstream

D. Busropan
Acting Manager HSSE Downstream

S. Sporkslede
Manager Business Economics Downstream

S. Tjon A Loi
Manager HRM Downstream

S. Kalpoe
Acting Manager Refinery Operations

OFFSHORE

A. Jagger
Manager Subsurface, Appraisal & Evaluation

V. Gangaram Panday
Manager Commercial & Strategy

W. Gajapersad
Manager Development & Projects

N. Poeketi
Manager Exploration

POWER & SUSTAINABLE ENERGY

T. Ketele
Manager Projects & Engineering

D. Pello
Manager Sustainable Energy

SUBSIDIARIES

GOw2 ENERGY SURINAME N.V.

M. Refos
Marketing Asset Manager

STAATSOLIE POWER COMPANY SURINAME N.V.

E. Fränkel
Deputy Director Power & Sustainable Energy

STAATSOLIE HYDROCARBON INSTITUTE N.V.

A. Ramsaransingh-Karg
Director

VENTRIN PETROLEUM COMPANY LTD

G. Canning
Acting Chief Executive Officer

MESSAGE FROM THE MANAGING DIRECTOR

Despite the challenges posed to our operations in 2021 as a result of the world-wide disruption in the supply chain and other ongoing issues resulting from the global pandemic, as well as from flooding at our onshore oilfields caused by extreme rainfall, Staatsolie once again met annual production targets and posted a strong financial performance.

As we prepare for the transformation that the large offshore hydrocarbon discoveries will bring to Suriname, we took significant steps towards improving our internal processes and recognizing our responsibility to our people and our planet. In addition, we made tangible advances in our Environmental, Social and Governance (ESG) policies, including measuring and reporting our scope 1 and 2 carbon emissions for the first time, acknowledging the importance and impact of climate change.

An extended strategic review took place in the first quarter of 2022, resulting in a revised Vision, Mission and Values for Staatsolie. These revisions re-align the organization with the updated strategic objectives for the next five years.

Leadership Transition

Before discussing Staatsolie' s strong 2021 results in more detail, allow me a word of introduction, as this is my first opportunity to address many of Staatsolie' s stakeholders in the capacity of CEO. The role may be new but working for Staatsolie is not. I started in the company's Finance department more than 33 years ago. Most recently, I served as Director Downstream, but over the decades I had the opportunity to build experience and expertise in both administrative and technical positions, which has prepared me well. I have held a position on the Executive Board of Directors since 2015, and in this capacity have helped shape and implement our corporate strategy for several years. I take the reins as part of a well-defined succession plan. It is a true privilege to lead Staatsolie into an exciting new era, which I believe will be distinguished by our offshore success, which I'm confident will have a material and sustainable impact on Suriname's future. Projects for Success is my trademark methodology to safeguard the execution to achieve envisioned success and we have successfully implemented this across the organization.

2021 Results

Financial results for 2021 include consolidated gross revenues of US$ 558 million, compared to US$ 428 million in 2020; EBITDA of US$ 387 million compared to US$ 316 million in 2020, an increase of 22%; Profit after tax increased 65% in 2021 to US$ 117 million compared to US$ 71 million in 2020; and a contribution to the Government of Suriname, consisting of taxes, dividend, and royalties, of US$ 186 million, compared to US$ 132 million in 2020.

Our US$ 186 million contribution was higher than planned mainly due to higher oil prices, cost reductions and increases in efficiency. Historical high rainfall levels in 2021 led to significantly higher water levels in the Afobaka hydro reservoir, allowing us to produce more cost-efficient hydro power than originally planned, which enabled Suriname to save more than US$ 20 million on its electricity cost in 2021. As a result, the hydro power facility contributed clean energy to over 70% of Suriname's overall electricity requirement during the year.

Our financial results were bolstered by oil prices bouncing back from 2020's pandemic-influenced lows to healthier levels in the second half of the year as global demand began returning robustly. To help ensure our viability in the face of the industry's price volatility, we continued our commitment to remain a low-cost producer. Also, our investments in gold mining operations continued to provide a measure of diversification and positive contribution to our Statement of Financial position.

Offshore Promise Deepens

In addition to the four major deep-water discoveries of 2020 in Block 58 and Block 52 that confirmed Suriname as an emerging hydrocarbon province, the year 2021 added another significant Block 58 discovery, as well as very promising results from an appraisal well in the Sapakara Field. This may well be just the beginning. We are still in the early stages of exploring this basin and we believe we have yet to unlock further hydrocarbon reserves. This includes the potential for major natural gas finds. Though costlier to develop, we believe natural gas has a significant role in the transition to cleaner energy, as well as offering a lucrative spin-off investment.

Opportunities abound in our Shallow Offshore area as well, as evidenced by a successful bidding round for blocks in this area, which generated strong interest from IOCs. I am particularly proud of the professionalism our organization demonstrated in upgrading the blocks and structuring the bidding process. This led to the signing of a PSC with Chevron Exploration Suriname Ltd (CESL) for nearshore Block 5. This agreement also enlists Staatsolie, through subsidiary Paradise Oil Company Suriname N.V., as a joint venture non-operating partner with a 40% stake in the block. In December, CESL signed a farm-out agreement with Shell subsidiary KE Suriname B.V. for Block 5, with Staatsolie retaining its 40% partnership.

We are pursuing opportunities to raise funds and participate in the deep-water projects as they enter the appraisal and development phases. In March 2022 Staatsolie succeeded in closing an amend and extend of the current corporate credit facility with a consortium of banks and with this the company has laid a solid basis for funding its 20% participation in the developments offshore.

In February of this year, TotalEnergies (TE) and APA Corporation announced another significant oil discovery at the Krabdagu-1 well in Block 58, offshore Suriname. The exploration well encountered approximately 90 meters of net oil pay in good quality Maastrichtian and Campanian reservoirs. The discovered resources at Krabdagu-1 are a significant addition to the already discovered resources at Maka, Sapakara, Kwaskwasi and Keskesi, in the central area of Block 58.

Drill stem testing was completed at the Krabdagu-1 location and preliminary results indicate a significant accumulation of hydrocarbons was encountered within good quality reservoir. This test followed the successful DST conducted at the Sapakara South-1 appraisal well, where the well flowed, on a constrained basis, at 4,800 barrels oil per day over a period of 48 hours. Preliminary analysis of the flow test data further shows:

- A single reservoir in Sapakara South-1 with a minimum connected resource of over 400 million barrels of oil in place;
- An exceptional reservoir with permeabilities in the range of 1.4 Darcy;
- Black oil fluid with an API gravity of 34-degree and a flowing gas-to-oil ratio (GOR) of approximately 1,100 standard cubic feet per barrel.

Elevating ESG

In 2021, we further stepped-up our ESG commitment, with measures including establishing a new Sustainability Policy and strong initiatives to develop local content. Our Sustainability Policy includes a commitment to pursue United Nations Sustainable Development Goals (SDGs). The development of a greenhouse gas (GHG) emissions reduction program including long-term targets is underway. To this end we have measured, for the first time, our Scope 1 and 2 greenhouse gas (GHG) emissions, which has been independently verified by Det Norske Veritas (DNV), a global independent expert in assurance and risk management. In addition, we are undertaking a review of initiatives to grow our renewable energy portfolio. Staatsolie is committed to pursuing carbon reduction and climate change initiatives.

In addition to our own efforts to reduce emissions, we also actively support our offshore partners in their sustainability efforts. As we are at the beginning of the development process, we are working with our partners to ensure the highest standards are set for offshore developments and carbon abatement. Suriname is one of the world's few carbon negative nations, and, even with our oil and gas development, we aspire to contribute in maintaining this position.

Staatsolie has been working with local suppliers for more than 40 years. After the recent major offshore discoveries, the opportunities for Surinamese enterprises are set to exponentially expand in the years ahead. We are taking a series of steps to train future workers for the oil and gas sector and to help Surinamese businesses scale up to meet the potential success ahead. We are also actively encouraging our IOCs to make good on their commitments to local content programs so that together we will build a momentum strong enough to lift and diversify Suriname's economy.

The safety and wellbeing of our people is our number one priority. In 2021, the Total Recordable Injury Frequency Rate (TRIFR) was 0.83 compared to 0.55 in 2020. We acknowledge this is higher than our 2020 performance and therefore are undertaking special programs in 2022 to address this concerning trend.

We are proud to announce that our Power and Refining Operations have gained ISO14001

and ISO45001 certification in Environmental Management and Occupational Health & Safety. The certification of our upstream onshore production operations will follow soon.

Looking Ahead

With the potential for significant hydrocarbon revenues in its near future, Suriname is engaged in a national discussion on how best to invest the proceeds to the benefit of all its citizens. Staatsolie believes the establishment of a Sovereign Stability and Welfare Fund (SSWF) is a crucial step in protecting these assets. While it is not Staatsolie's role to dictate government policy, we will continue to weigh in on these discussions to ensure offshore proceeds are secured and utilized for the benefit of all Suriname's citizens, including advocating that significant resources be devoted to preserving Suriname's treasured biodiversity.

While factors such as oil prices are out of our control – and we are prepared for ongoing volatility as the world continues to deal with disruptive challenges – we will continue to focus on areas we can control and improve our internal processes to allow us to achieve better safety performance, cut costs and meet production targets.

Regarding our aspiration to participate in future developments in the deep offshore and to become an operator in the shallow offshore, we are continuing to enhance our capabilities by learning from our international partners with measures including secondments, coaching, mentorship and training.

With a solid plan for our ongoing success, the talents of our nearly 1,200-strong workforce and the great promise of Suriname's hydrocarbon reserves, the future is bright, both for our company and our country. This is completely in line with our new vision: "Energizing a bright future for Suriname."

For contributing to that success in 2021, I would like to thank all our stakeholders, including our shareholder the Government of Suriname, the supervisory board, the people of our country, our employees, contractors and suppliers, our international partners (IOCs), financing partners and investors.

Annand Jagesar

CEO

REPORT OF THE SUPERVISORY BOARD

Staatsolie is an important company for Suriname, which is moving towards an exciting future. The Supervisory Board provides maximum support to the Board of Executive Directors in this process.

The Supervisory Board is accountable to report annually on its activities, based on the governance code of Staatsolie. These activities are governed by the articles of association and the governance code.

The Supervisory Board is responsible for the supervision of the functioning of the Board of Executive Directors, its policies pursued and the financial and economic impact of the company. In addition, the Supervisory Board acts as an advisor and sparring partner for the Board of Executive Directors. Members for the Board of Executive Directors are nominated by the Supervisory Board and appointed by the General Meeting of Shareholders.

The articles of association and the charter of the Supervisory Board outline the tasks, responsibilities, and authority of the Supervisory Board. These documents outline the positioning, authority, responsibilities, composition, appointment procedures and procedures for resignation of the Supervisory Board.

The Supervisory Board evaluates its own performance annually and at least once every three years under the supervision of an external expert.

Composition of the Supervisory Board

The members of the Supervisory Board have diverse backgrounds and areas of expertise. The Supervisory Board consists of a minimum of five members who are appointed for a period of four years. Appointments are subject to the procedures laid down in the articles of association and the charter of the Supervisory Board.

Board Member	Appointed in	Expertise	Supervisory Board Committee	Role
L. Brunswijk	2020	Aviation Technology		Chair
M. Santokhi-Seenacherry	2020	Legal	Risk & Compliance, Nomination & Remuneration	Vice Chair
G. Asadang	2010	Economics	Audit, Nomination & Remuneration	Board member
J. Bousaid	2020	Economics	Audit	Board member
N. Nannan	2020	Process- and Energy Technology	Risk & Compliance	Secretary
D. Caffé	2020	Business Administration	Risk & Compliance, Nomination & Remuneration	Board member
H. Dorinnie	2020	Economics	Audit, Remuneration	Board member

Independence

In 2021, there was no conflict of interest related to the Supervisory Board; the Supervisory Board members are independent and have no close personal or business relation with fellow supervisory board members, executive board members, employees, staff members. They also have no interests in Staatsolie in any way.

Committees

The Supervisory Board has established three committees to carry out a number of permanently required tasks: the Audit Committee, the Risk & Compliance Committee and the Nomination & Remuneration Committee.

Each committee focuses on specific themes in preparation for decision-making by the entire Supervisory Board. All committees report their findings to the meeting of the Supervisory Board.

Audit Committee

The main tasks of the Audit Committee are listed below:

1. Discuss quarterly financial reports, investment proposals, financing proposals, liquidity plans, and financial policy with management.
2. Discuss the budget and the annual financial statements with management. Preparatory work in this context for the Supervisory Board.
3. Review the Management Letters of the external auditor. The external auditor is present in the meetings of the Audit Committee where these reports are reviewed and discussed and during the discussion of the annual financial statements in the meeting between the Board of Executive Directors and the Supervisory Board.

Risk & Compliance Committee

The Risk & Compliance Committee has the following tasks and responsibilities:

1. Oversee the establishment and implementation by senior management of a system to identify, assess, monitor and manage risks effectively.
2. Reviewing the risk management policy and submitting this risk management policy to the Supervisory Board for approval.
3. Recommend proposed risk limits and ownership for risk remediation strategies to business units/divisions and provide for Supervisory Board approval.
4. Approve proposed resource allocation based on prioritization of risk monitoring and control activities related to business activities.
5. Adopt protocols for escalating significant risk exposures and non-compliance issues and escalating risk issues that are not addressed in a moderate manner, based on escalation protocols.
6. Review proposed risk appetite statements annually (or after changes in strategic objectives or the internal/external environment) and make recommendations in this regard to the Supervisory Board for approval.
7. Review and validate the company's risk profile on a quarterly basis and update as necessary to proactively identify new risks.
8. Assess the effectiveness of the system for monitoring and managing material business risks and monitoring management actions in addressing unacceptable levels of risk.
9. Reviewing quarterly reports from the Governance Risk & Compliance Manager regarding significant risks, critical risk trends and related risk mitigation strategies.

10. Quarterly meeting with the Governance Risk & Compliance Manager to discuss ongoing risk management activities, as well as discussion of the implementation status of risk-related items and any other issues or concerns the committee or the Governance Risk & Compliance Manager deem appropriate.

Regarding compliance, in more specific terms, the roles and responsibilities are:

1. Assessing the effectiveness of the company's systems for monitoring compliance with its legal/regulatory obligations and the results of any investigations into cases of non-compliance.
2. Assessing the effectiveness of employee communication processes and compliance with the company's code of conduct.
3. Review the company's overall anti-fraud programs and controls with corporate management.
4. Monitor and assess compliance with key corporate governance policies (conflicts of interest, whistleblower, etc.) and verify that appropriate supportive procedures are in place for the receipt, retention, and handling of confidential submissions.
5. Receive quarterly updates from the Integrity Committee on all areas of non-compliance with the Code of Conduct and the results of ongoing investigations or follow-up actions (including disciplinary action) related to violations of the Company's Code of Conduct by employees.

Remuneration Committee

The Remuneration Committee is a committee established to assist the Supervisory Board in the effective performance of its managerial and independent supervisory responsibilities regarding the following:

1. Develop assessment procedures for the annual assessment of the Supervisory Board, the Board of Executive Directors, and the Supervisory Board committees.
2. Ensure that the Supervisory Board and the Board of Executive Directors have the appropriate structure, size and distribution of skills and capabilities to manage the company's strategic objectives and values.
3. Provide overview and improve transparency in the implementation of remuneration and nomination schemes for the Board of Executive Directors.
4. Develop and monitor succession plans for the Supervisory Board and the Board of Executive Directors.

Meetings

The Supervisory Board meets based on a predetermined meeting schedule and furthermore as often as deemed necessary. The Supervisory Board also meets regularly with the Board of Executive Directors.

In 2021, the Supervisory Board held 32 regular meetings of which nine meetings were with the Board of Executive Directors.

Due to the Covid-19 pandemic, the Supervisory Board was only able to complete two of the five planned on-site visits to Staatsolie company locations in 2021.

Evaluation

In August 2021, the Supervisory Board conducted a self-evaluation comprised of an individual and collective perspective. This evaluation initiates the promotion of self-reflection, internal culture and provides insight into group dynamics.

The Supervisory Board has worked on upgrading skills and is on a trajectory to promote cohesion supported by external experts with the aim of improved supervision.

The self-evaluation also resulted in the recruitment of a corporate governance coach to actively work on creating and shaping a future oriented corporate governance code, also addressing climate change.

Professional Development

Supervisory Board members regularly participate in meetings and courses to increase their level of knowledge in relation to the oil & gas industry e.g., a series of master classes in petroleum geology. Several members of the Supervisory Board also attended a series of master classes on compliance regarding financial transactions.

Important Themes and Actions in 2021

The Supervisory Board took various actions in 2021, namely:

1. Nominate executive board members for appointment ensuring the continuity in governance of the company, in view of the positive future development for the company and the financial and economic impact for the country.
2. Establishment of committees, i.e., the Audit Committee, Risk & Compliance Committee and Nomination & Remuneration Committee. Some notable activities of these committees:
   a) Review of procurement transactions and contracts since 2015.
   b) Recommendations on strengthening the Internal Audit Department.
   c) Provide support to the company in getting Enterprise Risk Management fully operational, whereby the company operates risk-based and makes decisions.
   d) Initiate a new remuneration policy.
   e) Increasing Executive Board approval limits for financial transactions and agreements.
   f) Adopt corporate governance charters and active measures to better implement corporate governance.
3. Actions regarding the supervision of subsidiaries and the relationship between the supervisory boards of those companies and the supervisory board of the corporate.
4. The visible incorporation of environmental measures and realistic targets in company goals and annual and long-term plans. Focus on becoming a green business and improving efficiency and effectiveness in operations.
5. Active contribution of the Supervisory Board with regard to identifying business risks.
6. Clarification of the relationship between the Executive Board, the Supervisory Board and the shareholder, who does what and who is allowed to do what.
7. The Supervisory Board intends to encourage the Executive Board to develop the corporate vision for the future, e.g., a vision 2050 that explicitly includes Staatsolie's role, scenario-driven strategic choices, success-determining factors, and diversification of the corporate portfolio.

MACRO-ECONOMIC ENVIRONMENT

During the year under review, the world economy experienced a notable turnaround in its performance. Following an estimated 3.1% decline in global output in 2020, growth rebounded to an impressive 5.9% according to recent estimations of the International Monetary Fund. This turnaround was mainly caused by a tentative reopening of the advanced economies after the preceding Great Lockdown. The effects of the Covid-19 pandemic receded. Fiscal and monetary policies remained quite relaxed and supported spending.

Consumer demand, particularly directed towards the e-commerce sector, and international trade surged. However, this surge coincided with supply and transport disruptions rarely experienced in modern times. Crude oil and non-fuel commodity prices increased on average by 67% and 27% respectively. Upward price pressures were accentuated by higher freight rates. Not surprisingly, the rise in the Consumer Price Index in these economies accelerated to 3.1% in 2021 up from a mere 0.7% in 2020. In the emerging and developing markets inflation fluctuated at higher levels, but its rise was less pronounced; the index increased from 5.1% to 5.7%, putting some extra pressure on purchasing power, and on household poverty.

The performance of Latin America and the Caribbean was slightly weaker than that of the world economy, where output grew by 2.8% on balance during the past two years. The aforementioned region succeeded to compensate for the 6.9% output decline in 2020, but on balance its level remained virtually unchanged. The performance of Suriname lagged behind the regional average, due

to persistent difficult social and economic conditions, exacerbated by the effects of the pandemic. Suriname's economy is facing major challenges to recover from the sharp output decline during 2020 and 2021, which amounted to an estimated 20% on a cumulative basis.

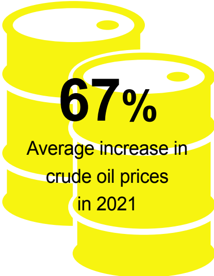
Encouraging progress has been made with implementing the country's homegrown recovery program. In essence, the program aims at:

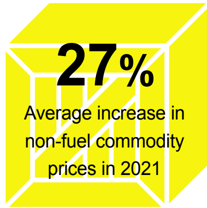
- Restoring fiscal sustainability, bringing down central government debt (presently amounting to 128% of the GDP) to acceptable levels.

- Upgrading the monetary and exchange rate policy framework.
- Stabilizing the financial system.
- Strengthening institutional capacity to tackle illegal transactions, including money laundering.
- Improving governance.

Gradually, existing safety net programs are being strengthened to protect vulnerable households and individuals. Efforts of the local authorities and their staff are supported by providing technical assistance and a conditional loan of US$ 688 million in the framework of a 36-months IMF Extended Fund Facility.

A first quarterly review conducted by the IMF and Surinamese authorities in February 2022, indicates that the recovery program is on track. Key quantitative targets have been met, albeit with some minor delays. Continuous progress is being made with respect to implementing a package of ambitious reforms, despite limited execution capacity. In the meantime, the annual average inflation rate accelerated to 59% in 2021 up from 35% in 2020, following the introduction of a free-floating market determined exchange rate, Covid-19 and of some other policy measures which placed upward pressure on prices. The official exchange rate of the US$ to SRD depreciated to the level prevailing at the cambio market of about SRD 21.60 per US$ at the end of 2021 up from SRD 7.40 around the first quarter of 2020. Inflation received an additional impetus from supply and transport distortions referred to earlier. This was reflected in higher prices for imported goods and services, and subsequently an increase in the local costs of living.





At the writing of this report, it is unfeasible to make sufficiently reliable projections for the coming year. The future is uncertain, as the consequences of the Russian invasion in Ukraine on February 24, 2022, on the world economy, as well as on the various regions and countries are unknown and mixed. Renewed economic disruptions may emerge from Covid variants, wage pressures, and volatile commodity prices. Output growth in advanced countries may accelerate somewhat as military expenses increase. However, supply shortages may hinder production. Inflation pressures may be more persistent than originally anticipated.

The uncertain external environment may create interesting opportunities for Suriname, as prices of its main export products have been rising sharply. On March 8, 2022, gold and Brent oil reached historical heights of US$ 2,043 per troy ounce and US$ 127 per barrel respectively. Also, the further execution of the recovery plan is expected to bear more noticeable fruits. The authorities are committed to continue conducting cautious and effective budgetary, monetary and wage policies, the latter in cooperation with the private business sectors and the labor unions. These actions aim at bringing inflation on a firm downward path, also by maintaining a stable market-determined exchange rate. As described in the National Multi Annual Development Plan 2022-2026, more projects will be implemented to boost production and exports. Therefore, it is expected that in 2022, output growth will again turn positive, while the inflation rate will further decelerate.

FINANCIAL & OPERATIONAL PERFORMANCE 2021

KEY INDICATORS OF STAATSOLIE'S FINANCIAL HEALTH

2021 Key Ratios

Leverage ratio 1.67	Debt to EBITDA 1.64
Debt service coverage 3.29	EBITDA margin 69%

2021 OPERATING INCOME PER SEGMENT

Upstream

US$ 267M

Upstream EBITDA contribution has gone up US$ 147 million from US$ 120 million (2020) to US$ 267 million mainly due to increased crude oil prices in 2021, the impact of opex reduction, the crude production and delivery on target (due to successful horizontal wells project and High Fluid Rate strategy in existing wells). For 2022, the focus is on sustaining production volumes at 6 MMbbls with reducing opex and keeping capex cash out around US$ 80 million.

Energy

US$ 14M

The EBITDA contribution of Staatsolie's power business decreased from US$ 20 million (2020) to US$ 14 million (2021). This is mainly due to discounts given on the energy price to the Government of Suriname in the last half-year of 2021 combined with a higher cost of sales due to higher fuel oil prices in 2021 (US$ 80 per bbl) compared to 2020 (US$ 58 per bbl). In 2022 our focus will be on optimizing the hydro power generation and studying the opportunities of clean energy.

Downstream

US$ 76M

The Downstream performed well in 2021. Increasing oil prices combined with lower operating costs contributed to a higher Downstream EBITDA of US$ 76 million (US$ 38 million in 2020). On the sales side oil prices rose in 2021, reaching a peak of US$ 82 for the NYH 1% posting in October. In 2022, we will continue our commitment to reduce operating costs, increase production and improve sales margins.

Gold

US$ 112M

The EBITDA contribution has decreased US$ 23 million from US$ 135 million (2020) to US$ 112 million. This is mainly due to lower volumes from Merian and Pikin Saramacca, a combined negative impact of US$ 13 million. A higher opex of US$ 11 million (US$ 4 million lower opex at Merian and US$ 15 million higher at Pikin Saramacca) and is offset by a light increase in gold prices during 2021 with an impact of US$ 2 million (US$ 1,798/toz. In 2021 versus US$ 1,770/toz in 2020).

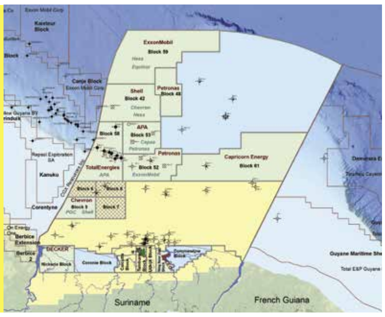
STRATEGIC GOALS 2022-2026

1

Maximize the value for Suriname and Staatsolie in offshore developments.

2

De-risking and promotion of all open acreage making the offshore basins attractive for IOCs investment.



3

Develop offshore capabilities to act as an effective partner and eventually become an operator in shallow waters.

4

Contribute to unlocking monetization of economically viable natural gas resources in Suriname.

5

Maximize the value of existing onshore resources.

6

Further enhance hydro capacity where viable.

7

Invest selectively in profitable renewable energy opportunities.

8

Reconfigure Downstream business for optimal economics.

9

Become a best-in-class NOC in terms of governance, competences and process execution.

10

Deploy a sustainability strategy that contributes to Staatsolie’s decarbonization goals.

FINANCE

The Staatsolie Finance directorate oversees the financing of the company's 2022-2027 investment program and leads the way in strengthening internal processes to bring the enterprise to the best-practice standards required to participate with global partners, including IOCs.

2021 SYNOPSIS

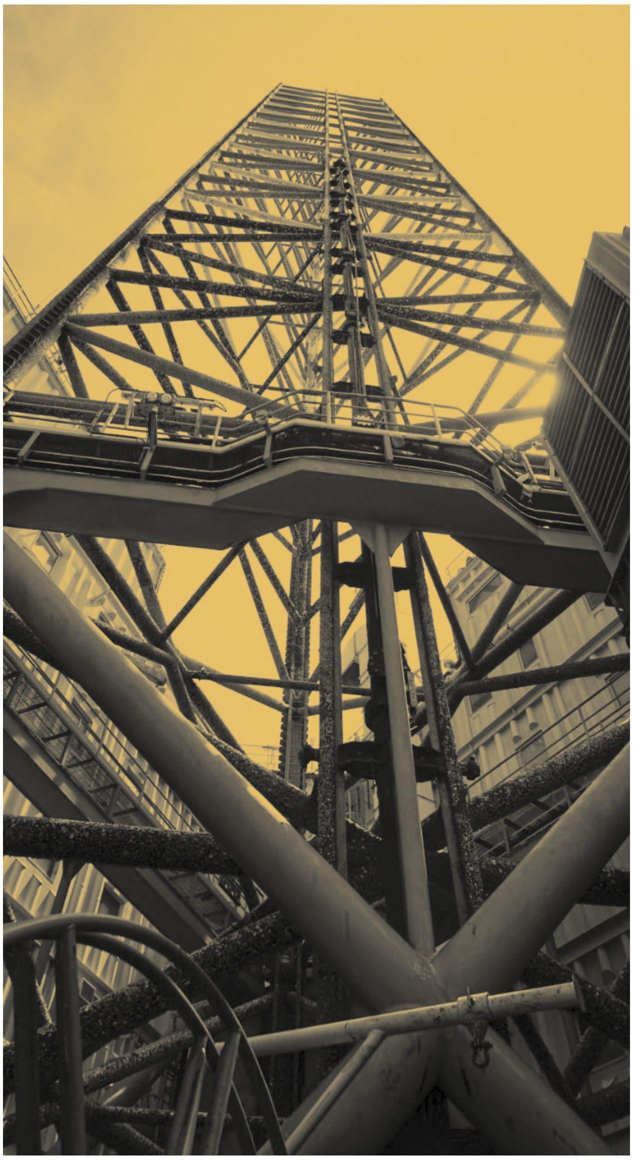
Fiscal 2021 was distinguished by strong financial and operational performance for Staatsolie, with total consolidated revenues of US$ 558 million, compared to US$ 428 million in 2020 (restated in 2021).

Oil prices returned to more accustomed levels in 2021, after the drastic lows brought about by the global pandemic in 2020. This healthier pricing atmosphere enabled Staatsolie to rebuild its cash position after last year's need to quickly reduce capital and operating expenses to address COVID-impacted market exigencies. We finished the year well above our budget projections.

Our 2021 bottom line was further bolstered by a significant sign-on bonus from a PSC signed with our IOC partner Chevron, which amounted to US$ 31 million. Our interest in gold mining operations added US$ 120 million in net cash income.

Our strong financial performance fueled our contribution of US$ 186 million to the Government of Suriname, up from US$ 132 million in 2020.

The realized operating costs in 2021 for the Upstream, Refinery, Marketing, Power



and Corporate segments were well below the realization in the previous year. This is the result of, amongst others, a reduction in the number of employees at each asset as well as other initiatives. Costs were reduced for example in shipping (Marketing), lower consumption of consumables (Refinery), and less use of services (Upstream and Corporate).

Staatsolie's ambition to participate in the development of major offshore hydrocarbon resources requires the company to secure funding in the years ahead. To that end, we have refined our financing strategy to enable us to amend and extend our corporate facility with current lenders. This approach will allow us to unlock a significant part of our offshore funding needs by 2024. The remainder will be raised through strategies such as tapping into the local and regional bond market or via international financing, depending on regional and global economic conditions at the time. Options for a commercial agreement with international partners are also kept open.

Our 2022-2027 investment program will utilize US$ 1.5 billion, with the majority devoted to participation in offshore development and a significant portion focused on sustainable energy projects. To support the investment program, we have proposed an amendment to our credit facility in order to enhance the credit quality of our underlying business.

In 2021, the Finance directorate also continued to take strides in improving our internal processes, making them more resilient and responsive to the challenges ahead as our company becomes a more prominent player in the world energy market. In particular, the year 2021 saw marked improvements in the areas of progressing the implementation and testing of internal controls, data management and cash flow planning.

PROJECTING SUCCESS:

"For Finance, success will be putting our strategy to fund our participation in offshore development into effect so that we can participate in the exciting developments to come."

AGNES MOENSI-SOKOWIKROMO
Finance Director

2021 KEY FOCUS

Rebuilding our solid cash position after 2020's COVID-related low oil price challenges.

2022 KEY FOCUS

Implementing our financing strategy to address future offshore funding requirements.

2021 KEY FIGURES

US$ **558 million**
gross revenues consolidated.

US$ **387 million**
EBITDA consolidated.

US$ **213 million**
profit before tax.

US$ **120 million**
net cash gold income.

1.67 leverage ratio.

US$ **186 million**
contribution to Government of Suriname.

US$ 31M
sign-on bonus
for Shallow Offshore Block 5

US$ 1.5B
for our 2022-2027
investment program

RESULTS

Realization (x US$ 1 Million)	2021	2020 (Restated)*
Total consolidated revenues	558	428
Profit before taxes	213	99
Net Profit	117	71

*Restated for discontinued operations (Section 4.12)

Our retail subsidiary GOw2 maintained a 27% market share.

UPSTREAM

Staatsolie's Upstream directorate is responsible for the production of Saramacca Crude from oilfields in the Saramacca District of Suriname. Wells in Tambaredjo, Calcutta and Tambaredjo-Northwest produce 6 MMbbls annually, which are transported via pipeline to our downstream refinery at Tout Lui Faut.

2021 SYNOPSIS

Staatsolie maintained its position as a low-cost quartile producer in 2021. Continuous cost-cutting measures, such as workforce optimization, improved contracts with suppliers and efficiency initiatives, contributed to this result. The realized production cost of US$ 8.56 per barrel (US$ 8.32 per barrel in 2020) significantly improved upon the initial target of US$ 9.60 per barrel. Going forward we will continue to be a low-cost quartile producer, through efforts including increased automation and close monitoring of cost-reduction opportunities.

We achieved our annual production target despite the significant challenges of major flooding in the second quarter and ongoing COVID-related delays. Diligent recovery efforts and extra production initiatives in the second half of the year made this possible. The pandemic, with its impact on supply timelines and workforce availability, continued to affect the way we normally do business. Thanks to the resilience and commitment of our workforce, we were able to overcome the year's challenges and meet our production and cost targets.

The safety of our employees is paramount, and we were able to boost our safety culture with the implementation of a Major Operating Risk Register (MORR) for all Upstream operations. MORR identifies risks and puts preventative and recovery barriers in place to address them.

The construction of the Polymer Plant was a significant accomplishment of 2021. With this facility in place, Phase 1 of polymer injection will start in early 2022 with 15 injector wells. In 2022, we plan to drill an additional 32 injector wells. The anticipated additional oil recovery is eight to 12 percent. Polymer injection is also being evaluated for other areas within the Tambaredjo Field.

Another EOR method, Cyclic Steam Stimulus (CSS), will be piloted starting in the fourth quarter of 2022. If successful, we expect at least 5 MMbbls of additional oil reserves that can be credited, with the contribution to production potentially between 500 and 1,000 barrels per day as early as 2023.

To optimize 2021 production, a great deal of energy and time was invested in optimizing reservoir models to better predict the production behavior of horizontal wells and of steamed wells. We also took measures to enhance the expertise of our workforce.

Our development drilling program in 2021 resulted in the drilling of 11 new horizontal wells and 17 vertical wells. Horizontal drilling has tested positive in various reservoir conditions, and the contribution from new horizontal producers has been significant. Production was further enhanced through a high fluid rate strategy through which 34 existing wells were optimized.

In the search for new reserves, an Appraisal Drilling Program (ADP) was executed in the Uitkijk area (five wells) and the Calcutta-North area (two wells). While these efforts did not result in the discovery of additional reserves, further interpretation and evaluation of the 3D seismic results are ongoing and results will be further integrated with other geological studies to update the 2022 ADP, with plans to drill eight appraisal wells.

The year 2021 started with 89.6 MMbbls of proven reserves. During the year 6 MMbbls were produced. Furthermore, a total of 5.5 MMbbls were added from the development areas, which resulted in the total proved reserves of

PROJECTING SUCCESS:

"For Upstream, success going forward will be maintaining our six-million-barrel annual production level for years to come through both effective EOR methods and the discovery of new reserves."

REKHA BISSUMBHAR
Upstream Director

2021 KEY FOCUS	Sustaining annual production of 6 MMbbls with efforts including a development drilling program for new wells and high fluid rate strategy to optimize existing wells.
2022 KEY FOCUS	**Sustain our 6MMbbls level of production, with measures including the implementation of our Polymer Project.**

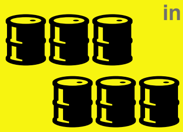
89.1 MMbbls and an RRR of 1.2 (five-year moving average), at year end. The reserves were audited in the first quarter of 2022 by DeGolyer and MacNaughton (an independent reputable international company with worldwide petroleum consultants).

Improvements to the Upstream facilities in 2021 included completing the fluid and water treatment expansion at the TA58 crude treatment plant. The project included the addition of a 25,000-barrel storage tank, a collection tank, a third induced gas floatation unit (used as a secondary water treatment facility), a fourth heater treater, a slug catcher vessel (to stabilize flow), a second firewater pumpstation, a new gas buffer tank and a new gas knockout drum. In addition, two holding basins for oil sludge containment were commissioned at the waste treatment facility.

Staatsolie is committed to reducing its carbon footprint. The current carbon emission for the Upstream directorate is 13 kg CO_2e/bbl, which is relatively clean oil production with regards to CO_2e emission in the oil and gas industry. Our Saramacca crude also contains relatively fewer greenhouse gases (cleaner barrels) compared to the industry.

2021 KEY FIGURES

6MMbbls
crude production in 2021.

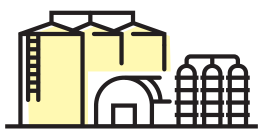


US$ 8.56
PER BARREL AVERAGE
PRODUCTION COST, IN THE INDUSTRY'S LOWEST-COST QUARTILE.

Number of oil spills related to corrosion reduced by 43% in 2021 compared to 2020.

8-12%
additional recovery expected with polymer injections.

89.1 MMbbls
of proven reserves.



28
new wells drilled.

Our Appraisal Drilling Program included the drilling of 7 new wells in 2021.

OFFSHORE

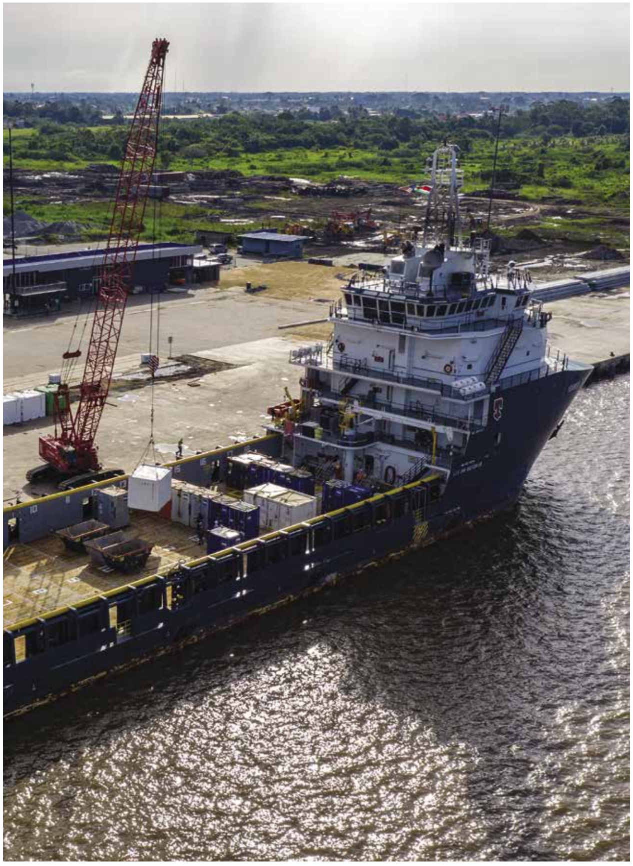
The Offshore directorate manages Staatsolie' s participation in offshore oil and gas projects and supports the Staatsolie Hydrocarbon Institute (SHI) in preparing the licensing of the Offshore sector and governing the technical work of the offshore operators. Working closely with SHI and the Finance directorate, the Offshore directorate deploys deep technical knowledge and expertise to help Staatsolie partner with IOCs to participate in the development of Suriname's hydrocarbon resources and to maximize their benefits to the company and the country.

2021 SYNOPSIS

In 2021, important steps were taken to realize our aspiration to be an operator alongside IOC partners, particularly in the shallow offshore area.

One strategy to prove our value to IOCs – and to support SHI in its governance role – is to become "Masters of our Basin." In 2021, we reorganized the Offshore directorate by integrating geoscientists and petroleum engineers into a single pool to gather, analyze and interpret high quality offshore data, subsurface resources and all the information needed to assess exploration and appraisal opportunities and maximize knowledge of the Suriname-Guyana Basin.

We are also deepening the geo-technical, software and other skills and talents of our people with methods including on-the-job training, hands-on sessions with specialists,



training courses and secondments and participation in special projects at IOCs. Our intensive competency and capability development program is designed to identify and address any competency gaps.

This deepening of expertise helped support the successful execution of Staatsolie' s Shallow Offshore Bid Round, one of 2021's major accomplishments. In October, Staatsolie signed an offshore PSC with Chevron for Block 5 in the shallow offshore. In December, a farm-out agreement brought in Shell as a partner. This agreement marks the first time Staatsolie will participate as an offshore partner, with a 40 percent interest. Staatsolie, through subsidiary Paradise Oil Company, will be a non-operating partner.

This PSC and Joint Venture agreement provide prolific opportunities for Staatsolie to realize value and enhance its technical skills. The PSC carries Staatsolie through the exploration and appraisal stages and Staatsolie only begins financially contributing during the development stage, minimizing financial exposure during the initial stages when risk is higher. Our subsidiary Paradise Oil Company has set up a dedicated NOV technical team to interact with subsidiary partners, enhancing the technical expertise of our workforce.

In the deep-water, 2021 saw additional discovery and expanded exploration drilling. The year started off on a very positive note, with the January Keskesi East-1 discovery by IOC partners TotalEnergies and Apache in Block 58. The exploration well showed very promising accumulation. Later in the year, an extension was tested with the Keskesi South 1 well. This well did not confirm extension of the reservoirs due to a mass transport phenomenon, but the data will be extremely important to understand the area around Keskesi East 1.

Block 58, site of three major discoveries in 2020, is now also in the appraisal phase.

PROJECTING SUCCESS:

"Staatsolie is acquiring the skills and knowledge – all the offshore data and subsurface resources and more – to be 'Masters of the Basin,' so our IOC partners will value our active participation."

GLENN CORRIE
Vice President Offshore

2021 KEY FOCUS	**Becoming an active and strategic partner in the offshore by further enhancing basin knowledge and developing geo-technical skills. Preparation and execution of the West Shallow Offshore bidding round.**

2022 KEY FOCUS	**Enabling further exploration success and working with IOCs toward a development decision for Block 58. Participating in Shallow Offshore blocks 5 to 8.**

40%

Staatsolie's working interest, through our Paradise Oil Company subsidiary, in IOC joint venture in Shallow Offshore Block 5

4

HIGH-IMPACT EXPLORATION WELLS

scheduled to be drilled in 3 deep-water blocks in 2022

Exploration and appraisal highlights include:

- The Sapakara South appraisal well confirms the extent of the reservoir encountered by the first Sapakara well, with the reservoir and production test proving that considerable connected volumes are present.
- The Bonboni exploration well, drilled in the northern area of Block 58 in a distinctive different play, did not deliver results to support commercial development but did show oil accumulation in a new area and play concept, opening up a new exploration and appraisal zone.
- 3D seismic surveys are being conducted in areas including the Shallow Offshore, Block 52 and Block 59, which after processing should reveal new opportunities for exploration drilling.

2021 KEY FIGURES

The Sapakara South appraisal well has delineated connected volume of over

400 MMbbls

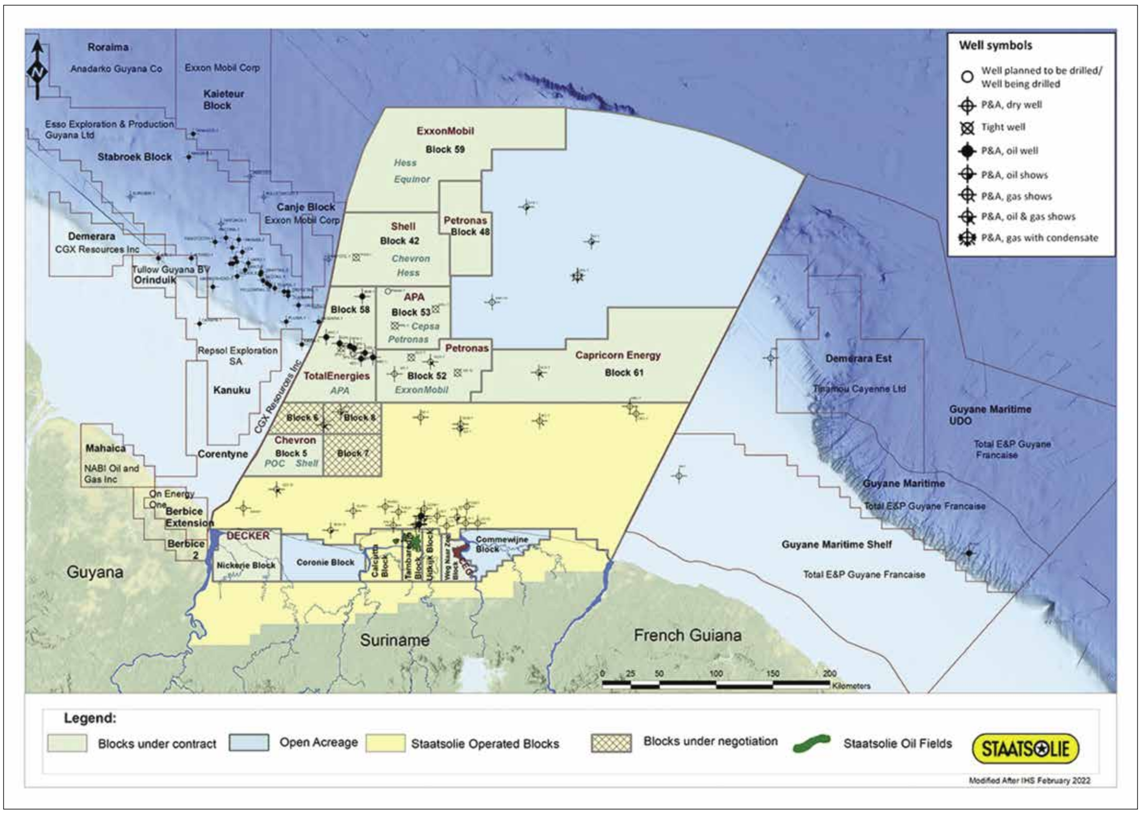
of STOIIP in a world class reservoir.

The Keskesi East exploration well encountered a total of

63 meters

net pay of hydrocarbons.

Offshore and onshore acreage map



In the deep-water, 2021 saw additional discovery and expanded exploration drilling.

DOWNSTREAM: REFINERY

Staatsolie's refinery, located in Tout Lui Faut, exclusively refines our Saramacca Crude. With a processing capacity of 15,000 barrels a day, the facility produces different grades of fuel oil, premium diesel, premium gasoline and bitumen. Most of these refined products are sold domestically, with the surplus exported to Caribbean markets.

2021 SYNOPSIS

Due to the nature of its processes, safety is always the primary focus in a refinery and for Staatsolie this is no different. To keep safety front of mind, we launched our campaign "Working Safe is a Joint Effort," which includes awareness raising, performance analysis, measures to prevent slips and falls, and bi-monthly meetings.

A concrete example of our commitment to safety was the 2021 construction of a large fire training ground across from our refinery. The fire training ground gives us an on-site space to train our operating crew in how to create a water shield, approach and extinguish a fire.

COVID-19 remained a safety concern in 2021. Measures we took to protect our people included on-site testing, limiting access, and adding shields between workers in our control room, distancing and outdoor meal consumption for the operating crew, and the ability to work from home for corporate communications and other personnel who did not have to be on site.

The refinery achieved 91 percent uptime in 2021, even with an unplanned shutdown late in the year due to a catalyst change in our hydrogen production facility. We were able to partially mitigate the negative effects of the shutdown by pivoting and moving forward maintenance work scheduled for a February 2022 planned shutdown to take place during the unplanned November 2021 shutdown. The February shutdown can now be avoided, increasing our uptime for 2022.

Notwithstanding the shutdown, we were able to achieve a new record level of high-ends production of 2.98 MMbbls, a testament to our steadily increasing efficiency and the continuously growing skills of our workforce.

Indeed, the skill of our local workforce has allowed us to significantly decrease the number of expatriates we need to employ. Our operations workforce, for example, is now 100 percent Surinamese.

Reducing the number of expatriates we employ is just one of the measures that enabled us to achieve our lowest-ever level of operating costs. Improvement projects included reducing the use of LPG and chemicals in the refinery's operations and optimizing supply chain management. Next year we look to further cut costs, with projects to reduce flare and boost energy efficiency.

2021 KEY FIGURES

- **91% uptime** in 2021, compared to 90% in 2020.
- **2.98 MMbbls** of high-end products produced, compared to 2.6 MMbbls in 2020.
- **100% Surinamese** Refinery Operations workforce, 0% ex-pats.
- Controllable **costs reduced 20%** compared to 2020 realized opex of US$ 49.2 million.

PROJECTING SUCCESS:

"At the refinery, our first measures of success are always the safety of our people and the reliability of our operations; with those in place, metrics like cost per barrel will take care of themselves."

ROLF VLAMING
Asset Manager Refining

2021 KEY FOCUS

Operating safely and lowering costs through improvement efforts.

2022 KEY FOCUS

Operating safely and improving energy efficiency while increasing high-end production.

91%
uptime achieved in 2021

2.98 MMbbls
of high-end products, a record production level

DOWNSTREAM: MARKETING

Staatsolie's Marketing Asset handles the sales and distribution of all refinery products to local and regional markets. It includes the operations of Staatsolie's subsidiary GOw2 Energy Suriname N.V., through which we serve the retail market with Staatsolie high-end products and imported lube products. GOw2 also serves the aviation market with imported jet fuel.

2021 SYNOPSIS

Despite the ongoing market impact of the global pandemic, Staatsolie' s Marketing asset realized solid results in 2021. Staatsolie sold a total of 5.13 MMbbls of products. Our retail subsidiary GOw2 maintained a 27% market share and sold 0.82 MMbbls of high-end products (diesel and gasoline). Lubricants sales, under the Total brand, climbed 30 percent over 2020 levels.

In 2021, we saw the beginning of a promising new market for Staatsolie diesel: IOCs operating drilling rigs and supply vessels. Thanks to the recent hydrocarbon discoveries in Suriname's deep water and resulting increase in activities, this is a fast growing market that the Marketing Asset can compete for with its quality products and services.

In 2021, the company continued to see cost-saving benefits from the Marketing Asset's recent reorganization, consolidating the marketing groups of Staatsolie and its GOw2 subsidiary into one department. We focused in 2021 particularly on optimizing the

SAP system, and we continued to see greater operational efficiencies, improved customer focus and reduced expenses as a result of the reorganization. Our ability to reduce our shipping operations from two vessels to one also contributed in a meaningful way to operational expense savings in 2021, as costs decreased approximately 58% from 2020.

We invested to enhance safety in 2021 by upgrading GOw2 terminal facilities, revamping storage, pumping systems and tanks, and improving fire protection.

We also completed the first phase of our World Class Retail Network (WCRN) project, culminating with the March 2022 grand reopening of GOw2 Latour in Paramaribo. This station is the flagship of the first phase of the WCRN, completely updated and rebranded in GOw2's new look and feel. In the coming years all GOw2 stations will be updated and rebranded.

Additional elements of the WCRN include increased social media presence, sponsorship of popular sports such as the Suriname national soccer team and Surinamese Olympians, and the launch of branded products, such as a new gasoline additive. The goal of the WCRN is to help establish our GOw2 brand as the top brand in Suriname and furthermore to increase our retail market share to 40 percent.

2021 KEY FIGURES

- **5.13 MMbbls** of Staatsolie's oil products were sold in 2021, compared to **5.53 MMbbls** in 2020.
- **43%** of the high-end products produced and sold by Staatsolie were exported.
- GOw2 maintained its market share, supplying the retail market with **0.82 MMbbls** of high-end products.

PROJECTING SUCCESS:

"We are looking forward to expanding opportunities for Staatsolie to provide diesel to IOCs with offshore operations, even as GOw2 increases its share of Suriname's retail market."

MARC REFOS
Asset Manager Marketing

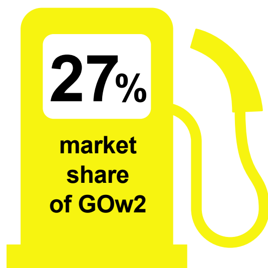
2021 KEY FOCUS

Maintaining GOw2's retail market share and ramping up Staatsolie's fueling services to offshore operators.

2022 KEY FOCUS

Implementing the next phase of GOw2's World Class Retail Network project and expanding Staatsolie's services to offshore operators.

5.13
MMbbls
of products sold in 2021



POWER & SUSTAINABLE ENERGY

Staatsolie's directorate of Power & Sustainable Energy, through our subsidiary Staatsolie Power Company Suriname (SPCS), operates a hydro-electric facility and a thermal-electric power plant. Our customers include our own refinery, where we deliver electric energy and process steam, and the Government of Suriname, which makes the purchased electricity available for the public grid. The directorate also leads initiatives devoted to developing alternative sustainable and renewable sources for Suriname's transition to a low-carbon energy future.

2021 SYNOPSIS

Since the nation of Suriname depends on Staatsolie for more than three-quarters of its electricity supply, the reliability of operations – both at the 189 MW installed capacity hydro-electric facility in Brokopondo and the 96 MW installed capacity thermal power plant in Wanica – is paramount, in 2021 and every year.

In 2021, at our Afobaka hydro-electric facility, we were able to harness the once-in-a-decade rainfall levels to generate a record level of hydro-electricity, which has a sales price of less than two cents per kilowatt hour. This excess hydro-power replaced more expensive thermal power, significantly lowering the Government's subsidy burden. It is estimated that Suriname saved more than US$ 20 million on its electricity bill in 2021.

Reliability improvement efforts in 2021 included a technically focused program

keyed on our thermal generating systems, which has significantly reduced the number of unplanned interruptions. We have also built up our human capacity, helping operators in our plants improve their ability to recognize and signal early warnings of potential unit production interruption, heading off outages before they occur. Operators are improving their ability to perform operational maintenance, and we are more clearly defining help chains, so everyone knows who to communicate with in the event of an issue.

Our commitment to and progress in increasing reliability is attested to by our plant certifications: Currently, both the SPCS Hydro and SPCS Thermal facilities are individually certified according to ISO 9001 quality management standards. In addition, the SPCS Hydro facility is ISO 14001 (Environmental Management) and ISO 45001 (HSE standards) certified. The Thermal facility has gained certification on the latter two standards in January 2022.

While we do our utmost to deliver reliable power to meet the present needs of our nation's people and businesses, we are also deeply committed to leading Suriname to a more sustainable energy future. We are exploring several initiatives, including:

1. Increasing our hydro-electric output by replacing outdated turbines with more efficient alternatives, a move that could allow us to generate 10 percent more electricity with the same amount of water.
2. Execute a study to develop a utility-scale solar power plant, making use of our existing hydro reservoir for energy storage.
3. Championing increased industrial use of natural gas as a transitional, cleaner fuel (potentially for power generation, as well as for the bauxite and petrochemical sectors) to take advantage of prospective gas resources in Suriname's offshore waters.
4. Utilizing waste heat to generate electricity at the thermal power plant.

PROJECTING SUCCESS:

"Success going forward for Power & Sustainable Energy is leading the way to Suriname's cleaner energy future, exploring options like solar power and transitioning from thermal to natural gas generation."

EDDY FRÄNKEL
Deputy Director Power & Sustainable Energy

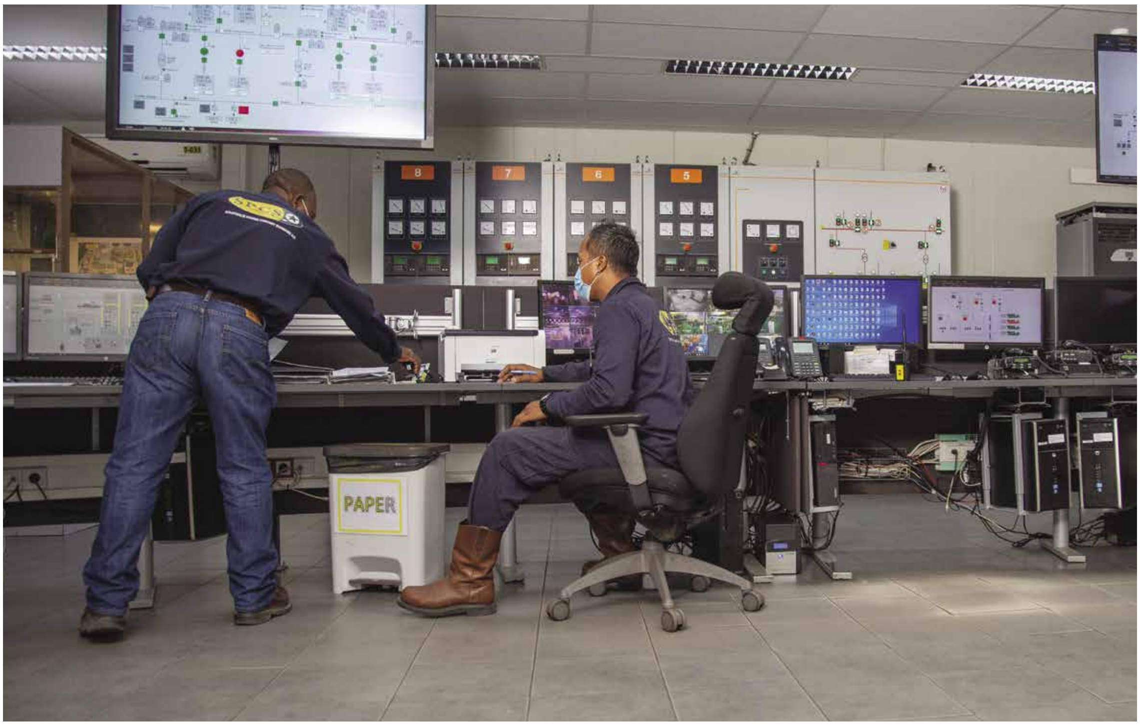
2021 KEY FOCUS	**Managing the hydro-power generation issues of the year's extreme rainfall and increasing thermal generation reliability.**
2022 KEY FOCUS	**Advancing new sustainable energy projects.**

2021 KEY FIGURES

- **1,094,000 MWh** of hydro-electric power generation.
- **349,000 MWh** of thermal power generation.
- **89%** practical capacity utilized at hydro-electric facility.
- **71,000 tons** of process steam delivered to Staatsolie refinery.
- **90,000 MWh** delivered to Staatsolie refinery.
- SPCS achieved approximately **100% reliability** for the refinery.
- Thermal plant achieved approximately **71% reliability**.
- Hydro plant achieved approximately **93% reliability**.

US$ 20M+
was saved on the nation's electricity bill thanks to record hydro-electricity generation

80%
of Suriname's electricity was supplied by Staatsolie in 2021



Staatsolie's hydro-electric facility in Afobaka produced 1,094,000 MWh of hydro-electric power in 2021.

STAATSOLIE HYDROCARBON INSTITUTE

As a state oil company, Staatsolie fulfills its regulatory role through our wholly owned subsidiary Staatsolie Hydrocarbon Institute N.V. (SHI). SHI's responsibilities include overseeing Basin Opportunity Management, Contract Acreage Management and Data Management. SHI's vision is to operate as a world-class regulator in a basin with multiple concessions in various stages of development and to eventually transition into an independent hydrocarbon institute.

2021 SYNOPSIS

In 2021, SHI continued optimizing internal processes to reach the world-class standards required to work effectively with IOCs. After last year's advances in areas including data management and drilling operations processes, we made progress in 2021 in appraisal reporting, the field development plan process and PSC accounting.

Another point of progress is aligning our areas of expertise with those of the Offshore directorate, merging resources and competencies to minimize duplication of functions. We work closely with the Offshore directorate to share expertise in geoscience, economic evaluation and other subjects.

As mentioned in the Offshore section of this report, the awarding of a PSC as part of

our Shallow Offshore Bid Round was a major milestone. This contract allows Staatsolie to participate as a non-operating partner with a 40 percent stake for the first time. Additionally, the PSC requires no exploration expenditure exposure from Staatsolie.

In 2021, the major Block 58 discoveries of 2020 entered the appraisal phase, with three appraisal wells and one exploration well drilled. Notable was the drill stem test at the Sapakara South-1 appraisal well, which encountered approximately 30 meters of net black oil reservoir, renewing the focus for expediting the first offshore development.

Other noteworthy deep-water events: Tullow Oil relinquished their interests in Blocks 47, 54 and 62, and Kosmos Energy relinquished Block 45 and sold its assets in Block 42 to Shell. See the Offshore section of this report for an overview of 2022 deep-water activities.

One important aspect of supervising PSCs is monitoring and evaluating IOCs' local content commitment and their performance in giving preference to local suppliers, material, and employment. SHI works with IOCs to support education, capacity building and enterprise development projects. Staatsolie believes it is essential that our nation's hydrocarbon resources economically benefit all elements of Surinamese society, and our commitment is evidenced in the establishment of a Local Content Taskforce devoted to supplier development and education.

2021 KEY FIGURES

PSC signed with Chevron for Shallow Offshore Block 5, including **US$ 31M** sign-on bonus.

PROJECTING
SUCCESS:

"For SHI, we will measure our future success by how well we help utilize our nation's hydrocarbon resources for the betterment of Suriname's society."

ANGELE RAMSARANSINGH-KARG
Director Staatsolie Hydrocarbon Institute N.V.

2021 KEY FOCUS	**Optimizing our contract management capabilities, with a focus on appraisal and development phase aspects, to prepare for Block 58 developments.**
2022 KEY FOCUS	**Further improving processes, with a focus on optimizing our Field Development Plan expertise and providing leadership in promoting the energy transition to natural gas.**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

In 2021, Staatsolie formalized its commitment to strong Environmental, Social and Governance (ESG) principles by establishing an ESG Committee. Comprised of leaders from multiple directorates, including the HSE & Communication Division, Finance Directorate, Offshore Directorate and our subsidiary Staatsolie Hydrocarbon Institute (SHI), this body is tasked with ensuring that ESG concerns remain a top priority of the company's highest leadership.

2021 SYNOPSIS

Environment

One of the ESG Committee's most important actions in 2021 was the announcement of Staatsolie's Sustainability Policy. A bedrock foundation of the Sustainability Policy is Staatsolie's support of the United Nations Sustainable Development Goals (SDGs). In particular, the ESG Committee has selected five of these goals to pursue most aggressively in the years ahead, selected because these five will enable us to help make the world a better place while making Staatsolie a stronger company.

Sustainable Development Goals

7. AFFORDABLE AND CLEAN ENERGY
8. DECENT WORK AND ECONOMIC GROWTH
12. RESPONSIBLE CONSUMPTION AND PRODUCTION
13. CLIMATE ACTION
14. LIFE BELOW WATER

Measures we are taking to pursue these goals include:

- Increasing the amount of hydro-electricity we produce with more energy efficient equipment and developing new sustainable energy sources.
- Measuring for the first time Scope 1 and 2 greenhouse gas (GHG) monthly emission (49,782 tons CO_2eq), and independently reviewed by DNV. This as part of our commitment to reduce GHG emissions from production operations, including partially replacing crude oil in heater treaters with produced methane gas.
- Supporting initiatives to maintain Suriname's carbon negative status.
- Conducting an ESIA for Shallow Offshore projects.

Staatsolie plans to prepare its first Sustainability Report in 2022, outlining in greater detail our approach to implementing our Sustainability Policy. Additionally, we continue to promote our sustainability principles to other leading Surinamese companies through our participation in the Suriname Conservation Foundation's Green Partnership Program and Conservation International Suriname's Friends of Green Suriname initiative. Our Finance Director, Agnes Moensi-Sokowikromo, currently chairs the Suriname Conservation Foundation Green Partnership Program.

PROJECTING SUCCESS:

"We recognize that offshore oil and gas revenues are needed to help improve the social well-being of the people of Suriname. But since we are at the beginning of that development, we can see to it that it is executed in the most sustainable manner. That's the biggest gift we can give to the generations after us."

AGNES MOENSI-SOKOWIKROMO
Chair ESG Committee

2021 KEY FOCUS	**Promoting COVID vaccination efforts and launching Staatsolie's Sustainability Policy.**

2022 KEY FOCUS	**Further implementing our Sustainability Policy, starting initiatives to pursue five UN Sustainable Development Goals.**

Social

Our company's commitment to enhancing social well-being begins with our own employees and extends to all the citizens of Suriname. Internal social endeavors include the company-wide rollout of a new Development HR process that helps our employees realize their full potential with progression models, gap analyses, certified assessments and other tools. We also provide employees with training relating to HSE, Emergency Response, qualifications and technical skills. Steps to enhance safety include implementing an HSE data management system to improve our ability to analyze safety data and continuing the process of IS0 14001 and 45001 certification.

Our efforts to address external social well-being in 2021 were mostly focused on promoting coronavirus vaccination efforts across the country. We assisted the Ministry of Healthcare by helping to provide food, facilities, volunteers, transportation, signage, information, and other support for numerous vaccination events.

To help prepare the citizens of Suriname for the economic opportunities that will come with offshore oil and gas development, Staatsolie pledged US$ 200,000 in 2021 to support the technical college NATIN (Natuur Technisch Instituut/the Institute for Natural Resources & Engineering Studies), with a focus on updating the institution's equipment.

Staatsolie encourages the growth of Surinamese businesses through measures such as a web portal highlighting opportunities for local suppliers, as well as webinars and other educational events. We also strongly encourage our IOC partners to work with Surinamese vendors and utilize local content whenever possible.

Staatsolie's local content initiatives include:

- Helping to implement a new Offshore Oil & Gas stream at NATIN.
- Establishing an Enterprise Development Center to help build up capacities of local businesses to compete for IOC contracts.
- Catalyzing the development of a T-BOSIET training facility for the offshore industry.
- Encouraging IOC and main contractors to use local shore bases.

To advance healthcare, grants were made in 2021 to support renovation of the National Dialysis Center and the CT-scan building of the local Academic Hospital.

Staatsolie and Staatsolie Foundation spent a total of

US$ 880,000

on donations in 2021

US$ 680,000

went to Social Responsiblity projects by our PSC partners

Many of the external social projects we typically assist were temporarily halted by the pandemic, but projects the company provided support for in 2021 include Talking Prints, which promotes handcrafts produced by indigenous women, and the Tuhka oil project, which helps the Trio community sell and market oil produced from its Brazil nuts.

The institutional task of Staatsolie is geared to optimize the value of petroleum activities for Suriname and its people through prudent resource management, while maintaining the upmost respect for the environment and safety. This task is delegated to SHI, who manages the execution of the PSCs that Staatsolie has concluded. This role includes the monitoring of the Social Responsibility Investments of the contractor. Based on the active PSCs, the contractor annually allocates an agreed amount for Social Responsibility projects and activities to contribute to the sustainable development, health, and welfare of Suriname's society.

The Social Responsibility projects approved and carried out in 2021 were focused on the following 4 areas:

HEALTHCARE. By promoting healthcare including preventive healthcare, water and sanitation

EDUCATION. By promoting (special) education, enhancing vocational skills especially among children, women and elderly, and renovation of schools.

INFRASTRUCTURE. Through the set-up of basic structures and facilities (e.g., buildings) needed for the sustainable support of socially vulnerable groups.

ENVIRONMENT. By ensuring environmental sustainability, the ecological balance, and the protection of flora and fauna, animal welfare, conservation of natural resources and maintaining quality of soil, air and water.

In 2021, US$ 686,989 was spent on Social Responsibility projects, the majority of which was invested in educational projects (38%) and healthcare (34%).

Governance

Corporate Governance at Staatsolie aims to support and protect the company and its stakeholders. It allows Staatsolie to work efficiently by establishing clear understanding of the distribution of roles, responsibilities, rights and accountabilities for everyone, and it also gives meaning to the following principles: long-term value creation, good governance and effective oversight, integrity, transparency and risk management.

Corporate Governance allows Staatsolie to help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth.

Our values – Zero-harm, Integrity, Excellence, Teamwork – underpin how we work and are reflected in our culture. The Executive Board recognizes that continual efforts need to be put into investing in the workforce, and for this reason has conducted a BBetter2gether survey in first quarter of 2022 as part of the Staatsolie Engagement Program (STEP).

The following Corporate Governance charters were established in 2020 and will be reviewed and updated where needed in 2022:

1. Supervisory Board
2. Audit, Risk & Compliance
3. Nomination & Remuneration
4. Executive Board
5. Integrity Committee

In 2021 the Corporate Governance structure of Staatsolie was solidified by the installation of the following subcommittees of the Supervisory Board:

1. Audit Committee
2. Risk and Compliance Committee
3. Nomination and Remuneration Committee

For the first time, a report of the Supervisory Board is included in the Annual Report of 2021.

The Code of Conduct and the Whistleblower Policy are key policies associated with Corporate Governance. We have an online annual sign-off for the Code of Conduct, which supplies the thread for the desired behavior. As an improvement, we have made the Code of Conduct more visual, by introducing a short video followed by an online test.

The Whistleblower Policy in practice is facilitated by the Integrity Committee. Through our intranet, 'Barreltje,' this Policy was highlighted. The Committee receives and investigates complaints. In 2021, four cases were reported and concluded by the Committee. Actions resulting from these cases are also well monitored.

Corporate Governance at Staatsolie means helping define and live up to our values, which include Zero Harm to our people and protecting our environment with measures like extensive ESIA testing.

RISK MANAGEMENT

As an integral element of Staatsolie's transition to best-in-class standards in order to work effectively with international stakeholders such as financial institutions and IOCs, the company has instituted a thorough Enterprise Risk Management (ERM) assessment, facilitated by a consulting firm to improve the current Enterprise Risk Management framework. The assessment resulted in the identification of the key risks and yielded a foundation for periodic risk reporting, monitoring and risk appetite setting.

Staatsolie's key risks are those which can have the most significant impact on the achievement of its approved strategic initiatives and were categorized according to whether the risks were strategic, compliance, financial or operational in nature.

Throughout the year, management regularly reviews these key risks and associated risk responses and implements further suitable mitigating and corrective actions.

Within the control framework, risk management and internal control over financial reporting is key. A multi-year major improvement project is ongoing that will result in rigorous controls to mitigate risks associated with generating the information that appears in our financial statements.

Through our ERM framework, we are taking action to reduce operational risks, as well as risks identified in the areas of strategy, finance and compliance.

STAATSOLIE MAATSCHAPPIJ SURINAME N.V.

Independent Auditor’s Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Staatsolie Maatschappij Suriname N.V. and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section* of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accounts’ (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of 2021. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Key audit matter	How our audit addressed the key audit matter
IMPAIRMENT OF OIL EXPLORATION, PRODUCING AND REFINING PROPERTIES – NOTE 4.11 TO THE CONSOLIDATED FINANCIAL STATEMENTS The Group's consolidated financial statement of financial position as at 31 December 2021 includes property, plant and equipment totaling $1.679 billion (2020: $1.740 billion), of which the combined Oil exploration, producing, refining and related corporate assets totaled $1.522 billion. Management reversed the $15.9 million impairment charge (net of depreciation) related to the producing, refining and associated corporate assets Cash Generating Unit (CGU) previously recorded in 2020. The impairment assessment method adopted by the Group in determining the recoverable amount of the producing assets was Fair Value Less Cost of Disposal (FVLCD) as allowed under IAS 36 'Impairment of assets'. Further, management recorded an impairment charge of $51.6 million related to the exploration and evaluation assets in the shallow offshore area specifically Blocks 1, 2 and former Block D. Management's impairment assessment in the shallow offshore area was determined by the analysis of available data and other qualitative factors. There is a significant level of Management judgment and estimation uncertainty in the Fair Value Less Cost of Disposal (FVLCD) model as well as the analysis of data and other qualitative factors which make impairment of Oil exploration, producing and refining properties a key audit matter.	We obtained an understanding of the process related to impairment testing. We assessed data used in the Fair Value Less Cost of Disposal (FVLCD) model, including testing of the forecasted future cash flows. We assessed management's determination of the relevant Cash Generating Units (CGUs) taking into consideration how management monitors and makes decisions about the Group's operations. Further we analyzed the sensitivity of key assumptions used in the valuation model and assessed historical accuracy of cash flows applied by management. We tested the mathematical accuracy of the models and assessed the assumptions utilized through the following substantive procedures: **OIL AND PETROLEUM FUEL PRICES** • We assessed whether the assumptions used in the calculations were in line with the contracts; • We agreed the relevant marker price for each index to the reports directly from third party sources; • We reviewed the mathematical accuracy of the formulas for each component of the model for all years in the calculation; • We assessed whether the volumes allocated agreed to the contracted volumes and capacity of the Cash Generating unit (CGU); • We reassessed the reasonableness of the price margins utilized in the model relative to historical trends. **DISCOUNT RATE:** • We independently evaluated the Group's discount rate used in the impairment tests with input from EY's valuation specialists;

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Key audit matter	How our audit addressed the key audit matter
IMPAIRMENT OF OIL EXPLORATION, PRODUCING AND REFINING PROPERTIES – NOTE 4.11 TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED).	**RESERVES AND RESOURCE ESTIMATES:** • Assessed the Group's reserves estimation methods and policies; • We compared total reserves included in the impairment assumptions model to the reserves as per the audited reserves report; • We held discussions with Management to understand the production profile and evaluated whether it was consistent with our knowledge of the business activity. **CAPITAL EXPENDITURE FORECAST:** • Obtained management's development Capital Expenditure (CAPEX) plan to maintain 6 million barrels per year. The average annual CAPEX was also compared to the historical information of the Group. • We held discussions with management to understand the plan for the Group, source of funding, and types of Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) to be implemented to maintain production; • We reviewed the historical costs of the turnaround project on the refinery, the budget and nonrecurring expenses. **SHALLOW OFFSHORE AREA** • Obtained and reviewed management's impairment assessment of the exploration and evaluation assets in the shallow offshore area; • We examined documentation to support management's assumptions and plans related to the shallow offshore area.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Key audit matter	How our audit addressed the key audit matter
ESTIMATION OF DECOMMISSIONING AND ENVIRONMENTAL PROVISIONS – NOTES 2.4 AND 4.9 TO THE CONSOLIDATED FINANCIAL STATEMENTS Provisions associated with decommissioning and environmental restoration cost recognized by the Group are disclosed in Note 4.9 to the consolidated financial statements; a description of the accounting policy and key judgments and estimates is included in Note 2.4. The total decommissioning and environmental provisions reported as at 31 December 2021 was $88.3 million (2020: $86.9 million). The calculation of decommissioning and environmental provisions is conducted by specialist engineers and requires the use of significant judgment in the application of key assumptions in respect of asset lives, timing of restoration work being undertaken, environmental legislative requirements, the extent of restoration activities required and estimation of future costs. Changes in these assumptions may result in material changes to the decommissioning and environmental provisions recorded by the Group and as a result is considered a key audit matter.	Our audit procedures focused on the evaluation and assessment work of the Group's internal and external third-party specialists. In obtaining sufficient audit evidence, we: • assessed the competence and objectivity of both the Group's internal and external specialists involved in the estimation process; • assessed the reasonableness of of the assumptions utilized by the specialists in the determination of the provisions; • understood the Group's decommissioning and restoration estimation processes; • tested the consistency in the application of principles and assumptions to other areas of the audit such as reserves estimation and impairment testing; • tested the mathematical accuracy of the net present value calculations and discount rate applied; • reconciled the calculations to the financial report prepared by internal and external specialists; and • Reviewed the adequacy of the disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
HYPERINFLATION ACCOUNTING – NOTE 2.3 K TO THE CONSOLIDATED FINANCIAL STATEMENTS The Group applied IAS 29 'Financial Reporting in Hyperinflationary Economies' in relation to the GoW2 subsidiary whose functional currency is the Surinamese Dollar. The application of IAS 29 resulted in a monetary loss (net) of $34 million at the end of the reporting period. The audit procedures related to the application of IAS 29 'Financial Reporting in Hyperinflationary Economies' involved complex accounting concepts and resulted in material changes by the Group and as a result is considered a key audit matter.	Our procedures focused on assessing the completeness and robustness of the impact of the hyperinflation on the 2021 and 2020 figures and included the following: • We reviewed the Consumer Price Index (CPI) used in the calculation of the hyperinflation adjustments; • We reviewed the classification of the assets and liabilities in the statement of financial position as either monetary or non-monetary; • We reviewed management's calculation of the impact of the hyperinflation adjustments relating of the consolidated statement of profit or loss and the consolidated statement of other comprehensive income, including the monetary loss, the statement of changes in equity and the non-monetary items in the consolidated statement of financial position; • We reviewed management's calculation of the rebased audited figures of 2020 for the monetary and non-monetary balances in the consolidated statement of financial position and consolidated statement of profit or loss.

OTHER INFORMATION INCLUDED IN THE GROUP'S 2021 ANNUAL REPORT

Other information consists of the information included in the Group's 2021 Annual Report,other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yours sincerely

Andrew Tom
Partner for and behalf of
Ernst & Young Suriname

Paramaribo, 27 April, 2022

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	Notes	2021	2020*
Continuing operations			
Revenue	3.1	557,855	427,936
Cost of sales		(276,239)	(285,029)
Gross profit		**281,616**	**142,907**
Other income (net)	3.2	49,472	14,267
Expensed projects	3.1	(65,577)	(10,113)
Impairment of other non-current assets	4.11	15,874	(16,787)
Offshore expenses	3.2	(239)	(151)
Selling and distribution expenses	3.2	(11,424)	(18,899)
Other operating expenses	3.2	(11,623)	(2,206)
General and administrative expenses	3.2	(37,378)	(39,161)
Operating profit		**220,721**	**69,857**
Finance income	3.2	1,751	2,761
Finance costs	3.2	(55,051)	(59,194)
Share of profit of Suriname Gold Project CV	4.4	79,338	85,411
Monetary loss (net)	3.2	(34,054)	-
Profit before income tax from continuing operations		**212,705**	**98,835**
Income tax expense	3.3	(93,207)	(26,818)
Profit for the year from continuing operations		**119,498**	**72,017**
Discontinued operations			
Loss after tax for the year from discontinued operations	4.12	(2,143)	(831)
Profit for the year		117,355	71,186
Attributable to: Equity holders of the parent		117,355	71,186
		117,355	71,186
Earnings per share			
Basic earnings per ordinary share (US$ per share)	3.4	23.47	14.24
Earnings per share for continuing operations			
Basic earnings per ordinary share (US$ per share)	3.4	23.90	14.40

*Refer to 2.7 reclassification

Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	Notes	2021	2020
Profit for the year		**117,355**	**71,186**
Other comprehensive (loss)/income not to be reclassified to profit in subsequent periods			
Pensions and other postretirement benefits	4.10	(36,931)	2,325
Tax effect	3.3	11,984	(748)
		(24,947)	1,577
Unrealized gains short-term investments		(627)	(1,674)
Tax effect	3.3	203	542
		(424)	(1,132)
Net other comprehensive (loss)/income not to be reclassified to profit in subsequent periods		**(25,371)**	**445**
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Currency translation adjustment GOw2		(5,371)	(22,993)
Tax effect		-	-
		(5,371)	(22,983)
Net other comprehensive (loss) to be reclassified to profit or loss in subsequent periods		**(5,371)**	**(22,983)**
Other comprehensive (loss) for the year net of tax		**(30,742)**	**(22,538)**
Total comprehensive income for the year net of tax		**86,613**	**48,648**
Attributable to:			
Equity holders of the parent		86,613	48,648
		86,613	48,648

Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2021

(X US$ 1,000)	Notes	2021	2020
Assets			
Non-current assets			
Oil, exploration and producing properties	4.1	679,309	705,850
Refining properties	4.2	842,492	884,319
Other property, plant and equipment*	4.3	157,049	149,818
Investment properties	4.6	18,836	16,882
Goodwill	4.5	5,447	5,447
Other intangible assets	4.5	6,849	5,965
Right-of-use assets	4.7	2,911	4,324
Lease receivable (non-current)	4.8	15,430	15,682
Investments in Joint Ventures	4.4	241,949	260,877
Restricted cash	6.1	8,410	14,983
Other long term assets		877	1,177
Deferred tax asset	3.3	15,740	12,712
Total non-current assets		1,995,299	2,078,036
Current assets			
Inventories	6.3	102,413	110,455
Trade receivables	6.2	110,508	102,414
Prepayments and other current assets	6.2	14,037	13,069
Loan receivable short-term	5.3	-	3,669
Lease receivable (current)	4.8	132	-
Short-term investments	5.3	1,326	1,952
Restricted cash	6.1	29,017	19,567
Cash and short-term deposits	6.1	66,838	18,681
		324,271	269,807
Assets held for sale	4.12	2,323	-
Total current assets		326,594	269,807
Total assets		**2,321,893**	**2,347,843**

*Refer to section 4.4 Pikin Saramacca

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2021

(X US$ 1,000)		2021	2020
Equity and liabilities			
Equity			
Common stock	5.1	12,104	12,104
Retained earnings*		1,277,480	1,234,217
Other capital reserves		26,898	26,398
Reserves of a disposal group held for sale	4.12	1,580	-
Total equity		1,318,062	1,272,719
Non-current liabilities			
Bond	5.3	193,208	192,839
Term loans	5.3	342,455	452,063
Revolver loan	5.3	6,000	6,000
Provisions	4.9	89,679	88,320
Employee defined benefit liabilities	4.10	115,027	71,714
Lease liabilities (non-current)	4.7	1,387	2,473
Other long term liabilities	5.3	38,958	30,145
Total non-current liabilities		786,714	843,554
Current liabilities			
Bank overdraft	6.1	-	3,420
Trade payables	6.4	84,981	82,392
Accruals and other liabilities	6.4	31,850	69,636
Lease liabilities (current)	4.7	1,687	2,219
Income tax payable*		-	1,047
Current portion of loans and bonds	5.3	97,856	72,856
		216,374	231,570
Liabilities directly associated with the assets held for sale	4.12	743	-
Total current liabilities		217,117	231,570
Total liabilities		**1,003,831**	**1,075,124**
Total equity and liabilities		**2,321,893**	**2,347,843**

These Financial statements have been authorized for issuance by the Supervisory Board members and the Executive Board members on May 05, 2022.

The Board of Executive Directors:

A. Jagesar *Managing Director*
A. Moensi-Sokowikromo *Finance Director*
R. Bissumbhar *Upstream Director*

The Supervisory Board:

L. Brunswijk *Chairman*
M. Santokhi *Deputy Chairman*
N. Nannan *Secretary*
J. Bousaid *Member*
H. Dorinnie *Member*
G. Asadang *Member*
D. Caffé *Member*

*Refer to section 4.4 Pikin Saramacca

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	Notes		Retained earnings	
		Common Stock	Retained Earnings	Translation Adjustment GOw2 & Hyperinflation
Balance at January 1, 2020		**12,104**	**1,259,153**	**(15,663)**
Profit for the year		-	71,186	-
Other comprehensive income/(loss)		-	445	(22,983)
Total comprehensive income/(loss) 2020		**-**	**71,631**	**(22,983)**
Non-Distributable Reserve Hydrodam	5.1	-	-	-
Equity Adjustment Staatsolie Admin for Alignment GOw2		-	349	-
Dividend 2019 (settled)	3.5	-	(45,136)	-
Allocation/(withdrawal) (WB 2019 Dividend for Sports reserve	5.3	-	(800)	-
Allocation/(withdrawal) (WB 2019 Dividend for Environmental reserve	5.1	-	(500)	-
Reclass “Reserve Sportfund” from Equity to Accruals & other liab.	5.3	-	-	-
Balance at December 31, 2020		**12,104**	**1,284,697**	**(38,646)**
Pikin Saramacca UJV provisional accounting adjustment	2.7	-	(11,834)	-
Restated Balance at December 31, 2020		**12,104**	**1,272,863**	**(38,646)**
Profit for the year		-	117,355	-
Other comprehensive (loss)		-	(25,371)	(5,371)
Total comprehensive income 2021		**-**	**91,984**	**(5,371)**
Dividend 2020 reserved as dividend payable per AGM 2021	3.5	-	(35,593)	-
Dividend 2021 pre-payment (cash)	7	-	(22,500)	-
Reclassification of reserves of a disposal group held for sale	4.12	-	(1,580)	-
Hyperinflation GOw2		-	-	16,823
Allocation/(Withdrawal) (WB 2020 Dividend for Environmental reserve)	5.1	-	(500)	-
Balance at December 31, 2021		**12,104**	**1,304,674**	**(27,194)**

	Other capital reserves				
	Non-Distributable Reserve Hydro dam	Appropriated reserve for environmental risk	Appropriated reserve for committee of sports facilities	Reserves of a disposal g roup held for sale	Total Equity
	-	**9,500**	**3,065**	**-**	**1,268,159**
	-	-	-	-	71,186
	-	-	-	-	(22,538)
	-	**-**	**-**	**-**	**48,648**
	16,398	-	-	-	16,398
	-	-	-	-	349
	-	-	-	-	(45,136)
	-	-	-	-	(800)
	-	500	-	-	-
	-	-	(3,065)	-	(3,065)
	16,398	**10,000**	**-**	**-**	**1,284,553**
	-	-	-	-	(11,834)
	16,398	**10,000**	**-**	**-**	**1,272,719**
	-	-	-	-	117,355
	-	-	-	-	(30,742)
	-	-	**-**	**-**	**86,613**
	-	-	-	-	(35,593)
	-	-	-	-	(22,500)
	-	-	-	1,580	-
	-	-	-	-	16,823
	-	500	-	-	-
	16,398	**10,500**	**-**	**1,580**	**1,318,062**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	Notes	2021	2020
Operating activities			
Profit before income tax from continued operations	3.1	212,705	98,835
Loss from discontinued operations	4.12	(2,143)	(831)
Profit before tax		**210,562**	**98,004**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of Property, plant and equipment (PPE)	3.2	104,987	111,019
Depreciation of right-of-use assets	4.7	2,252	2,806
Fair value gain investment properties	4.6	(1,954)	-
Impairment of non-current assets	4.11	(15,875)	16,787
Expensed projects	4.1-4.3	65,566	10,113
Amortization of intangible assets	4.5	1,643	1,072
Amortization of debt arrangement fee	5.3	2,508	2,051
Accretion expense	4.9	5,903	9,542
Accretion of lease liability	4.7	540	825
Hyperinflation and Currency translation adjustment		22,393	(16,146)
Disposal of PPE	4.1-4.3	1,271	(1,451)
Finance income	3.2	(1,631)	(2,619)
Finance costs (excluding accretion expenses and amortization of debt arrangement fees)		46,760	43,087
Share of profit in Suriname Gold Project CV	4.4	(79,338)	(85,411)
Movements employee defined benefit liabilities		6,383	330
Movement in Provisions		(25)	(784)
Cash from operations before working capital changes		**371,945**	**189,225**
Working capital adjustments:			
Change in Inventories		7,910	4,181
Change in Trade receivables		(34,629)	2,401
Change in Prepayments and other current assets		4,452	7,873
Change in Trade payables		2,589	(59,305)
Change in Accruals and other liabilities		(32,669)	37,670
Cash generated from operations		**319,598**	**182,045**
Interest received		22	1,486
Interest paid		(53,373)	(46,221)
Income taxes paid/settled		(19,930)	(6,500)
Net cash flows from operating activities		**246,317**	**130,810**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	**Notes**	**2021**	**2020**
Investing activities			
Expenditures on PPE (Purchase)		(114,801)	(162,979)
Expenditures on Other Intangible assets	4.5	335	(361)
Investment in joint ventures (Pikin Saramacca)		-	(34,000)
Cash distributions received from Suriname Gold Project CV		199,628	198,079
Cash calls paid to Suriname Gold Project CV		(101,362)	(109,585)
Investment in shares of local companies		-	(24)
Movement of loan receivables		-	3,759
Net cash flows used in investing activities		**(16,200)**	**(105,111)**
Financing activities			
Movement of Bonds		-	(2,515)
Issue of New Local Bond		-	195,067
Repayment of Local Bond (Exchange with new bonds)		-	(80,531)
Repayment of Local Bond (Paid back)		-	(16,550)
Repayment of Term loans	5.3	(87,920)	(62,500)
Refinancing of Term loans	5.3	-	(2,200)
Proceeds from Revolver loan	5.3	-	6,000
Dividends settled/paid to equity holders of the parent	3.5	(82,030)	(45,136)
Movements in Other long term liabilities	5.3	(2,712)	(1,687)
Payment of principal portion of lease liabilities		(2,968)	(3,216)
Movement in restricted cash		(2,876)	(18,265)
Net cash flows used in financing activities		**(178,506)**	**(31,533)**
Change in cash and cash equivalents		**51,611**	**(5,834)**
Cash and cash equivalents, beginning of year	6.1	**15,261**	**21,095**
Cash and cash equivalents, end of year	6.1	**66,872**	**15,261**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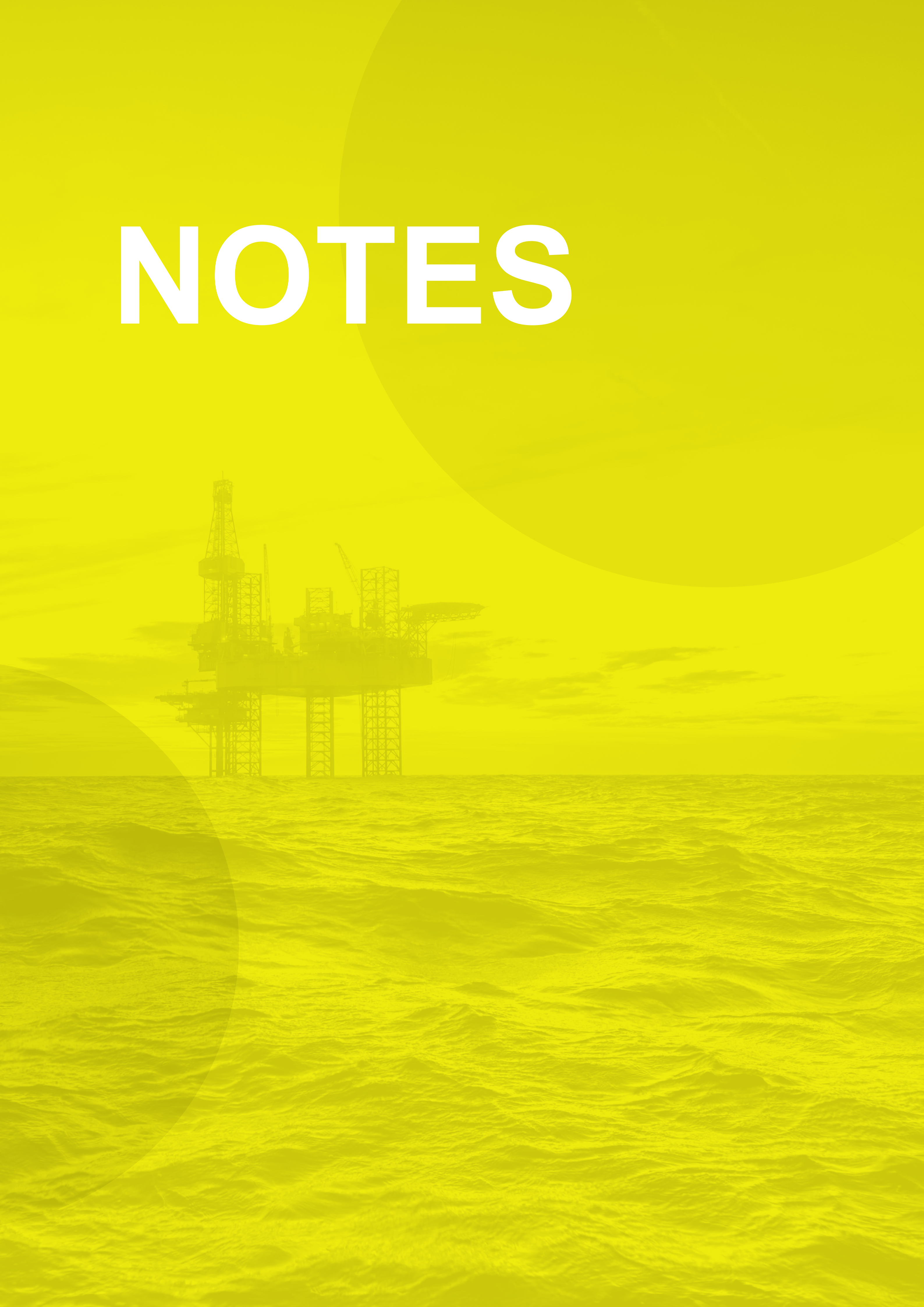

Notes to the Consolidated Financial Statements

INDEX TO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 1.
CORPORATE AND GROUP INFORMATION

1.1 CORPORATE INFORMATION

The consolidated financial statements of the Group, which comprise Staatsolie Maatschappij Suriname N.V. (Staatsolie, as the parent) and all its subsidiaries, for the year ended December 31, 2021, were authorized for issue in accordance with a resolution of the Supervisory Board on April 20, 2022.

Staatsolie is a limited liability company incorporated and domiciled in Suriname whose shares are solely owned by the Government of Suriname (GoS). The registered office is located at Dr. Ir. H. S. Adhinstraat 21, Paramaribo, Suriname.

Staatsolie (the Company) is an integrated oil company in the Republic of Suriname of which the integrated activities include exploration, production, refining, marketing and distribution of petroleum and retail products.

Through its subsidiary (SPCS), Staatsolie is engaged in thermal and hydro-electric power generation.

The Group's structure and other related party relationships is presented in section 7 - Group information and related party disclosures.

Staatsolie's vision is:

- Leading the sustainable development of Suriname's energy industry.
- Making a strong contribution to the advancement of our society.
- Becoming a regional player with a global identity in the energy sector.

Staatsolie's mission is:

- To develop Suriname's hydrocarbon potential over the full value chain, to generate electricity and to develop renewable sustainable energy resources.
- To secure the energy supply of Suriname and to establish a solid position in the regional market.
- To expand our reputation based on our growth performance, flexibility, and corporate social responsibility.

Its values are:

1. HSEC Focused: We put health and safety first, strive for zero harm to our people and the communities around us, and minimize negative impacts upon the environment.
2. Integrity: We are honest and do what we say we will do.
3. People Focused: We create a supportive and collaborative environment, respect each other, are open to other's ideas and facilitate personal and professional growth.
4. Excellence: We set high standards for quality, strive to exceed expectations, and do our work with a sense of urgency.
5. Accountability: We accept responsibility for our job and actions, are cooperative, and create a non-blaming environment.

1.2 GROUP INFORMATION

Staatsolie has five (5) subsidiaries of which four (4) are wholly owned: Paradise Oil Company N.V. (POC) and GOw2 Energy Suriname N.V. (GOw2), both companies incorporated in the Republic of Suriname, Ventrin Petroleum Company Limited (Ventrin), a bunkering company incorporated in the Republic of Trinidad and Tobago and Staatsolie Hydrocarbon Institute N.V.(SHI), a company mandated to perform the institutional role of Staatsolie.

Staatsolie holds 102,999 out of 103,000 shares of the Staatsolie Power Company Suriname N.V. (SPCS), incorporated in the Republic of Suriname, and the local electricity company Energie Bedrijven Suriname N.V. (N.V. EBS) holds one share.

POC is, now, a dormant company. In June 2015, POC's operations were put on hold and the company did not have any activity during the reporting period of 2021.

With regard to Staatsolie' s gold participation interest, since November 2014, Staatsolie has a participating interest of 25% in the Suriname Gold Project CV ('Surgold'), a limited partnership between Newmont Suriname LLC and Staatsolie.

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

Information on other related party relationships of Staatsolie and its subsidiaries is further provided in Section 7.

SECTION 2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of Staatsolie as a group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and financial instruments that have been measured at fair value. The consolidated statements are presented in US dollars, and all values are rounded to the nearest thousand (US$ 1,000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Staatsolie and its controlled subsidiaries as at December 31, 2021 and 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

1. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
2. Exposure or rights to variable returns from its involvement with the investee;
3. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interest (NCI).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied in preparing its consolidated financial statements:

a. Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Indefinite lived intangibles, such as goodwill, are not amortized, instead they are tested for impairment annually as a minimum, or when there are indicators of impairment.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. To the extent that the cost of acquiring an equity investment exceeds the fair value of the net assets acquired, the excess is recorded as goodwill. Currently, the Group carries goodwill on the books related to the acquisition of GOw2 which occurred in fiscal year 2011.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

b. Joint arrangements

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

The Group's joint arrangements are of two types:

(i) Joint operations

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognizes its:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.

- Expenses, including its share of any expenses incurred jointly.

(ii) Joint ventures

The Group has a 25% participation in the Suriname Gold Project CV (SurGold) Limited partnership, whereas the Group has joint control over the limited partnership. The Group invests monthly through cash calls to SurGold. The Group's investment in the limited partnership is considered a joint venture and is accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the limited partnership since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the limited partnership. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the limited partnership, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Group's share of profit or loss of the limited partnership is shown on the face of the statement of profit or loss outside operating profit and included in companies profit or loss before tax. The financial statements of the limited partnership are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss, if any, on its investment in the limited partnership. The Group determines at each reporting date whether there is any objective evidence that the investment in the limited partnership is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the loss as 'Share of profit of the participation in a JV' in the statement of profit or loss.

c. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

d. Lessor Accounting

IFRS 16 is determining whether an arrangement contains a lease deals with arrangements that do not take the legal form of leases but nevertheless convey the right to use a specific asset, such as an item of property, plant, or equipment for an agreed period of time.

A right of a purchaser to use a particular asset owned by a supplier could be conveyed in a wide range of arrangements for the supply of goods and services, including outsourcing arrangements, arrangements under which a purchaser obtains a right to capacity (e.g., the output of a particular power plant) and take-or-pay arrangements or similar contracts.

At inception of a contract, an entity should assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract gives the right to control the use of an identified asset ('underlying asset') for a period of time in exchange for consideration (IFRS 16.9). The right to control the use of an identified asset can be split into:

a. the right to obtain substantially all the economic benefits from use of an identified asset and

b. the right to direct the use of an identified asset.

(i) Right to obtain substantially all the economic benefits

To control the use of an identified asset, a customer is required to have the right to obtain substantially all the economic benefits from use of the asset during the period of use. The most obvious way of obtaining substantially all the economic benefits from use of the asset is having exclusive use of the asset during the period of its use (IFRS 16.B21-B23).

The lessee should focus on economic benefits arising from the use of the asset (e.g., obtaining products), not from the ownership of the asset (e.g., tax credits) (IFRS 16. BC118).

(ii) Right to direct the use

A customer has the right to direct the use of an identified asset during the period of use only if either (IFRS 16.B24): the customer has the right to direct how and for what purpose the asset is used during the period of use; or the relevant decisions about how and for what purpose the asset is used are predetermined.

- Under IFRS 16, lessors account for finance leases by initially derecognizing the asset and recognizing a receivable for the net investment in the lease which is the present value of the payments.
- The lessor must use the interest rate implicit in the lease to measure the net investment in the lease.
- Subsequent to initial recognition, a lessor must recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (i.e. it must use the amortized cost method).

e. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date at fair value where applicable.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15 Revenue from contracts with customers.

Transfers are made to (or from) investment property only when there is a change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

f. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current distinction.

An asset is current when it is:

1. Expected to be realized or intended to be sold or consumed in the normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g. Fair value measurement

The Group measures financial instruments and non-financial assets, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of oil products, thermal & hydro energy and gold

Revenue from the sale of oil products is recognized when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenues are recorded from the sales of thermal & hydro energy when the product is delivered at a fixed or determinable price, title has transferred, and collectability is reasonably assured.

Sales between group companies, as disclosed in section 3.1 segment information, are based on prices generally equivalent to commercially available prices.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

Sale of thermal & hydro energy generation products comprises of revenue earned from the provision of electricity and steam to Staatsolie Refinery Operations and electricity to the Government of Suriname (GoS) who is the only third-party customer. Revenues are generally recognized when SPCS fulfills its performance obligation by transferring the affirmed goods (electricity and steam) to the customer and once product has passed the meters the customers obtain control of the product.

Gold revenue is being recognized when the performance obligation of transferring gold inventory to the customer is satisfied, which generally occurs upon transfer of gold bullion credits to the customer, as this is the point at which the customer obtains the ability to direct the use and obtain substantially all of the remaining benefits of ownership of the asset. This can occur when gold doré is delivered to the buyer's refinery, upon delivery of the gold doré, or upon being loaded to air transport and flight departure in Suriname.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of oil products give rise to a consideration payable to customers.

Consideration payable to customers

Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The Group has some contracts for the sale of oil products that give rise to a penalty when failing to perform according to the agreed upon terms. The consideration payable to customers is accounted for as a reduction of the transaction price and, therefore, of revenue.

(ii) Significant financing component

Generally, the Group provides short-term advances to its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for the sale of oil products. However, if the timing of the transfer of these goods or services is at discretion of the customer, this is not considered as a significant financing component.

(iii) Warranty obligations

The Group typically provides warranties for guarantee of quality, providing the customer a timeframe of fifteen (15) days after delivery to raise a claim in regard to shortages and defect in quality/quantity of delivered goods. Under IFRS 15 this is not considered an additional good or service to the client and is therefore considered to be an assurance-type warranty. When material, these types of warranties are accounted for as warranty obligations and the estimated cost of satisfying them is accrued in accordance with the requirements in IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section t. Provisions.

(iv) Transportation services

In some cases, the Group provides transportation services as part of contracts with customers when providing oil products. Transportation services are not considered a distinct performance obligation since this service to the client is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

(v) Equipment rental

The Group makes equipment available to the customers as part of contracts with customers when providing oil products. Equipment rental is not considered a separate performance obligation since this service to the client is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

(vi) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

i. Other income

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate ("EIR"). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated statement of profit or loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

j. Foreign currencies

The consolidated financial statements are presented in United States dollars (US$), which is also the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity is measured using that functional currency. Within the Group, GOw2's functional currency changed from US$ to the Surinamese dollars (SRD) effective January 1, 2016. This change arose due to the change in major contracts previously denominated in US$ to SRD. Therefore, as it relates to GOw2, transactions are initially recorded in the functional currency (being SRD) at the rate of exchange ruling at the date of the transaction.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on settlement or translation of monetary items are recognized in the consolidated statement of profit or loss.

(ii) Foreign subsidiaries

As at the reporting date for consolidation purposes, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and, their statements of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign entity is recognized in the consolidated statement of profit or loss.

k. Hyperinflation accounting

Suriname has been identified as a hyperinflationary economy based on the three-year cumulative inflation rates of 169% measured at year end 2021. Other hyperinflationary characteristics of the economic environment were identified, such as (i) the general population regards monetary amounts in terms of a relatively stable foreign currency as prices are often quoted in stable foreign currency, (ii) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power, and (iii) the general population prefers to keep wealth in non-monetary assets or in a relatively stable foreign currency.

The functional currency of GOw2, a wholly owned subsidiary of Staatsolie, is the Surinamese dollar, therefore the non-monetary assets and liabilities of GOw2 had to be revalued. IAS 29 Financial Reporting in Hyperinflationary Economies requires management to restate the financial statements of entities whose functional currency is the currency of a hyperinflationary economy, into the current purchasing power at the Statement of Financial Position date. The restatements resulted in an increase in other property plant and equipment amounting to US$ 10,182 and a monetary loss (net) of US$ 19,064 as at December 31, 2021 which is recognized in the consolidated statement of profit or loss.

l. Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences subject to certain specific exceptions.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the temporary differences and carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss.

Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxation authority.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and or payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

m. Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Significant accounting judgments, estimates and assumptions (Section 2.4) and Provisions (Section 4.9) for further information about the recognized decommissioning provision.

Land and buildings are measured at historical cost, less accumulated depreciation on buildings, and impairment losses if any, are recognized at the date of revaluation.

Exploration and evaluation assets

Exploration and evaluation activity involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation projects in progress until the drilling of the well is complete and the results have been evaluated.

These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognized in the consolidated statement of profit or loss, as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through the consolidated statement of profit or loss as a dry hole.

If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as projects in progress while sufficient/ continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as projects in progress.

All such capitalized costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the consolidated statement of profit or loss.

When proved reserves of oil are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil properties.

Other than license costs, no amortization is charged during the exploration and evaluation phase.

Oil properties

The costs of production development such as drilling, testing and completion of development wells are capitalized, notwithstanding if these wells are successful or not. Capitalized costs consist of the purchase price of materials and services, including the Group's internal services. Capitalized costs for wells, equipment and production facilities are depreciated using the units of production (UOP) method.

All costs for development wells, related plant and equipment, and related Asset Retirement Obligation (ARO) are capitalized. Capitalized costs relating to investments in the oil field, including productive land properties, are depreciated based on the UOP method, generally by individual field, as the proved developed reserves are produced. The UOP factor is derived from the year oil production and the related proved developed oil reserves.

Oil properties – assets under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Assets under construction' which is a subcategory of 'Oil and gas properties' once the work completed to date supports the future development of the asset and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within 'oil properties'.

Development expenditure is net of proceeds from the sale of oil produced during the development phase to the extent that it is considered integral to the development of the asset. Any costs incurred in testing the assets to determine whether they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss.

When a development project moves into the production stage, all assets included in 'Assets under construction' are then transferred to 'Producing assets' which is also a sub-category of 'Oil properties'. The capitalization of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to 'Oil and gas properties' asset additions, improvements or new developments

Oil properties – producing assets and other property, plant and equipment

(i) Initial recognition

'Oil and gas properties' and 'Other property, plant and equipment' are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost (if the asset was previously classified as assets in development), any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs.
The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

(ii) Depreciation/amortization

Oil properties are depreciated/amortized on a UOP basis over the total proved developed reserves of the field concerned. The UOP rate calculation for the depreciation/amortization of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, which is generally 25 years for the refinery, and major inspection costs are amortized over three to five years, which represents the estimated period before the next planned major inspection.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

(iii) Major maintenance, refits, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programs are capitalized and amortized over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

Refinery, power plant and other fixed assets

The refinery, power plant and other fixed assets are valued at cost. The capitalized costs of these assets are depreciated on a straight-line basis, taking into account the estimated useful lifetime of the significant components of the refinery.

Projects in progress

Projects in progress relates to work in progress, for which at the date of completion the cost is capitalized to the appropriate category of property plant and equipment. Project in progress is not depreciated.

Power plant assets

The power plant assets are depreciated on a straight-line basis and as follows:

Asset Category	Percentage
Building hall	5%
Production hall	10%
Furniture	33.33%
Tank battery	20%
Powerhouse equipment	5 - 50%
Other units	5 - 20%

Corporate & Other fixed assets

Land and freehold estates are not depreciated. Other properties outside the production field are being amortized on a straight-line basis. The annual depreciation percentages are as follows; where applicable a residual value is taken into consideration.

Asset Category	Percentage
Building hall	10%
Telecommunication equipment	20%
Dock TLF	4%
Oil tanker	10%
Drilling machinery	20%
Heavy equipment	20%
Transportation equipment	33.33%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

n. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred on or after the date of transition for all eligible qualifying assets are capitalized.

o. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Except for trade receivables, for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.3 (h) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

The category concerning financial assets at fair value through OCI with recycling of cumulative gains and losses upon derecognition is not applicable for the Group.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables, cash and short-term deposits including restricted cash and loan receivables from the Government of Suriname.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity instruments as investment as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from the proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrecoverably its investment in locally listed equity securities under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures if applicable and relating to impairment of financial assets are discussed in the respective disclosures for significant assumptions and trade receivables, including contract assets.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates, that the Group is unlikely to receive the outstanding contractual amounts in full, before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

p. Derivative Financial instruments

The Group enters forward currency contracts to manage its foreign currency exposures.

The related derivative instrument is initially recorded at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value. The derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The forward contract is not designated as hedge instruments.

q. Inventories

Petroleum products are valued at the lower of cost and net realizable value.

Raw materials:

- Cost is arrived at using the weighted average method.

Finished goods and work in progress:

- Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

The cost of crude oil and refined products is the purchase cost, the cost of refining, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal operating capacity, determined on a weighted average basis.

The net realizable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Materials and supplies are valued using the weighted average cost method.

Pipeline fill

Crude oil, which is necessary to bring a pipeline into working order, is treated as a part of the related pipeline. This is on the basis that it is not held for sale or consumed in a production process but is necessary to the operation of a facility during more than one operating cycle, and its cost cannot be recouped through sale (or is significantly impaired). This applies even if the part of inventory that is deemed to be an item of property, plant and equipment cannot be separated physically from the rest of inventory. It is valued at cost and is depreciated over the useful life of the related asset.

r. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognized in OCI up to the amount of any previous revaluation.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

s. Cash and short–term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Restricted Cash

Restricted cash is required for financing purposes as this has been the requirement of Staatsolie' s financiers. The restricted accounts are the collection accounts; Debt Payment Account (DPA) and the Debt Payment Reserve Account (DSRA).

The collection account is used for international collections from all our international customers to deposit their payments. The DPA account contains three months' worth of debt service and is funded monthly. Every three months interest and principal, if any, is paid out.

The DSRA contains three months' worth of interest for the lifetime of the loan. After the necessary funding has taken place, Staatsolie can obtain the remaining cash for its operations.

t. Cash dividend

The Group recognizes a liability to make cash distributions to owners of equity when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

u. Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of profit or loss.

Warranty provisions

The Group typically provides warranties for guarantee of quality, providing the customer a timeframe of fifteen (15) days after delivery to raise a claim in regard to shortages and defect in quality/quantity of delivered goods. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

Decommissioning liability

The Group recognizes a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the field location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related oil assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognized in cost of goods sold. Additional disturbances which arise due to further development/ construction at the oil and gas property are recognized as additions or charges to the corresponding assets and decommissioning liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as production continues.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to oil and gas properties. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of profit or loss as a finance cost.

v. Pensions and other post–employment benefits

The Group operates defined benefit pension plans. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. In addition, the Group operates other long-term employee benefit plans, of which the re-measurements are recognized in the profit or loss. Furthermore, for both the defined benefit pension plans and the other long-term employee benefit plans past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment

And

- The date on which the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under ‘cost of sales’, ‘general and administrative expenses’ and ‘selling and distribution expenses’ in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

w. IFRS 5 Non-Current Assets held for sale and Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss:

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Investment in Joint Venture

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work program and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity's joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries, as set out in Section 2.3b. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - The legal form of the separate vehicle
  - The terms of the contractual arrangement
  - Other facts and circumstances, considered on a case by case basis

This assessment often requires significant judgment. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting treatment.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a bundled sale of oil products and transportation services

In some cases, the Group provides transportation services as part of contracts with customers when providing oil products. The Group determined that transportation services are not considered a distinct performance obligation since this service to the customer is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

- Identifying performance obligations in a bundled sale of oil products and equipment rental

The Group makes equipment available to the customers as part of contracts with customers when providing oil products. The Group determined that the sale of oil products and equipment rental are not capable of being distinct. The sale of oil products and equipment rental are highly interrelated, because the Group would not be able to sell the oil products if the customer declined equipment rental.

- Determining the timing of satisfaction of sale of oil products

The Group determined that for contracts that are considered consignment arrangements, the obligation is to transfer the product to the consignee. The Group will not relinquish control of the consigned product until the product is sold to the end-customer. Consignees do not have any obligation to pay for the product, other than to pay the Group the agreed-upon portion of the sale price once the consignee sells the product to a third party. As a result, for consignment arrangements, revenue is recognized when the products are delivered to the end customer and the performance obligation has been satisfied.

- Consideration of significant financing component in a contract

Generally, the Group provides short -term advances to its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for the sale of oil products. However, since the timing of the transfer of these goods or services is at discretion of the customer, this is not considered as a significant financing component.

- Determining method to estimate variable consideration

Some contracts for the sale of oil products give rise to a consideration payable to customers. In case the Group is not able to supply the customer with oil products in the timeframe as agreed in the contract and before its stock out date, the Group is liable for the difference between the price of a third party for the related oil products and the price as agreed in the contract. However, since the Group has no history of failing to deliver on contractual obligations, penalties are not considered upon determination of the transaction price.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Functional currency

The functional currency for the parent entity and each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. The functional currency for GOw2 is Surinamese dollar (SRD). The functional currency of Staatsolie, SPCS and Ventrin is the US dollar (US$). Determination of functional currency may involve certain judgements to identify the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The default rate for the Group is determined as an average of the write -offs compared to the outstanding trade receivables balances using a window of a few years. This default rate is then determined per age bracket by adjusting the rate to align with the variation in the provision percentages per age bracket. For credit balances no ECL is considered.

The Group expects the same pattern for the future, therefore forward-looking estimates are not considered to have an impact on the default rate.

At every reporting date the historical observed default rate will be updated and changes in the forward-looking estimates will be analyzed.

Decommissioning liability

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group’s facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, estimates of the extent and costs of decommissioning activities, the emergence of new restoration techniques or experience at other production sites, cost increases as compared to the inflation rates of 2.30% (2020: 2.03%), and changes in discount rates of 6.89% (2020: 6.50%). The expected timing, extent and amount of expenditure may also change, for example, in response to changes in oil and gas reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management’s best estimate of the present value of the future decommissioning costs required.

Environmental risk liability

Liabilities for environmental costs are recognized when a clean-up is probable, and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required. If the effect of the time value of money is material, the amount recognized is the present value of the estimated future expenditure.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Recoverability of assets

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less cost of disposal (FVLCD) and value- in-use (VIU). The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Units of production (UOP) depreciation of oil assets

Oil properties are depreciated using UOP method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, relates to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortization will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Defined benefit plans (pension benefits)

The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an ‘AA’ rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about pension obligations are provided in Section 4.10.

Hydrocarbon reserve and resource estimates

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil properties. The Group estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves that are attributable to the host government under the terms of the production-sharing agreements (PSAs). Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

The economic tests for the December 31, 2021, reserve volumes were based on a future projection of crude oil prices using crude oil prices forecasted by PIRA Energy group as the reference price.

Average price of actual crude sales and the PIRA price premise for 2021 (NYH No 6 Fuel Oil 1.0% S) are the same requiring no adjustment for price differential. The same oil price premise was applied for all reserve categories less a transfer premium.

A 5-year moving average production-receipt ratio of 0.94% (2020: 0.78%) was applied to capture differences from crude production and crude receipt at refinery.

Average price differential between the PIRA crude price forecast and average posting price of the Groups crude oil in 2021 was US$ 0.14/Bbl (US$ 69.56/Bbl. versus actual US$ 69.70/Bbl.).

(2020 was US$ 0.71/Bbl: PIRA US$ 43.15/Bbl. versus actual US$ 43.86/Bbl.)

The long-term PIRA NYH No. 6 Fuel Oil 1.0% Sulphur crude oil prices (as per December 20, 2021) used in the estimation of the preliminary commercial reserves are listed in the table below.

Year	US$/bbl
2022	69.82
2023	61.91
2024	58.92
2025	52.85
2026	50.51
2027	47.85
2028	48.64
2029	49.45
2030	50.33
2031	51.44
2032	52.42
2033	53.34
2034	54.29
2035	55.43
2036	56.61
2037	57.88
2038	59.10
2039	60.36
2040	61.63

The carrying amount of oil properties at December 31, 2021 is shown in Section 4.1.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of exploration and evaluation assets; oil properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortization charges in the consolidated statement of profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Section 4.1).
- Provisions for decommissioning may require revision - where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities (Section 4.9).
- The recognition and carrying value of deferred tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets (Section 3.3).

Deferred tax

Judgment is required to determine which arrangements are a tax on income as opposed to an operating cost. Judgment is also required to determine whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require the Group to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, to utilize recognized deferred tax assets. Judgment is also required in respect of the application of existing tax laws in each jurisdiction. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends, and other capital management transactions).
To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Oil properties

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the consolidated statement of profit or loss in the period when the new information becomes available.

2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

2.6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement?
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

2.7 RECLASSIFICATION

For the 2021 financial statement preparation, it was necessary to reclassify 2020 comparative information in order to conform with changes in presentation in the current year. The reclassifications have no effect on the net profit and net asset of the Group for the previous or current year.

Reclassification within the 2020 consolidated statement of profit or loss follows:

(X US$ 1,000)	2020 Previously reported	Reclassification Ventrin HFS*	Reclassification Pikin Saramacca UJV **	2020 (Restated)
Continuing operations				
Revenue	432,435	(4,499)	-	427,936
Cost of sales	(283,151)	3,950	(5,828)	(285,029)
Gross profit	**149,284**	**(549)**	**(5,828)**	**142,907**
Other income (net)	14,267	-	-	14,267
Expensed projects	(10,113)	-	-	(10,113)
Impairment of other non - current assets	(16,787)	-	-	(16,787)
Offshore expenses	(151)	-	-	(151)
Selling and distribution expenses	(18,936)	37	-	(18,899)
Other operating expenses	(2,841)	635		(2,206)
General and administrative expenses	(45,422)	433	5,828	(39,161)
Operating profit	**69,301**	**556**	**-**	**69,857**
Finance income	2,763	(2)	-	2,761
Finance costs	(59,471)	277	-	(59,194)
Share of profit of Suriname Gold Project CV	85,411	-	-	85,411
Profit before income tax from continuing operations	**98,004**	**831**	**-**	**98,835**
Income tax expense	(26,818)	-	-	(26,818)
Profit for the year from continuing operations	**71,186**	**831**	**-**	**72,017**
Discontinued operations				
Loss after tax for the year from discontinued operations	-	(831)	-	(831)
Profit for the year	**71,186**	**-**	**-**	**71,186**

* *Relates to the Ventrin performance result reclassification of the discontinued operations (refer to 4.12 discontinued operations)*

*** Concerns a presentation reclass regarding the Pikin Saramacca UJV*

SECTION 3. RESULTS FOR THE YEAR

This section provides additional information that is most relevant in explaining the Group's consolidated performance during the year.

- Segment information (Section 3.1)
- Information about key items comprising operating profit/loss (Section 3.2)
- Income tax (Section 3.3)
- Earnings per share (Section 3.4)
- Dividends paid and proposed (Section 3.5)

3.1 SEGMENT INFORMATION

For management purposes, Staatsolie is organized into reportable segments that include three operating segments and a corporate segment.

The three operating segments are:

- Upstream onshore: this segment is responsible for exploring, developing, producing, and transporting crude oil to the refinery.
- Downstream: this segment is responsible for refining the crude oil, marketing, selling, and distributing the related oil products. Furthermore, trading which is related to trading fuel products and selling these products to wholesale, retail, and bunkering customers. Lastly, part of this segment is also the 96-megawatt thermal power plant operation and a Hydro dam facility, which delivers the electric power to the single source customer, the national electricity company N.V. EBS.
- Gold Mining: (1) The Pikin Saramacca UJV: concerns a participating interest of 30% in an unincorporated joint operation between Rosebel Gold Mines N.V. (IAM Gold) and Staatsolie and (2) The Surgold Project: The Group has a 25% investment in a joint venture that is involved in the exploration, development and exploitation of the Merian Gold mine which is regularly reviewed by the Chief Operating Decision Maker ("CODM").

These functions have been defined as the operating segments of the Group because they are the segments:

1. That engage in business activities from which revenues are earned and expenses are incurred.
2. Whose operating results are regularly reviewed by the board of executive directors to make decisions about resources to be allocated to the segment and assess its performance.
3. For which discrete financial information is available.

The corporate segment are the functional departments of the Group that consists of Petroleum Contracts, offshore directorate, and all other corporate administrative functions.

The board of executive directors (which collectively is considered to be the Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

FOR THE YEAR ENDED DECEMBER 31, 2021

(X US$ 1,000)	Upstream onshore	Downstream	Goldmining	Corporate	Total segments	Corporate - adjustments & eliminations	Consolidated
Revenue							
External customers	-	512,205	45,650	-	557,855	-	557,855
Inter segment crude	324,054	(324,054)	-	-	-	-	-
Inter segment other	-	138,948	-	-	138,948	(138,948)	-
Total revenue	**324,054**	**327,099**	**45,650**	**-**	**696,803**	**(138,948)**	**557,855**
Income/(expenses)							
Depreciation of PPE	(37,928)	(63,317)	(2,984)	(758)	(104,987)	-	(104,987)
Depreciation of right-of-use assets	(1,041)	(626)	-	(585)	(2,252)	-	(2,252)
Impairment of non-current assets	6,444	9,224	-	206	15,874	-	15,874
Amortization of Intangible assets	(650)	(114)	-	(879)	(1,643)	-	(1,643)
Accretion expense on provisions	(4,470)	(1,433)	-	-	(5,903)	-	(5,903)
Interest on lease liabilities	-	(110)	-	(430)	(540)	-	(540)
Finance income (expenses) (excluding Accretion)	-	2,402	(330)	(48,530)	(46,458)	-	(46,458)
Share of profit of Suriname Gold Project CV	-	-	79,338	-	79,338	-	79,338
EBITDA	**266,627**	**75,638**	**112,097**	**(53,978)**	**400,384**	**(13,327)**	**387,057**
Segment profit (loss) (before tax) from continuing operations	**228,983**	**21,662**	**80,339**	**(104,952)**	**226,032**	**(13,327)**	**212,705**
Income tax expense	-	(10,189)	-	(83,018)	(93,207)	-	(93,207)
Segment profit (loss) (after tax) from continuing operations	**228,983**	**11,473**	**80,339**	**(187,970)**	**132,825**	**(13,327)**	**119,498**
Total assets	**602,930**	**1,049,153**	**291,217**	**600,553**	**2,543,853**	**(221,960)**	**2,321,893**
Other disclosures							
Investment properties	-	-	-	18,836	18,836	-	18,836
Investments in Suriname Gold Project CV	-	-	241,949	-	241,949	-	241,949
Capital expenditure	73,371	32,077	7,737	1,616	114,801	-	114,801

FOR THE YEAR ENDED DECEMBER 31, 2020

(X US$ 1,000)	Upstream onshore	Downstream	Goldmining	Corporate	Total segments	Corporate - adjustments & eliminations	Consolidated
Revenue							
External customers	-	383,368	44,568	-	427,936	-	427,936
Inter segment crude	180,541	(180,541)	-	-	-	-	-
Inter segment other	-	104,851	-	-	104,851	(104,851)	-
Total revenue	**180,541**	**307,678**	**44,568**	**-**	**532,787**	**(104,851)**	**427,936**
Income/(expenses)							
Depreciation of PPE	(45,137)	(60,042)	(4,779)	(1,061)	(111,019)	-	(111,019)
Depreciation of right-of-use assets	(1,433)	(690)	-	(683)	(2,806)	-	(2,806)
Impairment of non-current assets	(7,348)	(9,233)	-	(206)	(16,787)	-	(16,787)
Amortization of Intangible assets	(193)	(137)	-	(742)	(1,072)	-	(1,072)
Accretion expense on provisions	(9,028)	(514)	-	-	(9,542)	-	(9,542)
Interest on lease liabilities	-	(65)	-	(760)	(825)	-	(825)
Finance income (expenses) (excluding Accretion)	-	5,787	-	(52,128)	(46,341)	-	(46,341)
Share of profit of Suriname Gold Project CV	-	-	85,411	-	85,411	-	85,411
EBITDA	**119,623**	**96,569**	**134,687**	**4,388**	**355,267**	**(39,072)**	**316,195**
Segment profit (loss) (before tax) from continuing operations	**56,486**	**31,676**	**100,105**	**(51,191)**	**137,076**	**(39,072)**	**98,004**
Income tax expense	-	(14,938)	(4,761)	(7,119)	(26,818)	-	(26,818)
Segment profit (loss) (after tax) from continuing operations	**56,486**	**17,567**	**95,344**	**(58,308)**	**111,089**	**(39,072)**	**72,017**
Total assets	**756,950**	**1,093,924**	**327,577**	**477,161**	**2,655,612**	**(307,769)**	**2,347,843**
Other disclosures							
Investment properties	-	-	-	16,882	16,882	-	16,882
Investments in Suriname Gold Project CV	-	-	260,877	-	260,877	-	260,877
Capital expenditure	66,256	38,833	34,000	58,251	197,340	-	197,340

Adjustments and eliminations

- Finance income and costs, and fair value gains and losses on financial assets are allocated to individual segments.
- Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.
- Inter-segment revenues are eliminated on consolidation.

Explanation of non-IFRS measures

The Group discloses one financial measure, namely earnings before interest, taxes, depreciation and amortization (EBITDA), that is not prepared in accordance with IFRS and is therefore considered a non-IFRS financial measure. The Group calculated EBITDA by taking the net income and adding back interest, taxes, depreciation, and amortization. As EBITDA is used by management as a key performance indicator, the Group believes that it is useful to be presented to the readers of the consolidated financial statements.

Geographic information

Revenues from external customers

(X US$ 1,000)	2021	2020
Suriname	309,795	232,384
Guyana	61,527	59,125
Other Caribbean Territories	98,107	59,314
Trinidad and Tobago	837	337
Europe	2,487	2,240
Middle East and Asia	6,238	1,130
United States	33,151	28,348
North American Territories	63	92
East Asia	-	324
Other South American Territories	-	73
Other*	45,650	44,569
Total revenue per consolidated statement of profit or loss	**557,855**	**427,936**

** Gold revenue Pikin Saramacca U.J.V is sold to various brokers*

The revenue information above is based on the location of the customers.

In 2021, revenue from three (3) (2020: three (3)) major customers exceeded 10% of Group consolidated revenue and accounted for approximately 37% (2020: 48%) of the Group's reported revenues. These transactions arose from sales in the downstream segment.

Non-current operating assets

(X US$ 1,000)	2021	2020
Suriname	1,707,446	1,764,540
Trinidad and Tobago	-	2,618
Total	**1,707,446**	**1,767,158**

Non-current assets for this purpose consist of oil exploration and producing properties, refining properties, other property, plant and equipment, investment properties, right - of-use assets and other intangible assets. Only Ventrin, the subsidiary domiciled in Trinidad and Tobago, has non-current operating assets outside of Suriname. In 2021 Ventrin is classified as held for sale.

Components of Revenue

(X US$ 1,000)	2021	Restated 2020
Own refined products (gross)	445,163	311,103
Intersegment sales	(118,323)	(81,503)
Local refined products (net)	326,840	229,600
Trading activities (gross)	136,638	109,551
Intersegment sales	(15,996)	(19,427)
Trading activities (net)	120,642	90,124
Electric energy (Thermal) (gross)	48,830	50,408
Intersegment sales	(4,630)	(3,921)
Electric energy (Thermal) (net)	44,200	46,487
Electric energy (Hydro) (net)	19,940	16,517
Gold (net)	45,650	44,568
Other revenues (net)	583	640
Total revenues	**557,855**	**427,936**

Revenues consist of the sales and trade activities of petroleum products, electric energy and gold. Petroleum products are generally being sold at prevailing market prices. Revenues are recognized when products are delivered, which occurs when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured.

Gold revenue is being recognized when the performance obligation of transferring gold inventory to the customer is satisfied, which generally occurs upon transfer of gold bullion credits to the customer, as this is the point at which the customer obtains the ability to direct the use and obtain substantially all of the remaining benefits of ownership of the asset.

Sales between group companies (intersegment sales) are based on prices generally equivalent to commercially available prices.

3.2 INFORMATION ABOUT KEY ITEMS COMPRISING OPERATING PROFIT OR LOSS

Offshore expenses

(X US$ 1,000)	2021	2020
Expensed projects	(65)	(78)
Depreciation and amortization of PPE	(53)	(51)
Depreciation of right-of-use assets	(55)	(59)
Utilities expenses	(22)	-
Other expenses	(44)	37
Total	**(239)**	**(151)**

Selling and distribution expenses

(X US$ 1,000)	2021	Restated 2020
Freight*	(4,637)	(10,977)
Employee benefits expense	(3,090)	(3,131)
Bad debt expense	-	624
External services	(2,339)	(3,298)
Depreciation and amortization of PPE	(21)	(130)
Depreciation of right-of-use assets	(67)	(58)
Maintenance expense	(927)	(1,009)
Insurance costs	(215)	(145)
Utility expenses	(15)	(16)
Donations	-	(13)
Other expenses	(113)	(746)
Total	**(11,424)**	**(18,899)**

**In 2021, the sales contracts terms shifted from CIF to FOB. Furthermore, the lease capacity of vessels was reduced in 2021 compared to 2020.*

Other operating expenses

(X US$ 1,000)	2021	Restated 2020
External services	(772)	(863)
Employee benefits expense	(1,300)	(460)
Maintenance expense	(743)	(505)
Insurance costs	-	-
Utility expenses	(22)	(26)
Depreciation and amortization of PPE	(177)	(285)
Depreciation of right-of-use assets	(46)	(77)
Travel expenses	-	(3)
Freight	-	(8)
Other expenses*	(8,563)	21
Total	**(11,623)**	**(2,206)**

**Other expenses comprise costs from several sources. The (US$ 8,563) mainly relates to a provision made of (US$ 8,608) for slow moving & obsolete materials at the refinery.*

General and administrative expenses

(X US$ 1,000)	2021	Restated 2020
Employee benefits expense	(22,383)	(22,192)
External services	(9,912)	(9,705)
Depreciation and amortization of PPE	(1,996)	(2,163)
Depreciation of right-of-use assets	(598)	(669)
Maintenance expense	(461)	(470)
Insurance costs	(586)	(1,262)
Utility expenses	(563)	(545)
Donations	(988)	(919)
Other expenses	109	(1,236)
Total	**(37,378)**	**(39,161)**

Employee benefits expense

(X US$ 1,000)	2021	2020
Included in cost of sales		
Wages, salaries, emoluments and other benefits	(38,994)	(42,723)
Medical expenses	(885)	(1,376)
Safety and training expenses	(1,253)	(1,164)
Car lease benefit	(461)	(562)
Other personnel expenses	(2,138)	(2,458)
Sub total	**(43,731)**	**(48,283)**
Included in Selling and distribution expenses		
Wages, salaries, emoluments and other benefits	(2,996)	(3,031)
Medical expenses	(39)	(23)
Safety and training expenses	(44)	(61)
Car lease benefit	-	(12)
Other personnel expenses	(11)	(4)
Sub total	**(3,090)**	**(3,131)**
Included in Other operating expenses		
Wages, salaries, emoluments and other benefits	(1,184)	(363)
Medical expenses	(4)	-
Safety and training expenses	(55)	(19)
Car lease benefit	(18)	(24)
Other personnel expenses	(39)	(54)
Sub total	**(1,300)**	**(460)**
Included in General and administrative expenses		
Wages, salaries, emoluments and other benefits	(18,855)	(20,395)
Medical expenses	(789)	(856)
Safety and training expenses	(1,072)	(509)
Car lease benefit	(8)	(147)
Other personnel expenses	(1,659)	(285)
Sub total	**(22,383)**	**(22,192)**
Grand total	**(70,504)**	**(74,066)**

Depreciation of property, plant and equipment, and amortization of intangible assets

(X US$ 1,000)	2021	2020
Included in cost of sales		
Depreciation upstream	(37,928)	(45,039)
Amortization upstream	(650)	(193)
Depreciation downstream	(62,782)	(59,425)
Amortization downstream	(39)	(26)
Depreciation Pikin Saramacca UJV	(2,984)	(4,779)
Sub total	**(104,383)**	**(109,462)**
Included in Offshore expenses		
Depreciation upstream offshore	(18)	(51)
Depreciation upstream offshore	(35)	-
Sub total	**(53)**	**(51)**
Included in Selling and distribution expenses		
Depreciation downstream	(21)	(130)
Sub total	**(21)**	**(130)**
Included in Other operating expenses		
Depreciation downstream	(177)	(285)
Sub total	**(177)**	**(285)**
Included in General and administrative expenses		
Depreciation corporate	(739)	(1,010)
Amortization corporate	(844)	(741)
Depreciation downstream	(338)	(301)
Amortization downstream	(75)	(111)
Sub total	**(1,996)**	**(2,163)**
Grand total	**(106,630)**	**(112,091)**

Finance income

(X US$ 1,000)	2021	2020
Interest income on loans	301	1,298
Other interest income	1,450	1,463
Total finance income	**1,751**	**2,761**

Finance costs

(X US$ 1,000)	2021	2020
Interest on borrowings	(47,857)	(46,824)
Accretion expenses of provisions	(5,903)	(9,541)
Other finance charges	(750)	(2,029)
Accretion expenses of lease liabilities	(541)	(800)
Total finance costs	**(55,051)**	**(59,194)**

Other income (net)

(X US$ 1,000)	2021	2020
Gain on foreign currency transactions	13,818	14,508
Other income (net)	36,875	1,209
Derecognition of PPE	(1,221)	(1,450)
Total other income (net)	**49,472**	**14,267**

Other income (net) as at December 31, 2021 comprises income / (expense) from several sources. The significant items in 2021 relate to a signing bonus of US$ 30,875 that was paid by Chevron to Staatsolie for obtaining the rights for exploration, development and production for Block 5, offshore Suriname.

The gain on foreign currency transactions relates to GOw2.

GOw2's functional currency is the Surinamese dollars (SRD), but the reporting currency of the group is in United States dollars (US$).

Other income (net) as at December 31, 2020 comprises income / (expense) from several sources. The significant items in 2020 relate to the cost of a new pump (US$ 1,450), a claim receivable of US$ 1,462 and other expenses of (US$ 227).

The change in the gain on foreign currency transactions relates to GOw2.

Expensed projects

(X US$ 1,000)	2021	2020
Expensed projects-Downstream	(378)	(6,738)
Expensed projects-Corporate	(79)	(1,566)
Expensed projects-Upstream	(1,838)	(1,809)
Expensed projects-Off-Shore*	(63,282)	-
Total	**(65,577)**	**(10,113)**

*The increase of US$ 63,282 in 2021 when compared to the previous year, mainly relates to: the Impairment of the nearshore drilling projects 2019-2020 for US$ 51,574 MM and the remainder to other Offshore activities.

Monetary loss (net)

(X US$ 1,000)	2021
Consolidated statement of profit or loss	
Hyperinflation Revenues effect	24,816
Hyperinflation COS effect	(36,827)
Hyperinflation Other income & expense	2,634
Hyperinflation Expensed projects	(11)
Hyperinflation Other operating expense	(741)
Hyperinflation General & administration	(1,429)
Hyperinflation Finance income & expense	(99)
Hyperinflation Income Tax expense	(701)
Hyperinflation Deferred Tax expense	1,525
Consolidated statement of Financial performance	
Property, plant and equipment	5,480
Intangible assets	(625)
Right of use assets	(42)
Deferred tax liability	506
Common stock	12
Additional paid in capital	776
General Reserve	(29,411)
Net other comprehensive income	83
Total	**(34,054)**

The application of hyperinflation in our subsidiary GOw2 resulted in a monetary loss (net) of (US$ 34,054) consisting of (US$ 10,833) related to the profit or loss and (US$ 23,221) related to the statement of financial performance.

3.3 INCOME TAX

The major components of income tax are as follows:

Consolidated statement of profit or loss

(X US$ 1,000)	2021	2020
Current income tax:		
Current tax expense	(85,698)	(28,516)
Deferred tax:		
Tax (expense)/income relating to origination and reversal of temporary differences	(7,509)	1,698
Income tax expense reported in the consolidated statement of profit or loss (net)	**(93,207)**	**(26,818)**

A reconciliation between tax expense and the accounting profit multiplied by Staatsolie's domestic tax rate is as follows.

(X US$ 1,000)	2021	2020
Accounting profit before income tax	212,705	98,004
Tax at applicable statutory rate	(100,990)	(28,457)
Reinvestment reserve	9,503	2,527
Ventrin's deferred tax losses not recognized	(649)	(237)
Difference in deferred tax and income tax rates	1,617	(768)
Hyperinlation adjustment	(2,377)	
Other movements	(311)	117
Total tax charge	**(93,207)**	**(26,818)**
Effective tax rate	43.8%	27.4%

Consolidated statement of other comprehensive income

(X US$ 1,000)	2021	2020
Deferred tax related to items recognized in other comprehensive loss during the year:		
Net gain on unrealized losses from equity instruments	203	542
Net gain on remeasurement gains on defined benefit plans	11,984	(748)
Tax Income/(expense) recognized in other comprehensive income (net)	**12,187**	**(206)**

Reconciliation of deferred tax asset / (liability)

(X US$ 1,000)	2021	2020
Opening balance as of January 1	12,712	10,344
Tax (expense)/income during the period recognized in profit or loss	(7,509)	1,698
Tax income during the period recognized in equity due to fair value results	(1,650)	876
Tax income/(expense) during the period recognized in other comprehensive income	12,187	(206)
Closing balance as at December 31	**15,740**	**12,712**

Deferred income tax at December 31 relates to the following:

Consolidated statement of financial position

(X US$ 1,000)	2021	2020
Deferred tax assets/(liabilities)		
Short-term investments	173	(30)
Investment properties	(348)	285
Other property, plant and equipment	(6,113)	(236)
Fair value gains	(7,385)	(5,677)
Other intangible assets	(1,089)	(1,144)
Provisions	(4,418)	(1,350)
Employee defined benefit liabilities	34,781	20,708
Lease receivable	75	36
Net lease Right of Use /Liability	64	120
Deferred tax asset (net)	**15,740**	**12,712**

Tax losses carry forward

Ventrin is subject to the fiscal regime of Trinidad and Tobago and has accumulated tax losses of approximately US$ 15,5 at December 31, 2021, (2020: US$ 14,8) available for offset against future taxable profits. These losses have no expiry date.

No deferred tax asset has been recorded on these tax losses as it is the belief of management that it is not probable that Ventrin will generate sufficient taxable profit in the foreseeable future to utilize these losses.

3.4 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Net profit attributable to ordinary shareholders (US$'000)	117,355	71,186
Weighted average number of ordinary shares (number of shares x 1000)	5,000	5,000
Basic earnings per ordinary share (US$ per share)	**23.47**	**14.24**

	2021	2020
Earnings per share for continuing operations		
Net profit attributable to ordinary shareholders (US$1,000)	119,498	72,017
Weighted average number of ordinary shares (number of shares x 1000)	5,000	5,000
Basic earnings per ordinary share (US$ per share)	**23.90**	**14.40**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

3.5 DIVIDENDS PAID AND PROPOSED

(X US$ 1,000)	2021	2020
Declared and paid during the year:		
Cash dividends on ordinary shares:		
Final dividend paid/settled for 2020: US$ 7.12	35,593	-
Final dividend for 2019 (Settled): US$ 9.03 per share	-	45,136
	35,593	**45,136**
Proposed for approval at the annual general meeting:		
Note: below dividends have been recognized in the consolidated financial statements in line with the dividend policy with the shareholders		
Dividends on ordinary shares:		
Final (proposed) dividend for 2020: US$ 7.12 per share	-	35,593

Final dividends on ordinary shares for 2021 are subject to approval at the annual general shareholders' meeting and will be recognized in the 2022 appropriation of retained earnings.

SECTION 4. INVESTED CAPITAL

4.1 OIL, EXPLORATION AND PRODUCING PROPERTIES

(X US$ 1,000)	Land & Lease hold improvement	Building and Structure	Machine & Equipment
Cost			
At January 1, 2020	**9,276**	**25,827**	**56,103**
Adjustment Abandonment Costs*	-	(173)	-
Adjustments	-	-	(91)
Additions	-	37	705
Capitalized from PIP to PPE in current Year	-	4,719	1,039
Capitalized from PIP to Intangible Asset current Year	-	-	-
Disposals /Disinvestment in current year	-	-	(97)
Internal transfers	-	650	-
Expense to P&L	-	-	-
At December 31, 2020	**9,276**	**31,060**	**57,659**
Adjustment Abandonment Costs*	-	(5)	-
Adjustments	-	-	-
Additions	-	17	5,898
Capitalized from PIP to PPE in current Year	-	5,116	767
Capitalized from PIP to Intangible Asset current Year	-	-	-
Disposals /Disinvestment in current year	-	-	(661)
Internal transfers	-	-	-
Expense to P&L	-	-	-
At December 31, 2021	**9,276**	**36,188**	**63,663**
Depreciation			
At January 1, 2020	**-**	**(19,429)**	**(50,582)**
Adjustments	-	-	90
Depreciation Abandonment Costs*	-	(7)	-
Depreciation current year	-	(956)	(2,139)
Depreciation /disinvestment in current year	-	-	97
Impairment	-	-	-
Internal transfers	-	(650)	-
At December 31, 2020	**-**	**(21,042)**	**(52,534)**
Adjustments	-	-	36
Depreciation Abandonment Costs*	-	1	-
Depreciation current year	-	(1,442)	(1,895)
Depreciation /disinvestment in current year	-	-	659
Depreciation due to Impairment reversal	-	-	-
Internal transfers	-	-	-
At December 31, 2021	**-**	**(22,483)**	**(53,734)**
Net book value:			
At December 31, 2020	**9,276**	**10,018**	**5,125**
At December 31, 2021	**9,276**	**13,705**	**9,929**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

Well & Equipment	Pipelines	Other Fixed Assets	Offshore & Onshore Exploration & Evaluation	Production Projects in Progress	Offshore & Onshore Exploration Projects in Progress	Grand Total
946,014	**11,264**	**3,705**	**750**	**94,999**	**171,558**	**1,319,496**
(55,508)	-	-	-	-	-	(55,681)
-	-	62	-	-	-	(29)
-	-	49	-	53,591	11,875	66,257
75,239	-	602	-	(81,599)	-	-
-	-	-	-	(967)	-	(967)
(167)	-	(343)	(20)	-	-	(627)
-	-	1,257	-	-	-	1,907
-	-	-	-	(1,819)	11	(1,808)
965,578	**11,264**	**5,332**	**730**	**64,205**	**183,444**	**1,328,548**
(1,283)	-	-	-	-	-	(1,288)
-	-		-	967	-	967
-	-	138	31	58,562	8,724	73,370
46,290	-	-	-	(52,174)	-	(1)
-	-	-	-	(1,848)	-	(1,848)
(4,837)	-	(93)	-	-	-	(5,591)
-	-	(2,399)	12	-	-	(2,387)
-	-	-	-	(1,838)	(63,282)	(65,120)
1,005,748	**11,264**	**2,978**	**773**	**67,874**	**128,886**	**1,326,650**
(483,643)	**(10,597)**	**(3,555)**	**(690)**	**-**	**-**	**(568,496)**
-	-	(74)	-	-	-	16
(4,472)	-	-	-	-	-	(4,479)
(37,308)	(134)	(515)	(51)	-	-	(41,103)
146	-	343	20	-	-	606
(7,348)	-	-	-	-	-	(7,348)
-	-	(1,244)	-	-	-	(1,894)
(532,625)	**(10,731)**	**(5,045)**	**(721)**	**-**	**-**	**(622,698)**
98	-	(215)	-	-	-	(81)
308	-	-	-	-	-	309
(35,021)	(134)	273	(18)	-	-	(38,237)
4,048	-	82	-	-	-	4,789
6,444	-	-	-	-	-	6,444
-	-	2,145	(12)	-	-	2,133
(556,748)	**(10,865)**	**(2,760)**	**(751)**	**-**	**-**	**(647,341)**
432,953	**533**	**287**	**9**	**64,205**	**183,444**	**705,850**
449,000	**399**	**217**	**22**	**67,874**	**128,886**	**679,309**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 (Continued)

4.2 REFINING PROPERTIES

(X US$ 1,000)	Land & Lease hold Improvement	Building and Structure
Cost		
At January 1, 2020	**9,774**	**1,112,072**
Adjustment Abandonment Costs*	-	-
Additions	-	435
Adjustments	-	-
Capitalized from PIP to PPE	-	51,491
Disposals /Disinvestment in current year	-	(1,809)
Internal transfer	-	-
Expense to P&L in current year	-	-
At December 31, 2020	**9,774**	**1,162,189**
Adjustment Abandonment Costs*	-	-
Additions	-	373
Adjustments	-	-
Capitalized from PIP to PPE	-	4,504
Disposals /Disinvestment in current year	-	(13,575)
Internal transfer	-	-
Expense to P&L in current year	-	-
At December 31, 2021	**9,774**	**1,153,491**
Depreciation		
At January 1, 2020	**(1,666)**	**(262,301)**
Adjustments	-	-
Depreciation Abandonment Costs*	-	-
Depreciation current year	-	(50,676)
Depreciation /Disinvestment in current year	-	361
Impairment	-	(9,233)
At December 31, 2020	**(1,666)**	**(321,849)**
Adjustments	-	-
Depreciation Abandonment Costs*	-	-
Depreciation current year	-	(54,204)
Depreciation /Disinvestment in current year	-	13,228
Depreciation due to impairment reversal	-	9,224
Internal transfer	-	-
At December 31, 2021	**(1,666)**	**(353,601)**
Net book value:		
At December 31, 2020	**8,108**	**840,340**
At December 31, 2021	**8,108**	**799,890**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

Machine & Equipment	Abandonment Costs	Pipelines	Other Fixed Assets	Projects in Progress	Grand Total
14,117	**8,071**	**33,249**	**2,705**	**23,233**	**1,203,221**
-	2,318	-	-	-	2,318
141	-	-	-	36,711	37,287
91	-	-	1	-	92
233	-	-	-	(51,724)	-
(5)	-	-	(133)	-	(1,947)
-	-	-	-	-	
-	-	-	-	(6,695)	(6,695)
14,577	**10,389**	**33,249**	**2,573**	**1,525**	**1,234,276**
-	(3,495)	-	-	-	(3,495)
1,450	-	-	-	7,644	9,467
-	-	-		-	-
-	-	-	-	(4,504)	-
(2,249)	-	-	(579)	-	(16,403)
-	-	-	29	1	30
-	-	-	-	(48)	(48)
13,778	**6,894**	**33,249**	**2,023**	**4,618**	**1,223,827**
(11,967)	**(668)**	**(9,482)**	**(2,230)**	**-**	**(288,314)**
(90)	-	-	(3)	-	(93)
-	(337)	-	-	-	(337)
(482)	-	(1,240)	(81)	-	(52,479)
5	-	-	133	-	499
-	-	-	-	-	(9,233)
(12,534)	**(1,005)**	**(10,722)**	**(2,181)**	**-**	**(349,957)**
-	-	-	1	-	1
-	(519)	-	-	-	(519)
(617)	-	(1,240)	(50)	-	(56,111)
2,242	-	-	579	-	16,049
-	-	-	-	-	9,224
-	-	-	(32)	-	(32)
(10,909)	**(1,524)**	**(11,962)**	**(1,683)**	**-**	**(381,345)**
2,043	**9,384**	**22,527**	**392**	**1,525**	**884,319**
2,869	**5,370**	**21,287**	**340**	**4,618**	**842,482**

4.3 OTHER PROPERTY, PLANT AND EQUIPMENT

(X US$ 1,000)	Land & Lease hold Improvement	Building and Structure
Cost		
At January 1, 2020	**18,680**	**44,086**
Adjustment Abandonment Costs*	-	-
Adjustments	-	-
Adjustment provisional accounting IAMGOLD**	-	-
Additions	-	5
Capitalized from PIP to PPE/intangibles	-	2,099
Disposals /Disinvestment in current year	-	-
Translation adjustment on cost	(887)	(5,168)
Internal transfers	-	(650)
Expense to P&L	-	-
At December 31, 2020	**17,793**	**40,372**
Adjustment Abandonment Costs*	-	-
Adjustments	-	-
Additions	-	39
Reclassification to assets held for sale	-	(5,106)
Capitalized from PIP to PPE/intangibles	-	-
Hyperinflation on capitalizations from PIP	1,221	7,114
Disposals /Disinvestment in current year	-	(1,002)
Translation adjustment on cost	(326)	(1,900)
Internal transfers	-	
Expense to P&L	-	-
At December 31, 2021	**18,688**	**39,517**
Depreciation		
At January 1, 2020	**(577)**	**(21,924)**
Adjustments	-	-
Depreciation adjustment provisional accounting	-	-
Depreciation Abandonment Costs*	-	-
Depreciation in current year	(56)	(1,722)
Depreciation/ Disinvestment/Internal transfer in current year	-	-
Impairment	-	(206)
Internal transfer	-	650
Translation adjustment	227	3,601
At December 31, 2020	**(406)**	**(19,601)**
Adjustments	-	-
Depreciation Reclassification to assets held for sale	-	2,742
Depreciation Abandonment Costs*	-	-
Depreciation in current year	(48)	(1,246)
Depreication due to Impairment reversal	-	206
Depreciation/ Disinvestment/Internal transfer in current year	-	1,001
Depreciation due to Hyperinflation	(365)	(5,093)
Internal transfer	-	-
Translation adjustment	115	1,601
At December 31, 2021	**(704)**	**(20,390)**
Net book value:		
At December 31, 2020	**17,387**	**20,771**
At December 31, 2021	**17,984**	**19,127**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

*** Relates to restatement due to provisional accounting, refer to 2.7*

Machine & Equipment	Abandonment Costs	Well & Equipment	Other Fixed Assets	Projects in Progress	Grand Total
113,680	**213**	**912**	**15,430**	**7,008**	**200,009**
-	853	-	-	-	853
-	-	-	57,837	(202)	57,635
-	-	-	(14,018)	-	(14,018)
49	-	-	25	1,523	1,602
1,763	-	-	645	(5,690)	(1,183)
(52)	-	-	(104)	-	(156)
(2,492)	-	-	(2,193)	131	(10,609)
-	-	-	(1,257)	-	(1,907)
-	-	-	-	(1,609)	(1,609)
112,948	**1,066**	**912**	**56,365**	**1,161**	**230,617**
-	356	-	-	-	356
-	-	-	-	-	-
242	-	-	7,737	23,946	31,964
(232)	-	-	(105)	-	(5,443)
3,219	-	-	108	(4,341)	(1,014)
3,052	-	-	2,945	(14,332)	-
(563)	-	(687)	(5,805)	-	(8,057)
(817)	-	-	(796)	(529)	(4,368)
-	-	-	2,345	(1)	2,344
-	-	-	-	(398)	(398)
117,849	**1,422**	**225**	**62,794**	**5,506**	**246,001**
(43,350)	**(20)**	**(745)**	**(13,547)**	**-**	**(80,163)**
-	-	-	77	-	77
-	-	-	3,231	-	3,231
-	(10)	-	-	-	(10)
(5,483)	-	(12)	(5,338)	-	(12,611)
52	-	-	104	-	156
-	-	-	-	-	(206)
-	-	-	1,241	-	1,891
1,492	-	-	1,516	-	6,836
(47,289)	**(30)**	**(757)**	**(12,716)**	**-**	**(80,799)**
-	-	-	(174)	-	(174)
219	-	-	100	-	3,061
-	(17)	-	-	-	(17)
(5,509)	-	(10)	(3,590)	-	(10,403)
-	-	-	-	-	206
560	-	576	5,805	-	7,942
(2,321)	-	-	(2,169)	-	(9,948)
-	-	-	(2,107)	-	(2,107)
807	-	-	765	-	3,288
(53,533)	**(47)**	**(191)**	**(14,086)**	**-**	**(88,951)**
65,659	**1,036**	**155**	**43,649**	**1,161**	**149,818**
64,316	**1,375**	**34**	**48,708**	**5,506**	**157,049**

4.4 CAPITAL INVESTMENTS IN JOINT ARRANGEMENTS

Capital investment in joint ventures

Suriname Gold Project

On 14 November 2014, Staatsolie entered as a limited partner with an interest of 25% into the partnership ‘Suriname Gold Project CV’. Newmont Suriname LLC, a subsidiary of Newmont Mining Corporation, is the managing partner with a 75% interest in this partnership. Newmont Suriname LLC is a limited liability company formed pursuant to the laws of the State of Delaware, United States of America.

The Suriname Gold Project CV encompasses the exploration, development, and exploitation of the gold mine ‘Merian’, and the Area of Interest as defined in the Limited Partnership Agreement, which is a gold deposit located in the eastern part of Suriname close to the French Guiana border. Suriname Gold Project CV commenced commercial gold production in 2016.

The Suriname Gold Project CV partnership is financed through monthly cash calls (operational and capital contributions) which is the mechanism to fund approved operating costs and capital expenditures. Each partner is responsible for funding the partnership for its portion based on its participating interest.

Monthly the partnership allocates revenues which totals the compensation received by the partnership in exchange for selling the partnership’s gold production attributable to each partner in proportion to its respective participating interest. Staatsolie’ s maximum exposure to loss from its interest in the Suriname Gold Project CV partnership equals the annual capital contributions.

The Group’s interest in the Suriname Gold Project CV is accounted for in the consolidated financial statements using the equity method. The summarized financial information of the joint venture (JV) and reconciliation with the carrying amount of the investment and share in the profit of the JV in the consolidated financial statements are set out below:

(X US$ 1,000)	2021	2020
Summarized statement of financial position of Suriname Gold Project CV:		
Current assets, including cash and cash equivalents $77,998 (2020: $62,771) and inventories $111,304 (2020: $89,552)	187,994	226,508
Non-current assets	943,244	971,563
Current liabilities, including accounts payable $38,314 (2020: $13,895) and due to related parties $44,586 (2020: $38,772)	(66,649)	(81,742)
Non-current liabilities	(96,792)	(72,820)
Partnership capital	**967,797**	**1,043,509**
Proportion of the Group's ownership	**25%**	**25%**
Carrying amount of the investment	**241,949**	**260,877**

(X US$ 1,000)	2021	2020
Summarised statement of profit or loss of Suriname Gold Project CV:		
Revenue	779,551	821,781
Cost of Sales	(310,169)	(343,302)
Administrative expenses, including depreciation $118,972 (2020: $117,813)	(138,735)	(123,928)
Other Income (expense)	(3,198)	159
Management Fee	(10,097)	(13,068)
Profit before tax	**317,352**	**341,642**
Group's share of the profit for the year	**79,338**	**85,410**

The cash distributions received from Suriname Gold Project CV amounted to US$ 199,628 in 2021 (2020: US$ 198,079). Further the cash calls paid amounted to US$ 101,362 in 2021 (2020: US$ 109,585).

The Group had no contingent liabilities or capital commitments relating to its interest in the Suriname Gold Project CV as at December 31, 2021 (2020: NIL). The joint venture had no contingent liabilities or capital commitments as at December 31, 2021 (2020: NIL) that may be considered to have a material adverse effect on its financial position or result of operations.

The above summarized financial information of Suriname Gold Project CV as at December 31, 2021 and 2020 was based on the audited financial statements for the year ended December 31, 2021.

Capital investment in joint operations

Pikin Saramacca

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. (“Rosebel”) named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

Staatsolie acquired this 30% participating interest for US$ 54 million (US$ 34 million cash and US$ 20 million to be paid within a year).

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

The UJV is organized as an operating joint venture in which the partners share the costs based on their respective participation percentage. The UJV has no equity, and all amounts are settled in cash by the respective partners. The total operating costs are allocated to each Party on a 30/70 percent basis.

Restatement

Based on the provisional accounting, the difference between the consideration paid US$ 54,826 for the investment in the UJV Pikin Saramacca and the total net asset value of US$ 40,807 was recognized as a reduction against retained earnings reported as at 31 December 2020. Therefore, an adjustment to reverse the mining properties, (US$ 14,019) against retained earnings was made. Furthermore, the depreciation expenses of US$ 3,230 recorded in 2020, was reversed in accordance with International Accounting Standards 16, “Property, plant and equipment” and IFRS 3, Business Combinations. Accordingly, an adjustment was required to restate the 2020 financial statements in accordance with the provisional accounting method as outlined below:

(X US$ 1,000)	Previously reported 2020	Adjustment	Adjusted 2020
Summary of adjusted categories			
Other property, plant and equipment	160,605	(10,787)	149,818
Income tax payable	-	(1,047)	(1,047)
Retained earnings	(1,246,051)	11,834	(1,234,217)
Total before and after restatement	**(1,085,446)**	**-**	**(1,085,446)**

There was no material impact to the 2020 consolidated statement of profit or loss.

Acquisition date values

The provisional values and the final (restated) values of identifiable assets acquired assumed of the UJV as at the date of acquisition:

(X US$ 1,000)	Provisional value 2020	Adjustment 2021	Final value 2020
Assets			
Licences	9,872	-	9,872
Mining properties	14,019	(14,019)	-
Other property, Plant and equipment	28,247	-	28,247
Inventories	2,688	-	2,688
Total identifiable net assets / Total consideration	**54,826**	**(14,019)**	**40,807**

The total consideration transferred in 2020 amounted to US$ 54,826 resulting in a difference of US$ 14,019 and being recorded in the equity based on the pooling of interest method. The decreased depreciation charge on the assets from the acquisition date to 31 December 2020 was not material.

During the 12-month measurement period, the values of identifiable assets acquired, and liabilities assumed were further refined (see column "Adjustment 2021" in the table above).

For the financial year ended December 31, 2021, the UJV contributed US$ 46 million (2020: US$ 44 million) to Group revenue and US$ 1.0 million (2020: US$ 10 million) to Group profit.

4.5 GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets	
(X US$ 1,000)	Goodwill	Software	Total
Cost			
At 1 January 2020	5,447	14,855	20,302
Additions	-	2,262	2,262
Acquisition of a subsidiary	-	-	-
Discontinued operations	-	-	-
At 31 December 2020	**5,447**	**17,117**	**22,564**
Additions	-	2,164	2,164
Hyperinflation on Acquisition	-	381	381
Translation adjustment		(147)	(147)
At 31 December 2021	**5,447**	**19,515**	**24,962**
Amortization and impairment			
At 1 January 2020	-	(10,159)	(10,159)
Amortization	-	(1,072)	(1,072)
Translation adjustment on Accumulated Depreciation	-	79	79
At 31 December 2020	**-**	**(11,152)**	**(11,152)**
Adjustment	-	193	193
Amortization	-	(1,643)	(1,643)
Hyperinflation on Amortization	-	(136)	(136)
Translation adjustment on Accumulated Depreciation	-	72	72
At 31 December 2021	**-**	**(12,666)**	**(12,666)**
Net book value			
At 31 December 2020	**5,447**	**5,965**	**11,412**
At 31 December 2021	**5,447**	**6,849**	**12,296**

Other intangible assets

The balance on December 31, 2021, of “other intangible assets” represents capitalized computer software.

New capitalizations to intangible assets are being amortized by default on a straight-line basis over a useful life of 5 years.

Additions to existing Intangible Assets are being amortized on a straight-line basis over the remaining useful life of the main asset.

Yearly a useful life evaluation is carried out on Intangibles for Staatsolie and subsidiaries.

Impairment testing of goodwill

The Group performed the annual impairment test as at December 31, 2021.

Goodwill acquired through business combinations with indefinite life has been allocated to one CGU (GOw2). The carrying value (net assets including Goodwill) of this CGU is US$ 44,719 at December 31, 2021 (US$ 42,075 at December 31, 2020).

The recoverable amount of the GOw2 CGU of US$ 90,604 at December 31, 2021 (US$ 56,473 as at December 31, 2020) has been determined based on a value-in-use (VIU) calculation using cash flow projections from financial budgets approved by the responsible director covering a five-year period.

The post-tax weighted average cost of capital (WACC) discount rate applied to the cash flow projections is 12.73% (2020: 12.02%), and cash flows beyond the five-year period are extrapolated using a 2% (2020: 2%) growth rate that is the same as the long-term average fuel consumption growth rate for the petroleum products sector.
As a result of the analysis, management did not identify impairment for this CGU. The GOw2 CGU forms part of the downstream reportable segment. Applying a pre-tax WACC discount rate 16.56% (2020: 18.02%) to the cash flow projections provides the same VIU for the CGU.

Key assumptions used in value-in-use calculations

The calculation of VIU for the GOw2 CGU is most sensitive to the following key assumptions:

- Gross margin
- Discount rates
- Oil prices
- Market share during the budget period
- Growth rate used to extrapolate cash flows beyond the budget period

Gross margins

Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated improvements in the efficiency of operations. An increase of 2% (2020: 2%) per annum was applied based on economic growth (quantities) of the CGU.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC, with appropriate adjustments made to reflect the risks specific to the CGU. The WACC considers both debt and equity, weighted 44.76% (2020: 32.48%) debt versus 55.24% (2020: 67.52%) equity, due to the debt-to-equity structure of the Group. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Oil prices

Long term forecasted oil prices are based on management’s estimates and available market data.

Market share assumptions

These assumptions are important because as well as using industry data for growth rates (as noted below), management assesses how the CGU's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the oil retail products market to be stable over the forecast period.

Growth rate estimates

Rates are based on economic growth rates, growth domestic product and relevant published research.

Sensitivity to changes in assumptions

Regarding the assessment of VIU for the GOw2 CGU, management believes that there are no reasonably possible changes in any of the above key assumptions that would cause the carrying value of the CGU to materially exceed its recoverable amount.

4.6 INVESTMENT PROPERTIES

Staatsolie purchased the land situated in Wageningen, District Nickerie in 2009. The investment properties are measured at fair value at each Statement of Financial Position date. Initially the land would accommodate the Ethanol Business of Staatsolie which was cancelled in 2015. A valuation of the investment properties was carried out by an external independent qualified assessor on January 12, 2022, and the fair value was processed accordingly in financial year 2021.

The independent evaluation will be performed annually.

The contract for the one thousand two hundred and two (1,202) hectares of the investment property, which was leased out under an operating lease, was terminated based on mutual agreement between Staatsolie and the lessee.

As a result, annual income was US$ NIL (2020: US$ 151 thousand).

There are no direct operating expenses arising from the rental agreement on account for Staatsolie.

(X US$ 1,000)	2021	2020
Reconciliation of carrying amount		
Balance at January 1	16,882	16,882
Fair value gain	1,954	-
Balance at December 31	**18,836**	**16,882**

4.7 LEASES

Group as a lessee

The Group has lease contracts for motor vehicles in its operations and a leased piece of land through its subsidiary Ventrin. The motor vehicles generally have lease terms between 3 and 5 years while the piece of land was leased for an initial period of 15 years, with an option to renew for an additional term of 15 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Group is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below, are the carrying amounts of the Group's right-of-use assets and the movements during the period:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
As at January 1, 2020	**4,676**	**237**	**4,913**
Beginning balance adjustment	894	25	919
Additions	1,698	-	1,698
Disposal	(329)	-	(329)
Translation adjustment	(71)	-	(71)
Depreciation	(2,779)	(27)	(2,806)
As at January 1, 2021	**4,089**	**235**	**4,324**
Beginning balance adjustment	73	-	73
Additions	1,082	-	1,082
Transfer	-	-	-
Disposal	(108)	-	(108)
Translation adjustment	27	-	27
Reclassification to assets held for sale	-	(235)	(235)
Depreciation	(2,252)	-	(2,252)
As at December 31, 2021	**2,911**	**-**	**2,911**

Set out below, are the carrying amounts of the Group's lease liabilities and the movements during the period:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
As at January 1, 2020	**4,620**	**246**	**4,866**
Beginning balance adjustment	888	25	913
Additions	1,698	-	1,698
Disposals	(254)	-	(254)
Accretion of interest	800	25	825
Accretion of maintenance	654	-	654
Payments	(3,971)	(39)	(4,010)
As at January 1, 2021	**4,435**	**257**	**4,692**
Beginning balance adjustment	3		3
Additions	1,070	-	1,070
Disposals	(109)	-	(109)
Accretion of interest	540	-	540
Accretion of maintenance	552	-	552
Reclassification to liabilities directly associated with the assets held for sale	-	(257)	(257)
Payments	(3,417)	-	(3,417)
As at December 31, 2021	**3,074**	**-**	**3,074**
Comprising:			
Current at December 31, 2020	2,219	-	2,219
Non-current at December 31, 2020	2,216	257	2,473
Current at December 31, 2021	1,687	-	1,687
Non-current at December 31, 2021	1,387	-	1,387

The following are amounts recognized in the 2021 consolidated statement of profit or loss:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
Depreciation expense of right-of-use assets	2,252	-	2,252
Accretion of Interest expenses on lease liabilities	540	-	540
Hyperinflation interest expense rebased	3	-	3
Maintenance expense on lease liabilities	552	-	552
Expense relating to short-term leases	1,234	-	1,234
Expense to relating to leases of low-value assets	144	-	144
Total amount recognised in profit or loss	**4,725**	**-**	**4,725**

The following are amounts recognized in the 2020 consolidated statement of profit or loss:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
Depreciation expense of right-of-use assets	2,779	27	2,806
Accretion of Interest expenses on lease liabilities	800	25	825
Maintenance expense on lease liabilities	654	-	654
Expense relating to short-term leases	392	-	392
Expense to relating to leases of low-value assets	184	-	184
Total amount recognised in profit or loss	**4,809**	**52**	**4,861**

4.8 LEASE RECEIVABLE

Group as a lessor

As of January 01, 2020, the Government of Suriname (GoS) acquired the Afobaka Dam at no costs and transferred the ownership to SPCS. The produced electricity is sold and delivered to the GoS. The existing Power Purchase Agreement (PPA) between SPCS and the GoS has been amended and is still under review by the GoS.

Given the interpretation of the IFRS guidelines that the GoS is the sole shareholder of Staatsolie and ultimately the shareholder of SPCS, and the fact that more than a significant volume of the hydroelectricity is sold to GoS, the GoS is in the position to direct the use of the hydro dam.

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

(X US$ 1,000)	2021	2020
Less than one year	1,571	1,571
Between 1 and 5 years	6,286	6,286
5 years and later	36,143	37,714
Total undiscounted lease payments receivable	**44,000**	**45,571**
Less than one year	(1,439)	(1,450)
Between 1 and 5 years	(5,624)	(5,680)
5 years and later	(21,375)	(22,758)
Total unearned finance income	**(28,438)**	**(29,888)**
Current portion of the receivable	132	-
Non-current portion of the loans	15,430	15,682
Net investment in the Lease	**15,562**	**15,682**
Finance Income	**1,450**	**1,463**

4.9 PROVISIONS

(X US$ 1,000)	Decommissioning production field & facilities	Decommissioning Refinery	Decommissioning Power Plant
At January 1, 2020	115,427	11,112	272
Arising during the year	-	-	-
Discount rate adjustment & imputed interest	(55,681)	2,318	122
Unwinding of discount	9,026	853	21
Translation adjustment	-	-	-
Utilisation	-	-	-
At December 31, 2020	**68,772**	**14,283**	**415**
Arising during the year	-	-	-
Write-back of unused provisions	-	-	-
Discount rate adjustment & imputed interest	(1,288)	(3,495)	(30)
Unwinding of discount	4,470	898	27
Translation adjustment	-	-	-
Utilisation	-	-	-
At December 31, 2021	**71,954**	**11,686**	**412**
Comprising:			
Current at December 31, 2021	-	-	-
Non-current at December 31, 2021	71,954	11,686	412
	71,954	**11,686**	**412**

Decommissioning provision

The Group makes full provision for the future cost of decommissioning oil wells and production facilities on a discounted basis on the installation of those wells and facilities. The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2049 when the producing oil properties are expected to cease operations. These provisions have been created based on the Group's internal estimates.

In addition, the Group makes full provision for the future cost of decommissioning the refinery on a discounted basis on the installation of the refinery. The decommissioning provision represents the present value of decommissioning costs relating to the refinery, which are expected to be incurred up to 2045, when the refinery is expected to cease operations. This provision has been created based on the Group's internal estimates utilizing a third party estimating the dismantlement cost.

Lastly, the Group makes full provision for the future cost of decommissioning the power plant on a discounted basis on the installation of the power plant. The decommissioning provision represents the present value of decommissioning costs relating to the power plant, which are expected to be incurred up to 2055, when the power plant is expected to cease operations. This provision has been created based on the Group's internal estimates utilizing a third party estimating the dismantlement cost.

Assumptions based on the current economic environment have been made, which management believes form a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

Environmental Risk	Decommissioning Pikin Saramacca (30% share)	Other Provisions	Total
3,058	-	2,273	132,142
-	732	-	732
-	-	-	(53,241)
(358)	-	-	9,542
6	-	(39)	(33)
-	-	(822)	(822)
2,706	**732**	**1,412**	**88,320**
-	-	-	-
-	-	-	-
-	386	-	(4,427)
508	-	-	5,903
(92)	-	-	(92)
-	-	(25)	(25)
3,122	**1,118**	**1,387**	**89,679**
-	-	-	-
3,122	1,118	1,387	89,679
3,122	**1,118**	**1,387**	**89,679**

The discount rate used in the calculation of the provision as December 31, 2021, is 6.85% (2020: 6.50%).

In April 2020, Staatsolie entered an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. (“Rosebel”) named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

Staatsolie accounted for its share of 30% of the decommissioning provision for the Pikin Saramacca UJV as at December 31, 2021.

Environmental risk provision

GOw2 purchased Chevron in 2011 which included their marketing activities in Suriname of 22 petrol stations and 3 oil terminals. These sites will be remediated in a nine-year timeframe. The present value of the estimated costs as at December 31, 2021 is US$ 3,122 (as at December 31, 2020 is US$ 2,706). The amount recognized is the best estimate calculated by management of the expenditure required.

Other provisions

A provision at fair value of US$ 1,387 at December 31, 2021 (US$ 1,412 as of December 31, 2020) mainly comprises provisions for litigation or contractual claims. The claims are subject to legal arbitration and are not expected to finalize during 2022.

4.10 EMPLOYEE DEFINED BENEFIT LIABILITIES

The Group has three types of employee benefit plans, namely pensions, post-employment benefits and other long-term employee benefit plans. A summary of the net employee benefit liabilities for the different benefits are shown in the table below. The increase in the provisions for employee benefits plans compared to 2020 is mainly due to the decrease in the discount rate related to the weighted average life of the plans.

(X US$ 1,000)	2021	2020
Pension Plans		
Employee pension plan Staatsolie	63,045	37,888
Employee pension plan SPCS	514	339
Employee pension plan GOw2	245	267
Executive pension plan	1,236	930
Post-employment benefit plans		
Retiree Medical Plan Staatsolie	26,822	11,276
Retiree Medical plan GOw2	962	531
Retiree Medical Plan SPCS	808	361
Pension gratuity Staatsolie	3,825	3,643
Pension gratuity SPCS	59	46
Pension gratuity GOw2	81	95
Funeral grant plan Staatsolie	1,684	1,335
Funeral grant plan SPCS	26	22
Funeral grant plan GOw2	25	25
Supplementary Provision Board members	819	745
Other long-term employee benefit plans		
Jubilee gratuity Staatsolie	11,105	10,528
Jubilee gratuity SPCS	254	224
Jubilee gratuity GOw2	153	172
Additional holiday allowance Staatsolie	3,166	3,137
Additional holiday allowance SPCS	136	117
Additional holiday allowance GOw2	62	33
Total	**115,027**	**71,714**

Pensions and other post-employment benefit plans

The Group has two defined benefit pension plans (funded), one for the employees and one for the directors. The employee pension plan is a final salary plan and requires contributions to be made to a separately administered fund. The directors pension plan is an insured plan. In addition, the Group provides certain post-employment and other long -term benefits to employees (unfunded) such as healthcare, excedent gratuity, funeral grants, pension gratuity, jubilee and additional holiday allowances.

Pensions

Employee pension plan

The employee pension plan provides entitlements to retirement and disability pension for the benefit of the participant and widow's, widower's and orphans' pension for the benefit of the survivors. The pension entitlements are accrued time-proportionately.

The pension entitlements are determined according to a formula based on the pensionable salary and an employee accrual rate of 2% per annum. The last pensionable salary also applies to past service. Hence, increase of pensionable salary in future years will lead to an increase of accrued pension entitlements. According to the formal terms of the plan, for every year the pensionable salary is determined by the Board of the pension fund according to a formula.

The pension base percentage to calculate the pension rights of the participants for financial year 2021 has been set as calculated by the actuary at 100% of the annual salary. The pension base percentage for financial year 2022 has not yet been determined by the Board of the pension fund. The annual actuarial valuation, taking into account the funding as at December 31, 2021 and the salary increase as at January 1, 2021, has led to the conclusion that a pension base percentage of 100% is possible for financial year 2021. Therefore, it is assumed that pension base percentage for 2021 will be set at 100% of the annual salary as at January 1, 2021.

The retirement pension commences upon reaching the retirement age of 60. However, a retirement age of 55 applies to employees in certain special categories. The retirement pension amounts to a maximum of 70% of the pension base on the retirement date. The pension accrual rate is 2%.

Annually, the pensions in payment and deferred pensions are adjusted on the basis of excess interest, which is the difference between the return on the pension assets and the actuarial interest of 4%, which is used to determine the present value of the pension obligations of the fund.

The Staatsolie, SPCS and GOw2 employee pension plans are administered by the "Stichting Pensioenfonds voor Werknemers van Staatsolie Maatschappij Suriname N.V." (Pension Fund for Employees of Staatsolie Maatschappij Suriname N.V.), for which all their entities have entered into agreements with the fund.

The SPCS pension plan was established in January 2019. The SPCS employees joined the pension plan as at that date and pension benefits were awarded past service during their employment with SPCS.

The GOw2 pension plan was established in January 2020. The GOw2 employees joined the pension plan as at that date and pension benefits were awarded past service during their employment with GOw2.

The plans are financed by contributions and by the returns on the plan assets. The employer's and employee's contributions are limited to a maximum percentage of the participant's salary as set by the labor agreement.

Employee pension plan Staatsolie

2021 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	1.1.2021 (Adjusted as per actuarial evaluation)	Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation*	**(181,267)**	(8,812)	(5,936)	**(14,748)**	2,774
Fair value of plan assets	**138,527**	-	4,652	**4,652**	(2,774)
Benefit liability	**(42,740)**	**(8,812)**	**(1,284)**	**(10,096)**	**-**

** Defined benefit obligations beginning balance as of 1.1.2021 was adjusted as per actuarial evaluation 2021*

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	1.1.2020 (Adjusted as per actuarial evaluation)	Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(158,277)**	(6,487)	(5,503)	**(11,990)**	2,474
Fair value of plan assets	**129,700**	-	4,635	**4,635**	(2,474)
Benefit liability	**(28,577)**	**(6,487)**	**(868)**	**(7,355)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2021
-	-	(18,227)	2,450	**(15,777)**	-	-	-	**(209,018)**
(2,102)	-	-	-	**(2,102)**	5,762		1,908	**145,973**
(2,102)	**-**	**(18,227)**	**2,450**	**(17,879)**	**5,762**	**-**	**1,908**	**(63,045)**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2020
-	-	(5,948)	(2,674)	**(8,622)**	-	-	-	**(176,415)**
(1,269)	-	-	-	**(1,269)**	5,962		1,973	**138,527**
(1,269)	**-**	**(5,948)**	**(2,674)**	**(9,891)**	**5,962**	**-**	**1,973**	**(37,888)**

Employee pension plan SPCS

2021 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2021 (Adjusted as per actuarial evaluation)**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(1,867)**	(459)	(67)	**(526)**	-
Fair value of plan assets	**1,342**	-	55	**55**	-
Benefit liability	**(525)**	**(459)**	**(12)**	**(471)**	**-**

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020 (Adjusted as per actuarial evaluation)**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(1,102)**	(128)	(40)	**(168)**	-
Fair value of plan assets	**699**	-	43	**43**	-
Benefit liability	**(403)**	**(128)**	**3**	**(125)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2021
-	-	68	102	**170**	-	-	-	**(2,223)**
(48)	-	-	-	**(48)**	270	-	90	**1,709**
(48)	**-**	**68**	**102**	**122**	**270**	**-**	**90**	**(514)**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2020
-	-	(119)	(292)	**(411)**	-	-	-	**(1,681)**
(31)	-	-	-	**(31)**	550	-	81	**1,342**
(31)	**-**	**(119)**	**(292)**	**(442)**	**550**	**-**	**81**	**(339)**

Employee pension plan GOw2

2021 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2021 (Adjusted as per actuarial evaluation)**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(929)**	(189)	(32)	**(221)**	-
Fair value of plan assets	**601**	-	24	**24**	-
Benefit liability	**(328)**	**(189)**	**(8)**	**(197)**	**-**

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**-**	(790)	(23)	**(813)**	-
Fair value of plan assets	**-**	-	19	**19**	-
Benefit liability	**-**	**(790)**	**(4)**	**(794)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2021
-	-	37	195	**232**	-	-	-	**(918)**
(95)	-	-	-	**(95)**	101	-	42	**673**
(95)	**-**	**37**	**195**	**137**	**101**	**-**	**42**	**(245)**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2020
-	-	(12)	(43)	**(55)**	-	-	-	**(868)**
(3)	-	-	-	**(3)**	558	-	27	**601**
(3)	**-**	**(12)**	**(43)**	**(58)**	**558**	**-**	**27**	**(267)**

The major categories of the Staatsolie, SPCS and GOw2 employee pension plan assets at fair value are, as follows:

(X US$ 1,000)	2021	2020
Investments quoted in active markets:		
Securities in foreign mutual funds	24,923	14,175
Unquoted investments:		
Equity instruments (international)	15,796	15,847
Available-for-sale instruments	-	-
Property	44,015	38,486
Loans receivables	47,058	50,730
Term deposits	-	4,500
Net other receivables	159	13,967
Cash and cash equivalents	16,404	2,765
Fair value of assets	**148,355**	**140,470**

Executive pension plan

The executive pension plan is a final pay scheme; the pension base is equal to the salary. The pension plan provides entitlements to retirement and disability pension for the benefit of the participant and their widow's, widower's, and orphans' pension for the benefit of their spouse and children.

The retirement pension commences upon reaching the age of 60 and amounts to:

1. for Executive Board members designated by Staatsolie: at retirement 70% of the last salary;

2. for other Executive Board members: per year of service, up to a maximum of 28 years of service, 2.5% of the last salary.

The pension entitlements are accrued time-proportionately. The disability pension is equal to the potential retirement pension. The widow's/widower's pension is 70% of the (potential) retirement pension. Upon termination of employment of a participant who has participated in the scheme for less than 3 years, the contributions paid by the director shall be refunded. As soon as a participant who has participated in the plan for at least 3 years, the director shall be entitled to the pension entitlements accrued up to the date of termination of employment. It is noted that the 5-year period based on the "Wet Pensioenfondsen en Voorzieningsfondsen" should be reduced to one year or less.

Pensions in payment and deferred pensions may be increased in the event of a "general increase in the cost of living". This possibility has not been applied yet. Pensions in payment and deferred pensions shall, in any case, be adjusted annually based on profit sharing based on excess interest, arising from the agreement with the insurance company.

The pension entitlements arising from the plan are insured with Assuria Levensverzekeringen N.V. (Assuria), for which Staatsolie has entered into an agreement with, which provides for profit sharing based on excess interest on assets of Assuria.

The participants and Staatsolie contribute to the financing of this plan. The participants contribute a set percentage of their salary. Other costs of the plan are fully borne by Staatsolie.

The plan asset value for this insured executive pension plan consists of the insurance policy covering participants. As the insurance policy exactly matches the amount and timing of the accrued pension entitlements of the participants, the fair value of the insurance policy has been set at the present value of the related obligations excluding any effects of future salary increases.

(X US$ 1,000)	2021	2020
Fair value of assets	**4,170**	**3,544**

Executive pension plan

2021 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2021	Pension cost charged to profit or loss: Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(4,474)**	(174)	(148)	**(322)**	-
Fair value of plan assets	**3,544**	-	119	**119**	-
Benefit liability	**(930)**	**(174)**	**(29)**	**(203)**	**-**

2020 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2020	Pension cost charged to profit or loss: Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(5,134)**	(137)	(175)	**(312)**	-
Fair value of plan assets	**4,500**	-	167	**167**	-
Benefit liability	**(634)**	**(137)**	**(8)**	**(145)**	**-**

Post-employment benefits

Retiree medical plan

Retired employees of Staatsolie, GOw2 and SPCS whose employment was terminated due to reaching the retirement age after a specified number of years of service, as well as those who are part of their family, shall be entitled to medical care at the expense of the Group. Entitlements shall also be granted to retired employees of Staatsolie whose employment was terminated due to disability with the entitlement to a disability pension, as well as those who are part of their family at that time. There is no requirement for a minimum service.

Pension gratuity plan

Staatsolie, SPCS and GOw2 employees are eligible for a gratuity upon retirement. The amount of the gratuity depends on the years of service. Permanent employees whose service until the retirement date is at least 10 years, shall be eligible for the gratuity.

Remeasurement gains/(losses) in other comprehensive income							
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution by employee	31.12.2021
-	-	(754)	143	**(611)**	-	-	**(5,407)**
355	-	-	-	**355**	126	27	**4,171**
355	**-**	**(754)**	**143**	**(256)**	**126**	**27**	**(1,236)**

Remeasurement gains/(losses) in other comprehensive income							
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution by employee	31.12.2020
-	-	(77)	1,049	**972**	-	-	**(4,474)**
(1,970)	-	-	-	**(1,970)**	824	23	**3,544**
(1,970)	**-**	**(77)**	**1,049**	**(998)**	**824**	**23**	**(930)**

Funeral grants plan

In the event of death of a retired employee of Staatsolie, GOw2 and SPCS, whose employment was terminated due to reaching the retirement age after a specified number of service years and in the event of death of their spouse, a funeral grant shall be paid at the expense of the Group. Retired employees whose employment was terminated due to disability with the entitlement to a disability pension, as well as those who are part of their family at that time are also eligible to the funeral grant plan and there is no requirement for a minimum service.

Excedent gratuity plan
(Supplementary provision for board members)

Board members shall be eligible for an excedent gratuity upon retirement or earlier honorable termination of employment with Staatsolie. The amount of the excedent gratuity shall depend on the number of years of service, including years of service at Staatsolie before the date of appointment as board member, if applicable.

Retiree medical plan Staatsolie

2021 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2021**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(19,342)**	(639)	(967)	**(1,606)**	(153)
Fair value of plan assets	**8,066**	-	407	**407**	(240)
Benefit liability	**(11,276)**	**(639)**	**(560)**	**(1,199)**	**(393)**

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(24,597)**	(953)	(840)	**(1,793)**	193
Fair value of plan assets	**7,420**	-	256	**256**	(193)
Benefit liability	**(17,177)**	**(953)**	**(584)**	**(1,537)**	**-**

The plan asset value of the Staatsolie retiree medical plan is provided by the insurance company where the plan assets are incorporated in an annuity insurance policy. The fair value of plan assets is the sum of the surrender value and the estimated excess interest, as shown below:

(X US$ 1,000)	**2021**	**2020**
Surrender value	8,363	7,905
Excess interest	126	161
Fair value of assets	**8,489**	**8,066**

Remeasurement gains/(losses) in other comprehensive income						
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Change in exchange rate	Sub total included in OCI	Contribution by employer	31.12.2021
-	(21,083)	(20)	6,670	**(14,433)**	-	**(35,534)**
(180)	-	-	508	**328**	151	**8,712**
(180)	**(21,083)**	**(20)**	**7,178**	**(14,105)**	**151**	**(26,822)**

Remeasurement gains/(losses) in other comprehensive income						
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Change in exchange rate	Sub total included in OCI	Contribution by employer	31.12.2020
-	(4,839)	(149)	11,843	**6,855**	-	**(19,342)**
118	-	-	340	**458**	125	**8,066**
118	**(4,839)**	**(149)**	**12,183**	**7,313**	**125**	**(11,276)**

Retiree medical plan others

	2021		
(x US$1)	**GOw2**	**SPCS**	**Total**
Defined benefit obligation as at January 1	(530,830)	(361,397)	(892,227)
Interest cost	(26,463)	(18,185)	(44,648)
Current service cost	(19,034)	(55,124)	(74,158)
Net benefit expense (recognized in P&L)	(45,496)	(73,310)	(118,806)
Benefits paid	10,646	-	10,646
Currency translation	174,673	118,920	293,593
Experience different than assumed	4,322	(6,317)	(1,995)
Changes in assumptions	(575,151)	(485,569)	(1,060,720)
Sub total included in OCI	(396,156)	(372,965)	(769,122)
Defined benefit obligation as at December 31	**(961,836)**	**(807,673)**	**(1,769,509)**

Funeral grant benefits

	2021			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(1,334,880)	(21,549)	(25,017)	(1,381,446)
Interest cost	(47,885)	(776)	(899)	(49,560)
Current service cost	(56,554)	(4,775)	(1,954)	(63,283)
Past service cost	-	-	-	-
Net benefit expense (recognized in P&L)	(104,439)	(5,551)	(2,853)	(112,843)
Benefits paid	16,500	-	-	16,500
Experience different than assumed	(16,892)	(542)	1,158	(16,276)
Changes in assumptions	(244,104)	1,752	1,429	(240,923)
Sub total included in OCI	(260,996)	1,210	2,587	(257,199)
Defined benefit obligation as at December 31	**(1,683,815)**	**(25,890)**	**(25,283)**	**(1,734,988)**

2020		
GOw2	SPCS	Total
(771,653)	(363,175)	(1,134,828)
(26,251)	(12,455)	(38,706)
(22,676)	(23,872)	(46,548)
(48,926)	(36,327)	(85,253)
(9,854)	-	(9,854)
384,232	171,561	555,793
(11,517)	(43,420)	(54,937)
(73,112)	(90,036)	(163,148)
299,603	38,105	337,708
(530,830)	**(361,397)**	**(892,227)**

2020			
Staatsolie	SPCS	GOw2	Total
(1,232,400)	(16,035)	-	(1,248,435)
(45,457)	(577)	(671)	(46,705)
(56,090)	(1,937)	(1,453)	(59,480)
-	-	(24,926)	(24,926)
(101,547)	(2,514)	(27,050)	(131,111)
6,000	-	-	6,000
(12,087)	(3,647)	1,954	(13,780)
5,154	647	79	5,880
(6,933)	(3,000)	2,033	(7,900)
(1,334,880)	**(21,549)**	**(25,017)**	**(1,381,446)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 (Continued)

Pension gratuity benefits

	2021			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(3,643,011)	(46,479)	(94,548)	(3,784,038)
Interest cost	(80,231)	(1,255)	(2,080)	(83,566)
Past service cost	(223,059)	(11,922)	(6,215)	(241,196)
Current service cost	-	-	-	-
Net benefit expense (recognized in P&L)	(303,290)	(13,177)	(8,295)	(324,762)
Benefits paid	238,407	-		238,407
Experience different than assumed	76,789	816	22,544	100,149
Changes in assumptions	(194,314)	(182)	(664)	(195,160)
Sub total included in OCI	(117,525)	634	21,880	(95,011)
Defined benefit obligation as at December 31	**(3,825,419)**	**(59,022)**	**(80,963)**	**(3,965,404)**

Supplementary provision board members

(x US$1)	**2021**	**2020**
Defined benefit obligation as at January 1	(743,509)	(758,313)
Interest cost	(15,614)	(14,504)
Current service cost	(28,930)	(23,604)
Net benefit expense (recognized in P&L)	(44,544)	(38,108)
Benefits paid	-	496,402
Experience different than assumed	22,650	(459,841)
Changes in assumptions	(53,614)	16,351
Sub total included in OCI	(30,964)	(443,490)
Defined benefit obligation as at December 31	**(819,017)**	**(743,509)**

2020			
Staatsolie	SPCS	GOw2	Total
(3,496,186)	(28,725)	(57,688)	(3,582,599)
(90,253)	(919)	(4,863)	(96,035)
(209,650)	(3,047)	(4,570)	(217,267)
-	-	(24,613)	(24,613)
(299,903)	(3,966)	(34,046)	(337,915)
360,348	-	7,646	367,994
(106,141)	(10,795)	(1,091)	(118,027)
(101,129)	(2,993)	(9,369)	(113,491)
(207,270)	(13,788)	(10,460)	(231,518)
(3,643,011)	**(46,479)**	**(94,548)**	**(3,784,038)**

Other long-term employee benefits

Jubilee gratuity plan

Staatsolie, SPCS and GOw2 employees are eligible to receive a jubilee gratuity based on a specified number of service years. The amount of the gratuity depends on the jubilee and varies with the numbers of service years as stated in the labor agreement.

Jubilee benefits	**2021**			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(10,527,596)	(224,401)	(172,214)	(10,924,211)
Adjustment of Defined benefit obligation	-	-	-	-
Interest cost	(232,018)	(6,059)	(3,789)	(241,866)
Current service cost	(915,864)	(32,158)	(18,498)	(966,520)
Past service cost	-	-	-	-
Net benefit expense (recognized in P&L)	(1,147,882)	(38,217)	(22,287)	(1,208,386)
Benefits paid	986,214	-	-	986,214
Currency translation	-	-	-	-
Experience different than assumed	(484,437)	(5,644)	37,278	(452,803)
Changes in assumptions	68,476	14,300	4,707	87,483
Sub total included in the P&L	(415,961)	8,656	41,985	(365,320)
Defined benefit obligation as at December 31	**(11,105,225)**	**(253,962)**	**(152,516)**	**(11,511,703)**

Additional holiday allowances

Staatsolie, SPCS and GOw2 employees are eligible for an additional holiday allowance for a set number of months of salary based on their years of service as stated in the labor agreement.

	2021			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(3,137,034)	(116,831)	(33,477)	(3,287,342)
Interest cost	(15,649)	(761)	(335)	(16,745)
Current service cost	(1,537,673)	(74,645)	(45,412)	(1,657,730)
Net benefit expense (recognized in P&L)	(1,553,322)	(75,406)	(45,747)	(1,674,475)
Benefits paid	1,878,481	42,168	-	1,920,649
Experience different than assumed	(369,773)	11,779	16,957	(341,037)
Changes in assumptions	15,134	2,180	396	17,710
Sub total included in the P&L	(354,639)	13,959	17,353	(323,327)
Defined benefit obligation as at December 31	**(3,166,514)**	**(136,110)**	**(61,871)**	**(3,364,495)**

2020			
Staatsolie	SPCS	GOw2	Total
(9,928,004)	(168,141)	(74,186)	(10,170,331)
-	-	-	-
(250,793)	(5,329)	(7,519)	(263,641)
(827,733)	(18,143)	(11,216)	(857,092)
-	-	(50,297)	(50,297)
(1,078,526)	(23,472)	(69,032)	(1,171,030)
1,385,369	3,217	-	1,388,586
-	-	-	-
(577,106)	(23,605)	(7,930)	(608,641)
(329,329)	(12,400)	(21,066)	(362,795)
(906,435)	(36,005)	(28,996)	(971,436)
(10,527,596)	**(224,401)**	**(172,214)**	**(10,924,211)**

2020			
Staatsolie	SPCS	GOw2	Total
(3,094,605)	(76,160)	-	(3,170,765)
(44,357)	(1,228)	-	(45,585)
(1,446,040)	(18,429)	(30,678)	(1,495,147)
(1,490,397)	(19,657)	(30,678)	(1,540,732)
1,793,272	48,725	-	1,841,997
(294,068)	(66,967)	(1,809)	(362,844)
(51,236)	(2,772)	(990)	(54,998)
(345,304)	(69,739)	(2,799)	(417,842)
(3,137,034)	**(116,831)**	**(33,477)**	**(3,287,342)**

The significant assumptions used in determining pension, post-employment healthcare and other long-term employee benefit obligations for the Group's plans are shown below:

	2021	2020	
	%	%	Plan currency type
Discount rate:			
Staatsolie employee pension plan	2.8%	3.3%	USD
Staatsolie retiree medical plan	10.0%	9.5%	SRD
Staatsolie funeral grant plan for retirees	2.9%	3.6%	USD
Staatsolie pension gratuity	2.4%	2.5%	USD
Staatsolie jubilee benefits	2.3%	2.3%	USD
Staatsolie periodic additional holiday allowance	0.9%	0.7%	USD
Executive pension plan	2.7%	3.3%	USD
Supplementary Provision Board members	1.9%	2.1%	USD
GOw2 employee pension plan	3.7%	3.5%	USD
GOw2 retiree medical plan	10.0%	9.5%	SRD
GOw2 funeral grant plan for retirees	3.7%	3.6%	USD
GOw2 jubilee benefits	2.6%	2.2%	USD
GOw2 Pension gratuity	2.5%	2.1%	USD
GOw2 periodic additional holiday allowance	1.5%	1.0%	USD
SPCS employee pension plan	3.7%	3.6%	USD
SPCS retiree medical plan	10.0%	9.5%	SRD
SPCS funeral grant plan for retirees	3.7%	3.6%	USD
SPCS pension gratuity	3.5%	3.2%	USD
SPCS jubilee benefits	3.1%	2.7%	USD
SPCS periodic additional holiday allowance	1.5%	0.8%	USD
Future consumer price index increases:			
Staatsolie Executive pension plan	3.0%	3.0%	USD
Staatsolie, SPCS & GOw2 employee pension plan	3.0%	3.0%	USD
Staatsolie, SPCS & GOw2 retiree medical plan	32.0%	16.0%	SRD
Staatsolie ,SPCS & GOw2 funeral grant plan for retirees	3.0%	3.0%	USD
Staatsolie, SPCS & GOw2 jubilee benefits	3.0%	3.0%	USD
Staatsolie, SPCS & GOw2 pension gratuity	3.0%	3.0%	USD
Staatsolie, SPCS & GOw2 periodic additional holiday allowance	3.0%	3.0%	USD
Supplementary Provision Board members	3.0%	3.0%	USD
Future salary increases:			
Staatsolie employee pension plan & Executive pension plan	4.0%	3.0% + age related merit	USD
Staatsolie, SPCS & GOw2 jubilee benefits	4.0%	3.0% + age related merit	USD
Staatsolie, SPCS & GOw2 pension gratuity	4.0%	3.0% + age related merit	USD
Staatsolie, SPCS & GOw2 periodic additional holiday allowance	4.0%	3.0% + age related merit	USD
Supplementary Provision Board members	4.0%	3.0% + age related merit	USD
Healthcare cost increase rate:			
Staatsolie, SPCS & GOw2 retiree medical plan	34.0%	18.0%	SRD
Life expectation for retirees at the age of 60:	**Years**	**Years**	
Staatsolie, SPCS & GOw2 employee pension plan & Executive pension plan	18.4	18.4	
Male	21.0	21.0	
Female			
Post-employment healthcare & other long-term benefit plans:			
Male	18.4	18.4	
Female	21.0	21.0	

** For GOw2 applicable only in 2020*

The average duration of the various employee benefit obligations at the end of the reporting periods is presented below:

	2021	2020
Weighted average life of the plans:		
Staatsolie employee pension plan	20	19
Staatsolie retiree medical plan	21	21
Staatsolie funeral grant plan for retirees	28	27
Staatsolie pension gratuity	11	10
Staatsolie jubilee benefits	9	9
Staatsolie periodic additional holiday allowance	2	2
Executive pension plan	18	18
Supplementary Provision Board members	7	8
GOw2 employee pension plan	22	23
GOw2 retiree medical plan	18	18
GOw2 funeral grant plan for retirees	27	28
GOw2 pension gratuity	7	8
GOw2 jubilee benefits	8	9
GOw2 periodic additional holiday allowance	3	4
SPCS employee pension plan	27	29
SPCS retiree medical plan	30	32
SPCS funeral grant plan for retirees	37	39
SPCS pension gratuity	17	18
SPCS jubilee benefits	12	13
SPCS periodic additional holiday allowance	3	3

A quantitative sensitivity analysis for significant assumptions on the pension, post-employment healthcare and other long-term employee benefits as at December 31, 2021 and 2020 is shown on the following page. The sensitivity analyses are presented in US$.

Staatsolie employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	29,895,579	(24,807,579)	(34,946,387)	45,846,227	14,907,930	(12,935,014)
2020 adjusted	25,376,569	(21,103,984)	(29,769,186)	38,887,795	12,928,601	(11,243,730)
2020	23,975,837	(20,061,253)	(28,565,895)	37,145,007	12,622,880	(10,964,294)

SPCS employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	324,504	(266,942)	(506,976)	696,118	340,637	(289,028)
2020 adjusted	282,723	(231,033)	(443,354)	615,723	304,044	255,604
2020	232,937	(193,493)	(399,675)	554,524	293,401	(245,815)

GOw2 employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	124,577	(103,886)	(172,169)	229,687	98,287	(84,015)
2020 Adjusted	127,343	(105,857)	(183,051)	246,076	110,191	(94,260)

Executive pension plan

The effect of a 1 percentage point change in the assumed discount rate and the assumed salary increases on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(829,847)	1,035,158	364,066	(340,566)
2020	(703,193)	878,933	343,801	(319,071)

Staatsolie medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(6,020,555)	7,870,555	7,350,414	(5,770,367)
2020	(3,231,350)	4,217,498	4,017,634	(3,151,653)

GOw2 medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(137,854)	175,461	162,492	(130,877)
2020	(76,941)	98,124	93,048	(74,654)

SPCS medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(190,396)	262,797	248,655	(185,295)
2020	(88,245)	122,989	118,246	(87,012)

Staatsolie funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(384,983)	540,332	512,189	(375,114)
2020	(294,444)	408,460	389,865	(288,202)

SPCS funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(7,652)	11,448	11,049	(7,578)
2020	(6,567)	9,944	9,595	(6,503)

GOw2 funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(5,490)	7,579	7,237	(5,375)
2020	(5,666)	7,855	7,533	(5,553)

Staatsolie pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(351,652)	414,647	423,917	(366,606)
2020	(318,880)	376,159	387,291	(334,870)

SPCS pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(8,216)	9,903	10,078	(8,497)
2020	(7,063)	8,618	8,741	(7,283)

GOw2 pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(4,826)	5,621	5,891	(5,171)
2020	(6,469)	7,465	7,773	(6,877)

Staatsolie jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(819,331)	945,110	976,794	(863,807)
2020	(789,754)	912,186	940,914	(831,230)

SPCS jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(24,720)	28,587	29,384	(25,847)
2020	(23,899)	27,865	28,368	(24,765)

GOw2 jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(9,901)	11,350	11,857	(10,552)
2020	(12,447)	14,230	14,719	(13,133)

Staatsolie periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(39,141)	n/a	54,031	(53,415)
2020	(39,584)	n/a	54,171	(53,514)

SPCS periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(2,747)	2,849	3,418	(3,351)
2020	(2,319)	n/a	2,882	(2,819)

GOw2 periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(1,092)	1,126	1,390	(1,369)
2020	(902)	937	1,067	(1,043)

Supplementary provision board members plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2021	(49,942)	54,391	56,892	(53,134)
2020	(51,350)	56,336	58,987	(54,651)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following payments are expected contributions to the defined benefit plan (Staatsolie employee pension plan) in future years:

(X US$ 1,000)	2021	2020
Within the next 12 months (next annual reporting period)	6,393	6,322
Between 2 and 5 years	29,081	28,701
Between 5 and 10 years	43,392	41,281
Beyond 10 years	64,652	69,069
Total expected payments	**143,518**	**145,373**

The following payments are expected contributions to the defined benefit plan (SPCS employee pension plan) in future years:

(X US$ 1,000)	2021	2020
Within the next 12 months (next annual reporting period)	281	567
Between 2 and 5 years	1,240	2,445
Between 5 and 10 years	1,850	3,492
Beyond 10 years	9,849	20,486
Total expected payments	**13,220**	**26,990**

The following payments are expected contributions to the defined benefit plan (GOw2 employee pension plan) in future years:

(X US$ 1,000)	2021	2020
Within the next 12 months (next annual reporting period)	105	107
Between 2 and 5 years	464	461
Between 5 and 10 years	693	658
Beyond 10 years	2,338	4,122
Total expected payments	**3,600**	**5,348**

The following payments are expected contributions to the defined benefit plan (executive pension plan) in future years:

(X US$ 1,000)	2021	2020
Within the next 12 months (next annual reporting period)	131	848
Between 2 and 5 years	580	3,654
Between 5 and 10 years	865	5,220
Beyond 10 years	1,534	3,523
Total expected payments	**3,110**	**13,245**

4.11 IMPAIRMENT TESTING OF OTHER NON-CURRENT ASSETS

The Group has assessed the recoverable amount of its cash-generating unit as per the methodology described in the summary of significant accounting policies (section 2.3) and the scenario consistent with its view of developing the oil reserves in the current fields in the coming years, investment strategy and future prices. The main assumptions are described below:

a) Future price development

In 2021, in view of the situation in the commodity markets, the social and economic consequences of the COVID-19 pandemic, the Group reviewed its expectations of future oil prices. It should be noted that these estimates were made in an environment of high uncertainty, marked by the scenarios emerging from the COVID-19 crisis.

For the impairment assessment of the long-lived assets from the Group, the long term Pira reference price was used for the product basket:

US$/bbl	2022-2045	2022	2023	2024	2025	2026	2027-2045
Crude:	64.71	91.99	73.32	63.40	58.6	54.12	63.72
Gasoline:	85.24	94.87	85.69	83.23	77.75	75.74	85.71
USLD:	88.07	92.97	85.41	83.82	78.86	77.24	89.23

b) Discount rates

The post-tax discount rate of 10.75% used by Staatsolie is the weighted average cost of capital (WACC) after tax. This rate seeks to reflect current market assessments regarding the time value of money and the specific risks of the business. Therefore, the discount rate used, considers the risk-free rate, the country risk, the currency in which the cash flows are generated and the market, credit, and business risk. The WACC considers both debt and equity (weighted 50%). Applying a pre-tax WACC discount rate 15.19% to the cash flow projections provides the same result.

c) Impairment reversal

In 2021 the impairment of 2020 was reversed for the Group's assets in the statement of financial position:

(X US$ 1,000)	
Oil, Exploration and producing properties	6,444
Refining properties	9,224
Other property plant and equipment	206
	15,874

Oil, Exploration and producing properties

The total reversal of the 2020 impairment losses of US$ 6,444 was recognized in respect of Oil, exploration and producing properties. The triggers for the reversal of the impairment losses of 2020 for the oil producing properties were primarily the effect of the increase in future oil prices. The future oil prices are expected to be realized. In addition, triggers arose from increased efficiency in producing hydrocarbons from the oil fields resulting in reduced operating expenses. The recoverable amount was based on management's estimate of fair value less costs to dispose.

Refining properties

The total reversal of the 2020 impairment losses of US$ 9,224 was recognized in respect of refinery properties. The triggers for the reversal of the impairment losses of 2020 for the refinery properties were primarily the effect of the increase in future oil prices that are expected to be realized, increased uptime of the refinery operations and several initiatives in reducing operating expenses. The recoverable amount was based on management's estimate of fair value less costs to dispose.

Other property plant and equipment

The total reversal of the 2020 impairment losses of US$ 206 was recognized in respect of other property plant and equipment. The triggers for the reversal of the impairment losses of 2020 of these properties were primarily the effect of the increase in future oil prices. The recoverable amount was based on management's estimate of fair value less costs to dispose.

4.12 DISCONTINUED OPERATIONS

Ventrin Petroleum Company Limited ("Ventrin") is a limited liability company incorporated in the Republic of Trinidad and Tobago on 7 June 1995. Ventrin is 100% owned by Staatsolie Maatschappij Suriname N.V. ("Staatsolie"). Ventrin is engaged in bunkering activities, under an official bunkering license received in June 2009, supplying fuel and gas oil to ocean-going vessels.

In 2021, the Staatsolie Supervisory Board provided approval for Staatsolie' s management to start the process of sale for Ventrin.

The sale of Ventrin Limited is expected to be completed within a year from the reporting date. At December 31, 2021, Ventrin was classified as a disposal group held for sale and as a discontinued operation.

The business of Ventrin was represented in the Group's downstream operating segment until December 31, 2020. With Ventrin being classified as discontinued operations, it is no longer presented in the downstream segment note. The results of Ventrin for the year are presented below:

(X US$ 1,000)	2021	2020
Sales	259	4,499
Cost of Sales	(218)	(3,693)
Gross Profit	**41**	**806**
Other Income	2	2
Operating expenses	(807)	(866)
Administrative expenses	(777)	(433)
Selling and marketing expenses	(25)	(37)
Operating loss	**(1,566)**	**(528)**
Finance costs - net	8	(276)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(583)	-
Loss before Taxation	**(2,141)**	**(804)**
Taxation	(2)	(27)
Loss for the year from discontinued operations	**(2,143)**	**(831)**

The major classes of assets and liabilities of Ventrin classified as held for sale as at December 31 are, as follows:

(X US$ 1,000)	2021
Assets	
Plant and Equipment	1,598
Right-Of-Use Leases	211
Inventory	131
Trade and other receivables	349
Cash and cash equivalents	34
Assets held for sale	**2,323**
Liabilities	
Lease Liability-Long Term	200
Current portion of borrowings from parent company	270
Lease Liability-Short Term	40
Trade and other payables	233
Liabilities directly associated with assets held for sale	**743**
Net assets directly associated with disposal group	**1,580**
Amount included in equity	
Share capital	13,339
Accumulated losses	(11,759)
Reserve of disposal group classified as held for sale	**1,580**

The net cash flows incurred by Ventrin are, as follows:

(X US$ 1,000)	2021	2020
Operating	(676)	(913)
Investing	(18)	(6)
Financing	270	(62)
Net cash (outflow)	**(424)**	**(981)**

(X US$ 1,000)	2021	2020
Earnings per share		
Basic, loss for the year from discontinued operations	(0.43)	(0.16)
Diluted, loss for the year from discontinued operations	(0.43)	(0.16)

4.13 CAPITAL COMMITMENTS AND OTHER CONTINGENCIES

Other contractual obligations / commitments

(X US$ 1,000)	2021	2020
Within one year	6,980	8,729
After one year but not more than five years	11,371	14,059
More than five years	-	110
	18,351	**22,898**

Sales contractual obligations

The Group has the following obligations as at December 31:

(X US$ 1,000)	2021	2020
Within one year	7,574	5,113
After one year but not more than five years	35,793	24,455
	43,367	**29,568**

Legal claim contingency

The Group currently still has legal claims amounting to US$ 5,018 (2020: US$ 5,018) (inclusive of interest and judicially imposed penalties) relating to restoration and repair of the water management system in Saramacca.

In July 2021, a judge ruled in summary proceedings and the claim of the other party was rejected. However, this case proceedings will also be continued in proceedings on the merits. As in the summary proceedings, the claim remains the same as 2020.

Based on legal advice obtained, management is of the view that the Group is in a strong and defendable position and that no further provision is required.

Lastly, Ventrin has contingent liabilities in respect of customs bonds of US$ 252,826 (2020: US$ 252,826). These are of a continuing nature, subject to cancellation of the Comptroller of Customs and Excise.

Staatsolie, the parent company has a Letter of Guarantee with First Caribbean International Bank (FCIB) Trinidad via Curacao with regards to one of the Company's customs bonds (C67) for US$155,000. This is a requirement of the Customs and Excise office. These are of a continuing nature, subject to cancellation of the Comptroller of Customs and Excise.

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SECTION 5. CAPITAL AND DEBT STRUCTURE

5.1 ISSUED CAPITAL AND RESERVES

The authorized share capital of Staatsolie as the parent of the Group amounts to US$ 12,104 as at December 31, 2021 and is divided into 5 million shares. The earnings per share were US$ 22.36 (2020: US$ 14.24). During the year, the authorized share capital remained unchanged.

Issued capital is as follows:

(X US$ 1,000)	2021	2020
Ordinary share capital		
5,000,000 ordinary shares	12,104	12,104

Reserve for environment risk

The environmental risk reserve is a reserve taken against environmental risk claims based on damages which may result from an environmental disaster in the execution of ocean freight cargo deliveries. In addition, damages to the environment due to onshore well operations are also appropriated for in this reserve. Based on historical information and experience, the Group believes that an annual addition of US$ 500 is sufficient, which is decided by the board of directors.

Non-Distributable Reserve Hydro dam

The Non- Distributable Reserve Hydro dam represents equity arising from the transfer of the Afobaka Hydro-dam to SPCS from the Government of Suriname (GoS).

As of January 01, 2020, the GoS acquired the Afobaka Dam at no cost and transferred the ownership to SPCS. The produced electricity is sold and delivered to the GoS. The existing Power Purchase Agreement (PPA) between SPCS and the GoS has been amended and is still under review by the GoS.

Since the hydro dam was transferred at no cost from the GoS, this transfer was ultimately treated as a Capital contribution for the amount US$ 16,398.

5.2 CAPITAL MANAGEMENT

For the purpose of the Staatsolie' s capital management, capital includes issued capital and all other equity reserves attributable to the equity holders. The main objective of the capital management of Staatsolie is to ensure a financial structure that optimizes the cost of capital, maximizes the performance of its shareholder and allows access to financial markets at a competitive cost to cover its financing needs that supports sustainable growth and ensuring healthy capital ratios to be in compliance with the financial covenants to support the business.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the lenders to immediately call interest-bearing loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

The main financial covenants monitored by the Group are:

- The interest coverage ratio which is calculated by dividing the adjusted consolidated EBITDA by the financial expenses and income. For 2021 this ratio was 8.07 (2020: 5.17); the minimum permitted is 3.50.
- The PV 10 ratio and the Petroleum PV 10 ratio were introduced with the refinancing in May 2018. "PV10" means the Net Present Value of the future net revenues and the calculated ratio (including Gold participations) for 2021 was 1.57 (2020:1.55); the minimum permitted is 1.30.

  "Petroleum PV10" means the Net Present Value of the future net revenues with respect to the hydrocarbon IP reserves only, as evidenced in the most recent petroleum reserve report. The calculated ratio for 2021 was 1.34 (2020:1.10); the minimum permitted is 1.00.
- The leverage ratio is calculated by dividing the total debt by the adjusted consolidated EBITDA. For 2021 this ratio is 1.67 (2020:2.83); the maximum permitted is 3.25 for 2021 (2020:3.50).

5.3 FINANCIAL INSTRUMENTS

Interest-bearing loans and borrowings

Bond 2020 - 2025

(X US$ 1,000)	Maturity	2021	2020
Local Bond	Sep-25	60,148	60,013
Non-current portion of the loan		60,148	60,013

Bond 2020 - 2027

(X US$ 1,000)	Maturity	2021	2020
Local Bond	Mar-27	133,060	132,826
Non-current portion of the loan		133,060	132,826

Revolver

(X US$ 1,000)	Maturity	2021	2020
Revolver Loan	May-25	6,000	6,000
Non-current portion of the loan		6,000	6,000

Term Loan

(X US$ 1,000)	Maturity	2021	2020
Corporate term loan	May-25	440,311	524,919
Current portion of the loan		97,856	72,856
Non-current portion of the loan		342,455	452,063

Other Long Term Liabilities

(X US$ 1,000)	Maturity	2021	2020
Loan-Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.	Nov-23	26,508	26,508

Other Long Term Liabilities

(X US$ 1,000)	Maturity	2021	2020
Other Long term liability - Pikin Saramacca	Jun-23	10,017	-

Local bond

On March 23, 2020, Staatsolie issued its third bond.

The bond consists of bonds for the period 2020 – 2025 with an annual interest rate of 7% and bonds for the period 2020 – 2027 for an annual interest rate of 7.5%.

More than 83% of those bondholders re-invested and renewed their commitment to the Company.

The total amount raised was US$ 195,067, an oversubscription of US$ 45,067.

As at December 31, 2021, unamortized debt arrangement fees for the third issued bond is included in the carrying value. The amortization of debt arrangement fees for 2021 is presented under finance cost in the consolidated statement of profit or loss.

Term loan

Corporate term loan

In 2018, Staatsolie closed on a US$ 625,000 term loan, an uncommitted revolving loan of US$ 35,000 and the option for an accordion of US$ 50,000 given certain conditions. Repayment of the term loan was planned for 23 quarterly installments, to commence in the fourth quarter of 2019.

The outstanding amount as of December 31, 2021, amounted to US$ 449,580 (2020: US$ 537,500).

As at December 31, 2021, unamortized debt arrangement fees are included in the carrying value.

The amortization of debt arrangement fees for 2021 is presented under finance cost in the consolidated statement of profit or loss.

Revolver

In March 2020, Staatsolie obtained a revolver loan of US$ 6,000. This was used for working capital purposes.

Other Long Term Liabilities

(X US$ 1,000)	2021	2020
Financial liability - Loan from Pension Fund	26,508	26,508
Other Long term liability - Pikin Saramacca	10,017	-
Committee of sports facilities	1,004	2,029
Other Long term liability - provision for wage tax	1,429	1,608
	38,958	**30,145**

Loan from Pension Fund

In November 2019, Staatsolie entered in a private agreement with the Staatsolie Pension fund (Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.) for the sale of a plot of land known as “Bruynzeel terrein”, including the option to buy back within 5 years from the date of sale at an agreed amount of US$ 26,508. On an annual basis Staatsolie will pay the pension fund a fixed fee as a guarantee for the right to repurchase the land. The fee will be paid bi-annually.

If Staatsolie does not exercise the right to repurchase, the legal transfer to the Pension fund will become effective.

Other Long-term liability - Pikin Saramacca

For its acquisition of a 30% participating interest into an Unincorporated Joint Venture (UJV) Pikin Saramacca on April 2020 with Rosebel Gold Mines N.V., Staatsolie agreed upon an initial contribution of US$ 54.8 MM, of which US$ 34 MM was paid in cash and the remaining US$ 20.8 MM to be settled with Staatsolie’ s Gold Entitlement in accordance with the terms of the Second Amendment and the UJV Agreement. On December 31, 2020, Staatsolie recorded a Short-Term Liability towards Rosebel Gold Mines N.V. of US$ 6.3 MM. Based on business plan 2021 it was expected that the outstanding balance of US$ 6.3 MM would have been fully settled in May 2021.

However, instead of fully settling the liability of US$ 6.3 MM as of December 31, 2021, it has on the contrary increased further to the amount of US$ 10.02 MM.

This increase of the liability was among others due to heavy rainfall, negative ore reconciliations, multi work stoppages caused by strikes and local community roads blockages and the impact of Covid-19 (including manpower availability on site) during the fiscal year 2021 which negatively impacted production volumes.

According to business plan 2022, it is projected that the outstanding IAMGOLD Liability will increase by the end of 2022 to approximately US$ 18 MM.

This outlook, including the 5-year outlook for the UJV Operations, was reason to designate the IAMGOLD liability per Statement of Financial Position date December 31, 2021, as Long-Term

Committee of sports facilities

As decided by the shareholder, a portion of the profit attributable to the shareholder is retained in a Sport Fund to support corporate social responsibility in sports. On behalf of the sole shareholder, the GoS, a committee “Sport Development Fund” was established in April 2013 to conform to governance principles. The committee, comprised of representatives from the GoS and Staatsolie, provides guidelines for submission of proposals, approves, and monitors the allocation of funds. Every year, the shareholder decides how much to withdraw from this reserve.

As of 2020 this reserve is presented in the other long-term liabilities of the statement of financial position and not as in prior year as part of Staatsolie’ s equity.

In 2020 the reserved amount out of dividend related to 2019 was US$ 800.

Loan receivables

In accordance with the Power Purchase Agreement dated March 1, 2013 (with latest amendment in April 2016) by and between SPCS and the GoS, SPCS constructed a transmission line to the grid of N.V. EBS. The aggregated cost of US$ 27,293 was divested in favor of GoS in 2016, and accordingly derecognized in the books of SPCS. As at December 2018, US$ 16,196 of the principal balance was repaid by GoS. The remaining balance was considered as long-term loan payable in quarterly installment with maturity date of November 2021. As at December 31, 2021, the group settled the remaining balance of US$ 3,669 with GoS.

Fair value

The initial recognition of the loans and bonds is at fair value while the subsequent measurement is at amortized cost, assuming the contractual interest rate equals the effective interest rate. The local financial market consists of traditional bank loans for business and is not capable to provide for the capital needed for Staatsolie’ s growth strategy. Staatsolie’ s finance structure comprises financing by a consortium of international banks.

Staatsolie uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the uses of relevant inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, Staatsolie determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial risk management objectives and policies

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables and accrued liabilities.

Market risks due to interest rate (LIBOR) risk have been accepted and is evaluated and managed as part of the portfolio risk management policies. In addition, Staatsolie monitors a desired ratio for its available cash in US$ to fulfill its foreign currency business obligations. Furthermore, Staatsolie accepts the risks of price fluctuations of oil products, while taking into account a conservative low price for its work program and budget.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(x US$ 1)	Increase / decrease in basis points	Effect on profit before tax Corporate term loan
2021		
US dollar	+60	(2,697)
	-60	2,697
2020		
US dollar	+60	(3,225)
	-60	3,225

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities of subsidiary GOw2 (as revenues and expenses are denominated in a foreign currency).

The Group manages trade transactions by offsetting local payments and local receivables in SRD creating a natural hedge for the SRD transactions.

The following table demonstrates the sensitivity to a reasonably possible change in US$ and SRD exchange rates with other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of the non – designated foreign currency derivatives.

Sensitivity analysis:

(x US$ 1,000)	Change in US$ rate	Effect on profit before tax
2021	48%	907
	-48%	(907)
2020	5%	153
	-5%	(153)

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil products it produces. The Group's policy is to manage these risks through the use of contract-based prices with customers. As mentioned in the market risk section above, Staatsolie takes a conservative low-price approach for its work program and budget.

The analysis is based on the assumption that changes in the crude oil price result in a change of 10% in the sale prices of the oil products, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices and economic forecasters' expectations.

(x US$ 1,000)		
Increase / decrease in crude oil prices	Effect on profit before tax for the year ended 31 December 2021 (increase/decrease)	Effect on profit before tax for the year ended 31 December 2020 (increase/decrease)
+10%	44,462	31,096
-10%	(44,462)	(31,096)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity risk based on reporting covenants, encompassing sensitivity analysis for production and conservative price assumptions, and restrained capital expenditures. Furthermore, optional debt is available within the credit agreement in accordance with the debt basket. Cash in excess is being managed by the corporate treasury department through "intercompany cash pooling" agreements between Staatsolie and its subsidiaries.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31:

(X US$ 1,000)	1 year	2 to 4 years	> 4 years	Total
2021				
Bond, revolver and term loans	130,378	470,520	144,358	745,256
Other Long term liability - Pikin Saramacca	359	718	-	1,077
Loan from Staatsolie Pension fund (Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.)	1,325	30,484	-	31,809
Trade payable	84,981	-	-	84,981
Accruals and other liabilities	31,850	-	-	31,850
Lease liabilities	1,687	1,387	-	3,074
2020				
Bond, revolver and term loans	111,452	459,421	288,559	859,432
Loan from Staatsolie Pension fund (Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.)	1,325	3,976	27,833	33,134
Trade payable	82,392	-	-	82,392
Accruals and other liabilities	69,636	-	-	69,636
Lease liabilities	2,219	2,473	-	4,692

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument leading to a financial loss.

The Group trades with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. In addition, receivable balances are monitored on an on-going basis and GoS receivables are settled with GoS payables. Section 6.2 shows an analysis of the trade receivable ageing.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash, short-term investments and short-term deposits including restricted cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Cash, short-term investments and short-term deposits, investments and restricted cash are placed with reputable financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of the financial assets disclosed in section 6.2 as shown below:

(X US$ 1,000)	2021	2020
Trade receivables	110,508	102,414
Prepayments and other current assets	14,037	13,069
Loan receivables	-	3,669
Short-term investments	1,326	1,952
Cash and short-term deposits	66,838	18,681
Restricted cash	37,427	34,550
	230,136	**174,335**

Fair values

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(X US$ 1,000)	Carrying amount		Fair value	
	2021	2020	2021	2020
Financial Liabilities				
Local Bond 2020-2025	60,148	60,013	60,781	60,781
Local Bond 2020-2027	133,060	132,826	134,287	134,287
Revolver	6,000	6,000	6,000	6,000
Corporate term loan	440,311	524,919	440,311	524,919
Other Long term liability - Pikin Saramacca	10,017	-	10,017	-
Loan from Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.	26,508	26,508	26,508	26,508
Total	**676,044**	**750,266**	**677,904**	**752,495**

The fair values of the financial liabilities are included at the amount of which the instrument could be exchanged at the reporting date between willing parties, other than in a forced or liquidation sale. The fair values of the financial liabilities are determined based on price quotations at the respective reporting dates. The financial assets of the Group approximate fair value and are therefore excluded from the table above.

- Local Bond: The fair value at each reporting date was obtained from the officially published numbers from the Dutch Caribbean Stock Exchange (DCSX).
- Revolver:The fair value of the Revolver equals the carrying value.
- Corporate term loan: IFRS 9 Recognition modification was applied for the fair value of the term Loan.
- Other Long-term liability - Pikin Saramacca: IFRS 9 Recognition modification was applied for the fair value of the term Loan.
- Loan from Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.: The fair value of the Pension fund loan equals the carrying value.

Financial assets

Financial assets at fair value through OCI

The Group has short-term investments in locally listed equity securities of local companies. The fair value of the quoted equity shares is determined by reference to published price quotations in an active market.

(X US$ 1,000)	2021	2020
Financial assets at fair value through OCI		
Quoted equity shares	1,326	1,952
Total	**1,326**	**1,952**

SECTION 6.
WORKING CAPITAL

This section provides additional information that the directors consider is most relevant in understanding the composition and management of the Group's working capital:

- Cash and short-term deposits (Section 6.1)
- Trade and other receivables (Section 6.2)
- Inventories (Section 6.3)
- Trade payables, accruals and other liabilities (Section 6.4)

6.1 CASH AND SHORT-TERM DEPOSITS

(X US$ 1,000)	2021	2020
Cash at banks and on hand	66,838	14,921
Short-term deposits	-	3,760
	66,838	**18,681**

Cash at banks earns interest at floating rates based on daily interest rates. Short-term deposits are made for varying periods of three months, which are rolled over, and earn interest at the respective short-term deposit rates.

For the consolidated statement of cash flows, cash and cash equivalents comprise the following:

(X US$ 1,000)	2021	2020
Cash at banks and on hand	66,838	14,921
Short - term deposits	-	3,760
Cash at banks attributable to discontinued operations	34	-
Cash and short-term deposits	66,872	18,681
Bank overdrafts	-	(3,420)
Cash and cash equivalents	**66,872**	**15,261**

Ventrin had a working capital financing line of credit facility from First Caribbean International Bank. The limit was $3,720,000 from 9 July 2015. Ventrin draws down loans against the facility with a 90-day tenure. Interest was charged on the outstanding balance at current effective rate of 6.07% per annum. In March 2021, the balance was repaid by the parent company along with interest by using their cash held as security.

Though the balance was NIL, as at 31 December 2021, the bank still holds the following:

1) The transfer and assignment of an existing Registered 1st Legal Demand Debenture (previously in favour of RBTT Bank Limited), stamped to cover an additional amount of TT$ 2,700 (US$ 399), over the following:

   a) Deed of Transfer/Assignment dated 23-Oct-2002, registered as #DE200202665770D001 between Scotiabank Trinidad and Tobago Limited and RBTT Bank Limited, over the First Legal Demand Debenture #DE200102146410D001.

   b) First Legal Demand Debenture in the amount of TT$ 30,939 dated 22-Aug-2001, registered #DE200102146410D001, over the fixed and floating assets of Ventrin Petroleum Company Limited in favour of Scotiabank Trinidad and Tobago Limited, presently stamped to cover TT$ 30,939 (US$ 4,575).

The bank was in the process of releasing them as at 31 December 2021.

Restricted cash is US$ 37,427 as at December 31, 2021 (December 31, 2020: US$ 34,550) of which US$29,017(December 31, 2020: US$ 19,567) is current. Further, restricted cash relates to:

- DPA - The amount of US$ 21,394 per December 31, 2021, was 2/3 of the total amount of debt service (amortization and interest) due to the banks, as of February 2022.
- Collateral with reference to Staatsolie’ s long term loans and funding for interest and loan (re) payment amounting to US$ 8,255 (2020: US$ 8,255).
- Balance to be collected bondholders 2015-2020 US$ 800 (2020: US$ 2,365).
- DSRA account held for new bond launched in March 2020 US$ 3,581.
- Corporate parent guarantees of Staatsolie to secure Ventrin’ s operational activities are US$ 155 (2020: US$ 3,875).
- Cash collateral for Staatsolie’ s 25% share of the Letter of Credit for reclamation cost for Newmont Suriname US$ 2,908 (2020: US$ 2,854).
- Bank guarantee required for Staatsolie’ s participation in a tender to sell products to Guyana Power and Light LLC. deposit for GPL US$ 333 (2020: US$ 20).

6.2 TRADE AND OTHER RECEIVABLES

(X US$ 1,000)	2021	2020
Trade receivables	110,508	102,414
Prepayments and other current assets	14,037	13,069
	124,545	**115,483**

For terms and conditions relating to related party receivables, refer to Section 7. Trade receivables are non-interest bearing and are generally on terms of 30–90 days net of allowance for expected credit losses.

Movements in the allowance for expected credit losses of trade receivables:

(X US$ 1,000)	2021	2020
As at January 1	7,184	7,936
Adjustment prior year opening balance	(45)	-
Addition	360	3,499
Amounts written off	(223)	(3,951)
Currency adjustment	(398)	(282)
Unused amounts reversed	-	(18)
As at December 31	**6,878**	**7,184**

The ageing analysis of the trade receivables (net of allowance for expected credit losses) is, as follows:

				Past due but not impaired			
(X US$ 1,000)	Total	Neither past due nor impaired	< 30 days	30-60 days	61-90 days	91-120 days	>120 days
2021	110,508	17,470	13,274	5,667	3,401	51,776	18,920
2020	102,414	7,849	3,454	6,324	6,010	17,295	61,482

The total trade receivable balance of US$ 110,508 as of December 31, 2021 (2020: US$ 102,414) consists of a balance of US$ 24,399 (2020: US$ 14,640) which is related to other third-party trade receivables (refer to section 7).

In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparties.

The Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Prepaid expenses and other current assets consisted of the following:

(X US$ 1,000)	2021	2020
Receivable from personnel	400	145
Prepaid insurance costs	2,630	2,385
Current Account Surgold	-	289
Downpayment to vendors	7,794	6,255
Prepaid purchased goods, services and other	2,771	2,634
Net sales tax receivable	442	1,298
Current Account GoS	-	63
	14,037	**13,069**

6.3 INVENTORIES

(X US$ 1,000)	2021	2020
Petroleum products	17,202	20,800
Materials and supplies	72,114	83,112
Ordered goods	11,959	4,911
Unfinished goods	1,138	1,632
	102,413	**110,455**

During 2021, US$ 10,277 (2020: US$ 916) was recognized as an expense for inventories to recognize a provision for obsolete inventories.

During 2021, US$ 287,292 (2020: US$ 298,329) was recognized as an expense for inventories carried at cost. This is recognized in cost of sales.

The decrease in inventory relates to Petroleum products and Material & Supplies.

6.4 TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

(X US$ 1,000)	2021	2020
Trade payables	84,981	82,392
Accrued and other liabilities	31,850	69,636
	116,831	**152,028**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Accrued and other liabilities are non-interest bearing.

Trade payables includes an outstanding payable to PDVSA Petróleo, S.A. (“PDVSA”) amounting to US$ 49,144 as of 31 December 2021 (2020: US$ 49,144) which has been used as a settlement with the GoS Receivables (see section 7), based on the written confirmation from GoS that all payment obligations of Staatsolie due to PDVSA pursuant to the contract will be assigned to GoS.

Accrued and other liabilities consisted of the following:

(X US$ 1,000)	2021	2020
Dividend Payable	-	23,937
Current account Government of Suriname	471	-
Allowances payable to Management and Personnel	10,734	5,376
Interest payable - loans	8,009	9,358
Down Payments - Customers	1,194	1,311
Current account Surgold	1,659	-
Current account IAM Gold	-	6,259
Payroll taxes	3,149	1,284
Sales taxes and other duties	580	1,316
Current account Pension fund	885	7,318
Accrued expenses	495	5,251
Foreign currency SWAP USD*	-	1,325
Staatsolie Bond (2015-2020)	414	2,042
Other	4,260	4,859
	31,850	**69,636**

**Foreign currency SWAP USD*

On December 10, 2019 Staatsolie entered into an agreement with Hakrinbank N.V. to purchase US$ 9,000 (at the exchange rate of SRD 7.52 per US$ 1.00) with the obligation to sell back the same amount of US dollars to Hakrinbank N.V. on June 10, 2020 at the same exchange rate. On July 6, 2020, Staatsolie extended the agreement with Hakrinbank N.V. for the balance of US$ 3,000 for six months under the same conditions. The fee for this was 2.15% per annum. In 2021 the foreign currency swap was fully settled with the bank.

SECTION 7.
GROUP INFORMATION AND RELATED PARTY DISCLOSURES

Information about subsidiaries

The consolidated financial statements of the Group with Staatsolie N.V. as the main shareholder includes the following subsidiaries:

Subsidiaries	Activities	Country of Incorporation	% Equity Interest	
			2020	2019
GOw2	Distributions and Trading	Suriname	100	100
Ventrin	Distributions and Trading	Trinidad and Tobago	100	100
POC	Exploration activities	Suriname	100	100
SHI	Regulator role	Suriname	100	100
SPCS	Electricity Generator	Suriname	99.99	99.99

POC is at this moment a dormant company and activities were put on hold since 2015. The non-controlling interest in SPCS is not material to the Group.

Joint arrangement in which the Group is a joint venture

- The Group has a 25% interest in Suriname Gold Project CV (2020: 25%) with Newmont Suriname LLC.

Joint arrangement in which the Group has joint operations

- In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator. Staatsolie acquired this 30% participating interest for US$ 54 million (US$ 34 million cash and US$ 20 million to be paid within a year).

Transactions with related parties

During the year, the Group entered the following transactions, in the ordinary course of business with related parties. Examples of these transactions include sale and delivery of petroleum products and electricity, purchase of electricity, and rendering of maritime services. The following companies are all state-owned enterprises and therefore are related parties due to the common ownership:

Government of Suriname (GoS)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	68,652	-	32,112	-
2020	65,750	3	30,997	-

N.V. Energie Bedrijven Suriname (N.V.EBS)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	43,523	1	3,561	-
2020	40,662	16	2,373	1,696

Suriname American Industries Limited (SAIL)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	-	-	1,892	-
2020	63	-	-	-

Melkcentrale Paramaribo N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	89	-	10	-
2020	68	-	-	-

N.V. Surinaamse Waterleiding Maatschappij

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	-	-	-	-
2020	278	3	25	-

Grassalco N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	53	-	-	-
2020	22	-	-	-

Telesur

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	-	12	-	0
2020	-	19	-	3

Stichting Bosbeheer Suriname

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	66	-	3	-
2020	58	-	6	-

N.V. Havenbeheer Suriname

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	-	3	-	-
2020	1	3	-	-

Airport management N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	-	493	-	-
2020	-	306	-	-

Surinaamse Dok & Scheepsbouw N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	296	-	-	-
2020	243	-	-	-

Waspar

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	11	-	-	-
2020	15	-	-	-

sLands Hospitaal

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	13	-	1	-
2020	10	-	-	-

Surinam Airways

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	5,650	-	66	-
2020	1,881	-	147	-

Suriname Coast Guard

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2021	3	-	-	-
2020	46	-	11	-

Loans from/to related parties

(X US$ 1,000)				
From:	**To:**		**Interest charges/ (income)**	**Amounts owed by/ (to) related parties**
SPCS	Government of Suriname	2021	-	-
		2020	(315)	3,669
Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V	Staatsolie	2021	1,325	(26,508)
		2020	1,324	(26,508)

Dividend to related parties

The Group made interim payments, regarding dividend to its shareholder, (GoS) in 2021 regarding fiscal year 2021.

Trade receivables from / trade payables to shareholder (GoS)

The total trade receivable balance of US$ 110,508 as of December 31, 2021 (2020: US$ 102,414) consists of a balance of US$ 24,399 (2020: US$ 14,640) which is related to other third-party trade receivables.

Further, a GoS receivable balance of US$ 86,109 as of December 31, 2021 (2020: US$ 87,774) for:

- delivery of oil and electricity to GoS and oil deliveries to N.V. EBS including a receivable for transmission line phase 4: US$ 36,965 (2020:US$ 38,630)
- and an outstanding payable to PDVSA Petróleo, S.A. (“PDVSA”) amounting to US$ 49,144 which has been used as a settlement with the GoS Receivables, based on the written confirmation from GoS that all payment obligations of Staatsolie due to PDVSA pursuant to the contract will be assigned to GoS.

After settlement of the GoS receivable balance with the GoS payable balance of US$ 85,321 the net receivable balance due to GoS will be US$ 787 (2020: Payable US$ 20,900).

The Group made a dividend payment to the shareholder of US$ 43,400 of which US$ 20,900 was for the year 2020.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made in the ordinary course of business. There is an arrangement with GoS for the settlement of the trade receivables from N.V. EBS and the outstanding payables to GoS.

Compensation of key management personnel of the Group:

(X US$ 1,000)	2021	2020
Short term employee benefits	2,774	3,497
Post-employment pension and medical benefits	181	348
Total Compensation paid to key management personnel	**2,955**	**3,845**

There are no other related party transactions.

SECTION 8. OTHER

8.1 EVENTS AFTER THE REPORTING PERIOD

New Suriname Tax Measures

Based on the results of the Tripartite consultation (government, business and unions) and in anticipation of the introduction of the Value Added Tax (VAT), the brackets for the payroll tax and personal income tax are adjusted as per January 1st, 2022.

The tax-free sum is increased from SRD 220.50 per month to SRD 4,000 per month. The tax credit of SRD 750 therefore expires on the same date. The increase in the tax-free sum also means that amounts from the various tax brackets also increased by SRD 4,000.

Furthermore, as of January 1, 2022, the exemption from the holiday allowance and bonus or gratuity also increased from 1 month’s gross salary with a maximum of SRD 4,000 per year to one month’s gross salary with a maximum of SRD 6,516 per year.

The temporary solidarity levy of 10% extra, which was introduced in February 2021, expired on January 1, 2022.

It is expected that the turnover tax will be replaced by the VAT as of July 2022.

TotalEnergies announces another significant discovery in Block 58

On February 21, 2022, TotalEnergies and APA Corporation announced that they have made a significant new oil and associated gas discovery at the Krabdagu-1 well, in the central area of Block 58, offshore Suriname. This follows previous discoveries at Maka, Sapakara, Kwaskwasi and Keskesi, and the successfully tested Sapakara South-1 appraisal well.

Located 18 kilometers south-east of Sapakara South, Krabdagu-1 was drilled at a water depth of 780 meters and encountered approximately 90 meters of net oil pay in good quality Maastrichtian and Campanian reservoirs.

“This successful exploration well at Krabdagu-1 is a significant addition to the discovered resources in the central area of Block 58. This result encourages to continue the exploration and appraisal strategy of this prolific Block 58 in order to identify sufficient resources by year end 2022 for a first oil development” said Kevin McLachlan, Senior Vice President, Exploration at TotalEnergies.

Drilling and logging operations will continue, using the Maersk Valiant drillship. DST operations will be carried out on Krabdagu-1 to appraise the resources and productivity, and at least three further exploration and appraisal wells are planned to be drilled in 2022 on the block.

TotalEnergies is the operator of Block 58, with a 50% working interest, while APA Corporation holds the remaining 50%.

Amendment of credit facility

On March 31, 2022, Staatsolie amended its existing credit facility with a syndicate of lenders. The outstanding amount of the term loan as of that date was US$ 422 million, and a maturity date of May 25, 2025. With this amendment, effective on the aforementioned date, the outstanding amount remained at US$ 422 million. The new maturity date is on January 25, 2028. The aim of this amendment is to free-up liquidity to support the financing of our investment program including the first development in Offshore Block 58.

Prepaid dividend

In the first quarter of 2022 interim dividend over the fiscal year 2022 of US$ 15,769 was paid to the shareholder.

Impact of COVID-19 Pandemic

Looking ahead, following the outbreak of the COVID-19 pandemic, the Group sees increased uncertainties and economic disruption because of the outbreak. In the event of a prolonged pandemic there may be a negative effect on our customers and overall business activity which may negatively impact the financial performance of the Group. The Group has taken measures to ensure that its employees and partners continue to be safe while interacting together. Measures have been taken to minimize the impact of the pandemic and to continue operations.

Given the evolving nature of COVID-19, uncertainties will remain and currently it is not possible to accurately estimate the future impact of the pandemic on the future financial performance of the Group. We continue to monitor this situation and its potential impact on our operations and will take further action as necessary in response to the economic disruption.

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