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Attractive LNG Potential

ENERGY ANALYTICS INSTITUTE

SURINAME 2025

**TotalEnergies and APA
Corp. Eye GranMorgu**

**Suriname's Energy and
Extractive Sectors: A Rising
Star in South America**



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On the cover: Platform offshore Suriname.
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WHY SURINAME MATTERS

Suriname — slightly larger than the state of Georgia in the US — is a small commodity-based economy that depends heavily on export revenues from crude oil, gold, rice, fish, timber, and bananas.

Nestled on the northeastern coast of South America, Suriname is a small yet resource rich country poised to emerge as a vital player in the Latin America and Caribbean energy and extractive sectors. Recent developments offshore highlight the country's oil and natural gas potential and the government's commitment to responsible resource management.

Suriname's economic foundation lies in its exceptional reserves of minerals and oil, offering untapped opportunities in the extractive sector. Historically centered around gold, the nation is now experiencing the dawn of a burgeoning oil economy,

which has potential to reshape the allocation of its natural wealth and fuel transformative growth as has been seen and experienced across the border in Guyana.

A major milestone in positioning Suriname as a regional oil and gas hub is the launch of its first offshore oil project by French energy giant **TotalEnergies** and its American partner **APA Corporation**.

The project — GranMorgu — concentrated in Block 58 includes plans for a state-of-the-art floating, production, storage, and offloading (FPSO) unit capable of processing 200,000 barrels per day (b/d) of oil.

TotalEnergies and APA announced their \$10.5bn final investment decision (FID) for Block 58 on 1 Oct. 2024.

State-owned **Staatsolie Maatschappij Suriname N.V.** has expressed its intent to enter the project with up to a

20% interest in the summer of 2025.

The project will develop 2 oil fields — Sapakara and Krabdagu — which have confirmed oil reserves of around 760 million barrels (MMbbls).

These reserves could generate revenues of \$16bn-\$26bn, according to estimates from energy sector pundits, sufficient to eradicate poverty across the small population of around 638,000, if managed prudently. Importantly, GranMorgu embraces sustainability by re-injecting produced gas into the reservoir, a move aimed at avoiding harmful flaring and extending the production lifespan.

In the mining space, Suriname is strengthening its position through international collaboration. In mid-2023, the Suriname-China Investment Coordination Commission hosted a delegation from

Wenzhou, China, to explore joint ventures in small-scale gold mining and rare minerals like cobalt and lithium. These partnerships aim to integrate advanced technology and enhance oversight, ensuring sustainable practices.

Suriname's legacy in bauxite mining, a cornerstone of its economy, remains pivotal. The Supervisory Board of **Bauxite Institute Suriname (BIS)** is tasked with monitoring compliance, advising the government, and ensuring equitable revenue distribution from bauxite and alumina production, contributing to national growth.

Suriname's energy infrastructure is undergoing a modernization push, notably at the Brokopondo hydropower station. There, a \$30mn upgrade aims to safeguard operations and prevent catastrophic failures, such as dike breaches or blackouts affecting Paramaribo, Suriname's capital city.

Staatsolie Power Company Suriname (SPCS) is aligning the Afobaka hydropower plant with US **Federal Energy Regulatory Commission (FERC)** standards. This initiative,

SURINAME RANDOM FACTS

- Suriname boasts a skilled and youthful workforce, particularly in agricultural and manufacturing sectors, with a strong inclination toward adapting to modern technologies.
- The Afobaka hydroelectric power plant modernization aims to increase the plant's efficiency and capacity, while also reducing its environmental impact.
- Having had a rich legacy of bauxite mining, Suriname has been propelled into the bauxite and alumina market. This unique resource has prior, bolstered the nation's fiscal strength but also shaped part of the fabric of Suriname's identity and development.

alongside a \$10mn low-interest loan and a \$500,000 grant from the CARICOM Development Fund (CDF), underscores Suriname's focus on enhancing energy reliability and sustainability

Suriname is making notable strides in balancing economic growth with environmental stewardship.

In its mining space, particularly in gold and bauxite, continues to support the economy while advancing sustainable practices to reduce environmental impact and benefit local communities.

In the energy space, diversification and renewable energy adoption are priorities, supported by international investments

and partnerships These efforts reflect a collective recognition of Suriname's potential as a region, if not, global player in sustainable development.

With its abundant resources, strategic partnerships, and a commitment to sustainability, Suriname is poised for transformative growth. The synergy between responsible governance, international collaboration, and innovative practices ensures a prosperous future, reinforcing its standing in the global economic arena.

HEADWINDS

Suriname's increased reliance on its oil industry will makes its economy more sensitive to fluctuations in

commodity (oil and gas) prices. A further dependency on imports also makes Suriname's economy vulnerable to external shocks, which are reinforced in society by its long-standing, complex internal economic and social conditions.

Over the past decade, global market price volatility has impacted Suriname's mining output (bauxite and gold) and caused significant volatility in tax revenues, complicating both fiscal and monetary policy management. These concerns are not a thing of the past.

High inflation rates are seemingly a mainstay to Suriname's economy. At least for now. Runaway inflation has deepened poverty in society and in fact led to social tensions between 2020-2022.

SURINAME QUICK COUNTRY FACTS

- **Terrain:** Mostly rolling hills; narrow coastal plain with swamps.
- **Natural resources:** timber, hydropower, fish, kaolin, shrimp, bauxite, gold, and small amounts of nickel, copper, platinum, iron ore, oil, and gas.
- **Land use:** forest (94.6%), other (4.9%) and agricultural (0.5%).
- **Population distribution:** population concentrated along the northern coastal strip; the remainder of the country is sparsely populated.

However, in recent years Suriname's inflation has shown some improvement owing to macro- economic reforms. Suriname's inflation most recently fell to 32.6% in 2023 compared to 54.6% in 2022 and is expected to come in lower in 2024 and 2025, according to

Algemeen Bureau voor de Statistiek. EAI



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WILLEMSTAD - CURAÇAO

2nd Caribbean
Energies and
Investment
Summit
4-6 November 2025
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17-20 June 2025
PARAMARIBO - SURINAME

2nd International
Business Conference
- Suriname
4-6 February 2025
PARAMARIBO - SURINAME

TRANSFORMING ENERGY ACROSS THE AMERICAS

SURINAME OVERVIEW

Suriname is located on the northern coast of South America, bordered by the Atlantic Ocean to the north, Brazil to the South, Guyana to the West and French Guiana to the East.

Suriname is divided into several defined geographical areas: the narrow coastal zone, the new and old coastal plains, swampland and sandy ridges. As the smallest sovereign state in the continent, Suriname covers some 163,821 km². Suriname's original forest cover remains at 93% with a deforestation rate of less than 0.22%.

The country's rivers flow northward leading into the Atlantic Ocean, with its most fertile lands protected by diking and drainage. Suriname remains a top producer of mineral wealth as it is reliant on production of gold and oil.

HISTORY

The Spanish initially explored Suriname in the 16th century, before the English settled it in the mid-17th century. In 1667, Suriname became a Dutch colony, which with the abolition of African slavery in 1863, reverted to procuring in workers from India and Java, according to the **CIA**.

Suriname was finally granted independence from the Netherlands in 1975. Some 5 years later, in 1980, the democratically elected parliamentary government was overthrown and a military regime under Desiré Delano Bouterse was installed in its place, commencing Suriname's future as a socialist republic.

In 1991, a democratically elected government — a 4-party coalition — returned to power. The coalition expanded to 8 parties in 2005 and ruled until 2010, when voters returned former military leader Bouterse and

his opposition coalition to power.

In 2015, Bouterse ran unopposed and subsequently was reelected. Opposition parties campaigned hard against Bouterse in the run-up to the 2020 elections, and a multi-party coalition led by Chandrikapersad Santokhi's Progressive Reform Party or 'Vooruitstrevende Hervormings Partij' (VHP by its Dutch acronym) and Ronnie Brunswijk's General Liberation and Development Party or 'Algemene Bevrijdings- en Ontwikkelingspartij' (ABOP by its Dutch acronym), was installed.

ECONOMY

Suriname is a small, natural-resource rich, country with a population of around 638,000, according to **The International Monetary Fund (IMF)**. In world rankings, Suriname is number 169 in the list of countries and dependencies

by population with a population density of 4 citizens per km². An estimated 62.4% of Suriname population is in urban areas and the median age in is 28.6 years, according to **Worldometer**.

The economy of the Dutch-speaking country is primarily linked and driven by its abundant natural resources. Of which, mining accounts for nearly 50% of public sector revenue and gold representing over 75% of total exports. The discovery of offshore oil resources in 2020 now as real potential to generate positive long-term growth and fiscal prospects for Suriname. This, as the country's first deep-water development in Block 58 — GranMorgu — is slated to commence production in 2028.

Despite, the positive movements in the hydrocarbon space in recent years, an over reliance on the potential of Suriname's oil industry could make the county more vulnerable to fluctuations in commodity prices and thus negative environmental impacts.

In order to mitigate these risks, Suriname will need to build a solid foundation for efficient and equitable

SURINAME COUNTRY BRIEFS

- **Capital:** Paramaribo
- **Nationality:** Surinamese
- **Official language:** Dutch. Other languages: Sranan Tongo, Sarnami, Javanese, Maroon, Chinese and Indigenous languages
- **Population:** Circa 638,000
- **Electricity:** 127 Volts/230 Volts
- **Telephone:** +0 (597) + 7-digit local
- **Currency:** Suriname dollar (SUR)

management of its oil revenues. To this end, it will be imperative for government to strengthen governance institutions and enhance human capital.

According to the **World Bank**, successful implementation of Suriname's macroeconomic stabilization program is an essential over the near-term. This, as Suriname still contends with high inflation and currency instability despite positive economic movements of recent.

As such, success on the debt restructuring and fiscal prudence fronts will assist Suriname restore debt sustainability and economic

stability. Fiscal adjustments could potentially benefit Suriname within the context of a macroeconomic stabilization program, according to the World Bank.

Despite its limited production of greenhouse gas (GHG) emissions, Suriname is one of the world's most vulnerable to the impact of flooding. Suriname, like its immediate neighbor to the west Guyana, is also prone to periodic flooding due to heavy rainfall, especially when combined with spring tides.

And Suriname, like Guyana, could be impacted by rising sea levels as around 87% of

the former's population lives along the 386km long coastal plain (around 67% in Paramaribo).

Flooding — exacerbated by poor drainage in the relatively highly populated urban areas on the coast — impacts a great portion of the population and an estimated 90% of human activities, according to the World Bank.

law system with the High Court of Justice of Suriname at the top of the court hierarchy. The Suriname Court of Justice is the first body that provides the administration of justice and appeal in Suriname.

TAXES

In the tax space, Suriname's general corporate income

regard to service fees, management fees, or branch profit remittances.

In the corporate tax space, a tax carryback is not available, but losses incurred in the first 3 years may be carried forward indefinitely, while other losses can be carried forward for 7 years.

In regards to depreciation, the Suriname tax legislation stipulates it must be in accordance with 'sound business practice' and does not contain specific depreciation rates.

And finally, in the value added tax (VAT) space, the tax on supply and import of most services and goods is 10%, while essential food items are exempt.

CLIMATE

Suriname's tropical climate varies to degrees of rainy and dry seasons. Early in the year, the country experiences a minor rainy season followed by a dry season. During mid-year, these seasons intensify. Daytime temperatures range between 21°C and 32°C.

GOVERNMENT

- **Independence:** 25 Nov. 1975 from the Netherlands
- **Capital City:** Paramaribo
- **Judicial System:** Civil law
- **Legislator:** 51-Member National Assembly
- **Head of State:** President Chandrikapersad Santokhi
- **Electoral System:** General Elections held every 5 years; proportional representation
- **Districts:** Brokopondo, Commewijne, Coronie, Marowijne, Nickerie, Para, Paramaribo, Saramacca, Sipaliwini, and Wanica

LEGAL SYSTEM

The independent judicial system of Suriname abides by civil law due to the influence of the Dutch law system. The Suriname Civil Code is the main body in the

tax rate for resident and non-resident entities is 36%, according to **Ernst & Young Services Limited**, while the country's dividend withholding tax is 25%. There are no other withholding taxes in Suriname with

ELECTRICITY AND WATER

The satisfactory domestic and commercial supply voltage in Suriname is 127/230 volts, 50-60 cycles. Other suppliers include **N.V. Energiebedrijven Suriname, Staatsolie Power Company Suriname**, and **Dienst Elektriciteitsvoorziening**.

N.V. Surinaamsche Waterleiding Maatschappij (SWM), otherwise known as the "Suriname Water Company" is the main provider of water primarily in urban centers.

ECO-TOURISM

Suriname consists of one of the largest protected areas of rainforest and has since 2002, been dubbed a **UNESCO World Heritage** site. The Central Suriname Nature Reserve covers 3,950,000 acres.

Nine-tenths of the entirety of Suriname heterogeneous forests boast over 1,000 species of trees with the diverse flora of the coastal area comprising around 4,000 species of ferns, seed plants and mosses, weeds and mildews.

STAATSOLIE FACTS

- Crude oil produced in 2023: 6.27 MMbbls, exceeded goal by about 200,000 bbls
- Crude oil production in 2022: 6.14 MMbbls
- Refinery production in 2023: 3.16 MMbbls of diesel and gasoline
- Electricity generated by subsidiary SPCS in 2023: 1.60 million MWh, of which 75% came from a hydro-electric plant, 78,000 MWh above target; thermal plant production: 425,700 MWh of electric power, 110,100 MWh above target
- Subsidiary's GOw2 market share in the retail sector in 2023: 65% v 37% in 2022

Like its flora, Suriname's fauna is diverse and unique, consisting of endangered species, especially Guiana Shield endemics. Known classifications of fauna include 192 species of mammals, 715 birds, 315 freshwater fishes, and 277 herptofauna.

SURINAME ENTITIES OF INTEREST

Maritime Authority Suriname (MAS)

The primary regulator for maritime activities. MAS ensures international standards compliance, vessel licensing, and environmental rule enforcement.

Coast Guard Suriname

Responsible for maritime security, search and rescue, and enforcing safety and environmental laws through patrols and inspections.

National Institute for Environment and Development in Suriname (NIMOS)

Focuses on environmental impact assessments, research, and providing data for marine resource management decisions.

**Ministry of Agriculture,
Animal Husbandry, and
Fisheries**

Oversees sustainable fisheries management, protecting fish stocks and promoting responsible fishing.

**National Coordination
Centre for Disaster Relief
(NCCR)**

Primarily focused on disaster management but also responds to maritime environmental emergencies.

**Ministry of Spatial Planning,
Land, and Forest
Management**

Manages and conserves coastal and marine ecosystems, including protected areas and biodiversity.

**Ministry of Natural
Resources**

Regulates mining and offshore activities with an emphasis on environmentally responsible practices.

**Staatsolie Maatschappij
Suriname N.V.**

Staatsolie, founded on 13 Dec. 1980 with the Republic of Suriname as the sole shareholder, is a vertically integrated state-owned company. Staatsolie is a commercial entity, and pursuant to its bylaws also has an institutional function.

Commercially, Staatsolie is involved in exploration, drilling, production, refining, marketing, sales including service stations, transport of crude and refined products, and generation of electricity.

Staatsolie is taking steps to boost the availability of clean and affordable energy for Suriname's population. The company is also investing in renewable energies.

A move into the renewables space and towards cleaner energy sources will afford Suriname to reduce its carbon footprint amid a rise in fossil fuel production offshore; thus, it will assist to contribute to a healthier environment and climate action.

Diversification of Suriname's energy mix with solar and hydro energy will boost the country's energy security by

reducing its reliance on costly imported fossil fuels.

Increased green energy supply aligns with global sustainability goals (net zero goals), while it further enhances Suriname's image as an eco-conscious country.

In specific, reduction in carbon dioxide (CO2) emissions through the adoption of solar and hydro energy aligns directly with climate action objectives, fostering a sustainable and climate-resilient future.

**Staatsolie Hydrocarbon
Institute N.V. (SHI)**

SHI embodies the institutional role of Staatsolie by executing institutional tasks and duties. SHI's main objective is to "maximize the value from petroleum resource development for Suriname, through prudent resource management, with utmost respect for the environment, and with highest regard for safety."

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OIL AND GAS

Suriname shares the prolific Guyana-Suriname maritime basin with Guyana. And, according to data from a renowned **US Geological Survey (USGS)** in 2012, the Guyana-Suriname Basin had estimated F95 reserves of 5.167 bn bbls.

That's to say there was a 95% chance of at least the amount tabulated. Then, the basin also had estimated F50 reserves of 12.494 bn bbls and estimated F5 reserves of 25.981 bn bbls.

Fast forward to today and a 3-company consortium led by **ExxonMobil Corporation** that includes **Hess Corporation** and **China National Offshore Oil Company (CNOOC)** in Guyana's prolific Stabroek Block offshore have found estimated gross discovered recoverable resources of more than 11 bn bbls of oil equivalent. And, energy pundits covering Guyana say the final figure could easily be double that.

Stabroek production is expected to reach 1.3 million

barrels per day (MMb/d) by 2030 from just 6 developments (Liza Phase 1, Liza Phase 2, Payara, Yellowtail, Uaru, and Whiptail), according to details revealed by ExxonMobil and Hess.

Will Suriname be a Guyana 2.0?

Well, it's frankly too early to tell. But, that doesn't take away from the importance of the Block 58 project GranMorgu and other developments to follow.

For what it's worth, Block 58 couldn't compete directly with Stabroek in a 1 versus 1 scenario. That said, more Suriname offshore blocks would need to complement Block 58 to achieve what has been achieved to date in the lone Stabroek Block.

Guyana occupies an area of around 83,000 sq. miles, which puts it on par with the size of Great Britain, Narrowing in on Stabroek, located 120 miles offshore Guyana, it covers 6.6mn acres. That 1 block is

equivalent in size to around 1,150 US Gulf of Mexico (GOM) blocks and contains multiple prospects and play types, Hess executives have said on a number of occasions in recent years.

MAJOR UPSTREAM COMPANIES IN SURINAME

- **China:** China National Oil Compay (CNPC)
- **France:** TotalEnergies
- **Malaysia:** Petronas
- **Qatar:** QatarEnergy
- **Suriname:** Staatsolie, Paradise Oil Company N.V. (POC)
- **UK:** Shell plc
- **US:** APA Corporation, Chevron

For its part, Block 58, located adjacent to Stabroek on the Suriname side of the Guyana-Suriname maritime border, covers just 1.4mn acres, according to details revealed by **TotalEnergies** and **APA Corporation**. **EAI**

TOTALENERGIES TAKES \$10.5BN FID FOR BLOCK 58

TotalEnergies chairman and CEO Patrick Pouyanné, Suriname president Chandrikapersad Santokhi, and **Staatsolie Maatschappij Suriname N.V.** CEO Annand Jagesar participated in the announcement ceremony on 1 Oct. 2024 for the final investment decision (FID) for the GranMorgu development located on offshore Block 58.

First oil from GranMorgu is expected in 2028.

TotalEnergies operates Block 58 with a 50% interest, alongside **APA Corporation** (50%).

Staatsolie has announced its intent to exercise its option to enter the development project with up to 20% interest. Both TotalEnergies and APA have agreed that Staatsolie will contribute to the project from FID and will finalize its interest before Jun. 2025.

"Building on TotalEnergies' pioneering spirit, this landmark project marks the first offshore development in the country and capitalizes

on our extensive expertise in deep offshore innovation. Launched only a year after the end of appraisal, GranMorgu fits with our strategy to accelerate time-to-market and develop low-cost and low emission oil projects," Pouyanné said during the ceremony.

"We look forward to continuing our fruitful collaboration with Staatsolie to deliver a transformative project for Suriname's economy," Pouyanné said.

The name GranMorgu has a double meaning in Sranan Tongo, the local language of Suriname.

Firstly, it refers to the goliath grouper, a fish found in the country's coastal waters that symbolizes strength and longevity, and is said by some South American and Caribbean Amerindian communities to possess supernatural powers.

Secondly, GranMorgu also means "a great morning" or "a new dawn."

A LANDMARK PROJECT

GranMorgu is a deep offshore oil project that will develop the Sapakara and Krabdagu oil discoveries, on

which a successful exploration and appraisal campaign was completed in 2023. The fields are located 150km off the coast of Suriname and hold recoverable reserves estimated at nearly 760 MMbbls, according to TotalEnergies.

The project includes a 220,000 barrels of oil per day floating, production, storage and offloading (FPSO) unit, that replicates a proven and efficient design.

The FPSO is based on the design principles of tried-and-tested units in Guyana in the same type of environment. The FPSO has been designed to allow the future connection of satellite fields to extend the duration of its production plateau.

GranMorgu leverages technology to minimize greenhouse gas emissions, with a scope 1 and 2 emissions intensity below 16 kg CO₂e/boe owing in particular to:

— an all-electric FPSO configuration, with zero routine flaring and full reinjection of associated gas into the reservoirs;

QUICK FACTS FROM APA CORPORATION

— APA Corporation is an active member of **Wild Well Control's** WellCONTAINED Subsea Containment System for Suriname operations. Said membership includes contingency planning, and response, to an uncontrolled subsea well event. APA, during its time as operator of Block 58, utilized a detailed Source Control Emergency Response Plan (SCERP) for offshore Suriname planning, designed to ensure the company's source control emergency preparedness efforts will be met in the unlikely event of an actual response to an uncontrolled well event. This includes the use of subsea dispersant systems and field deployment of one of Wild Well Control's containment system capping stacks.

— Key terms of the Block 58 agreement between APA Corporation and TotalEnergies stipulate the French company pay a proportionately larger share of appraisal and development costs, to be recovered through hydrocarbon participation. For the first \$10bn of gross capital expenditures (Capex), TotalEnergies pays 87.5%, while APA pays 12.5%; for the next \$5bn in gross Capex, TotalEnergies pays 75% and APA pays 25%; and for all gross Capex above \$15bn, TotalEnergies pays 62.5% and APA pays 37.5%.

— an optimized power usage with a Waste Heat Recovery Unit and optimized water cooling for improved efficiency;

— the installation of a permanent methane detection and monitoring system relying on a network of sensors.

The FID is a historic milestone in Suriname's hydrocarbon industry, Jagesar said during the ceremony.

"What seemed like a distant dream is becoming a reality.

This will be the largest investment ever in our country. This project will yield significant income for Suriname and needs to lead to better living standards for every citizen of Suriname," Jaguar said.

"We are convinced, based on the measures taken and the track record of TotalEnergies, that the GranMorgu project will have a world class operational and environmental performance," Jagesar said.

MAXIMIZING LOCAL CONTENT

Significant investments will be made in local content and job creation and will contribute to the development of the Surinamese economy. Paramaribo will serve as the primary hub for administrative, support and logistic activities. Local companies will be involved in logistics, well services, as well as the installation and operations of the subsea systems and the FPSO.

Overall local content is estimated to be between \$1bn-\$1.5bn and more than 6,000 jobs (2,000 direct and 4,000 indirect and induced) are expected to be created in Suriname.

Alongside the FID announcement, TotalEnergies and APA signed a Memorandum of Understanding (MOU) with the **Health Ministry** to support the rehabilitation of 2 mother and child hospitals in Paramaribo.

"Suriname and its people welcome and appreciate the final investment decision of Total Energies and APA Corporation regarding Block 58 with Staatsolie Suriname

NV. We consider this a historic and milestone occasion, creating significant opportunities and revenue prospects for Suriname, as well as attracting investors worldwide," Santokhi said during the ceremony.

"This important decision will boost our domestic capabilities and investments and have a major impact on local content opportunities. Suriname is committed to a strong and loyal partnership and expects that the offshore oil and gas development will take off in compliance with environmental regulations and standards," Santokhi said.

STAATSOLIE EYES RAISING \$2.4BN TO ENTER GRANMORGU

Staatsolie Maatschappij Suriname N.V. plans to participate in the \$10.5bn GranMorgu project in Block 58 with up to a maximum of 20% interest. And, as part of this decision, Staatsolie looks to procure its estimated commitment to the project through a bond issuance and financing as well as another company contribution.

Current partners in GranMorgu, **TotalEnergies**, with a 50% interest, and **APA Corporation**, with a 50%, agreed Staatsolie would contribute to the project from the 1 Oct. 2024 final investment decision (FID). Both partners also concurred Staatsolie would have to finalize its interest before Jun. 2025.

But, that \$10.5bn GranMorgu FID doesn't include the costs of inflation and unforeseen costs. Including these costs, the total investment is estimated at \$12.2bn, according to Staatsolie estimations. And, based on the latter figure, Staatsolie will therefore have to contribute upwards to \$2.4bn to the project.

Staatsolie is positive about its participation in GranMorgu owing to its "solid performance in recent years, a strong track record in financial management, and sustainable relationships with international, regional, and local banks, as well as local and regional investors," the company said 30 Dec. 2024 in an official statement. This, despite the small country's current economic challenges.

Staatsolie plans to raise a portion of funds through the

issuance of new bonds, while the other part will be financed through loans and/or partnerships and an own contribution (which has already been secured), the company said.

Importantly, Staatsolie looks to launch a bond issuance sometime in Jan. 2025.

Staatsolie, Suriname's vertically integrated state-owned company was founded on 13 Dec. 1980. The experienced company — which will now try its luck in the deep water region — has laid a solid foundation for the further development of the Surinamese oil and gas industry under its core principle of "confidence in our own abilities."

Under Staatsolie's vision of "energizing a bright future for Suriname," the company remains committed to ensuring "Suriname benefits maximally from the opportunities that have arisen offshore."

Offshore Suriname, numerous companies have plans to continue with their exploration activities in their respective blocks. A total of 5 exploration wells have already been committed for 2025.

For its part, Staatsolie will continue to market the remaining unexplored offshore area to the oil and gas industry.

"A wealth of geological information is now available, while seismic and other geological surveys are underway. The aim is to contract as much of the offshore area as possible," the company said in the 30 Dec. 2024 statement.

Staatsolie expects ongoing onshore projects and others that will start will help to maintain Suriname's current oil production levels of around 16,500 b/d of oil. Importantly, all of that production comes from 3 onshore fields located in the Saramacca District.

Suriname's oil is denominated Saramacca Crude.

Plans to implement various exploration programs, including but not limited to the Coronie and the Uitkijk areas, could help Suriname find new onshore oil reserves, according to Staatsolie.

POWER GENERATION

Beyond Suriname's upstream sector, Staatsolie is also involved in the country's power sector.

There, the company's thermal power plant and a hydro-electric dam supply approximately 75% of Suriname's electricity demand, according to details in the company's most recent annual report.

Staatsolie plans to continue to increase the generating capacity of the Brokopondo hydroelectric power plant in 2025.

The company looks to achieve this goal through the implementation of a multi-year program in which the turbines of 3 of the 6 generating units will be optimized.

In the green energy space, Staatsolie looks to continue to explore possibilities.

After obtaining approval from regulatory authorities, Staatsolie looks to start the construction of a solar power plant with a generating capacity of 30 megawatt-peak (MWp).

ECONOMY STAGED FOR UPTURN

Dutch-speaking Suriname is home to around 638,000 habitants (in 2023), according to **International Monetary Fund (IMF)** data.

Suriname is bordered by Guyana to its west and French Guiana to its east. Brazil, which boasts the largest land holding in South America, and which is also home to the largest population (around 212 million according to the IMF) in South America, neighbors Suriname to the south.

Suriname is a key exporter of aluminum goods, gold and hydrocarbons. In recent years the country's economy has shown modest single-digit growth. Real gross domestic product (GDP) growth was around 2.1% in 2023 and 3% in 2024 and is expected to average around 3% again in 2025, according to the IMF.

This, as inflation, which was around 51.6% in 2023, fell to around 19.1% in 2024 and is expected to drop to around 13% in 2025, according to IMF preliminary estimates.

Suriname's economy is expected to get a welcome

initial uptick in 2028 when GranMorgu comes online and potentially higher upwards movements as the project ramps up production.

With regards the recent FID announcement for GranMorgu, IMF directors underscored in an official statement on 18 Dec. 2024, in an eighth review under the Extended Fund Facility (EFF) arrangement for Suriname, the critical importance of proper institutional frameworks to prudently manage the oil wealth.

Always fearful of the so-called Dutch Disease or the Resource Curse — that over reliance of a country on 1 main export industry at the expense others, which often results in an over reliance on imports of other products not produced domestically in sufficient supply — IMF officials expressed some suggestions to the Suriname government of president Chandrikapersad Santokhi.

One need not look further than Venezuela for a classic text case of the Resource Curse. Some cynics even say that small LNG exporting country off Venezuela's coast suffers to some degree from the same curse.

IMF directors have urged Suriname authorities to promptly revamp the sovereign wealth fund and put in place strong and transparent fiscal rules, as well as to adhere to extractive industries transparent initiative (EITI) standards.

IMF directors also underscored the importance of institutional changes to increase the efficiency, transparency, and accountability of the energy sector.

STAATSOLIE ISSUES NEW DOLLAR AND EURO BOND

Staatsolie Maatschappij Suriname N.V. launched a new bond to raise at least \$250mn and €50mn.

Funds from the issuances will be used to support Staatsolie's participation in the development of the GranMorgu offshore oil field in Block 58.

The official launch of the bond issuance took place on 31 Jan. 2025.

The Staatsolie Bond 2025-2033 is available in both US dollars and Euros,

and takes effect on 23 Mar. 2025, and has an 8-year term.

The interest rate is set at 7.75% for the US bond and 7.25% for the Euro bond, Staatsolie said 31 Jan. 2025 in an official statement.

Investors can participate from as little as \$100 or €100. For larger investors residing in Suriname, Curaçao, or Saint Maarten, a denomination of \$30,000 is available.

De Surinaamsche Bank (DSB) is the lead arranger for this bond issuance.

The bonds will be publicly tradable on the Dutch Caribbean Securities Exchange (DCSX) and the Suriname Stock Exchange (SSX).

STAATSOLIE'S 20% INTEREST IN GRANMORGU

As outlined in the production-sharing contract (PSC), Staatsolie will take up to a 20% stake in the GranMorgu project in Block 58.

The total investment for the project is estimated at \$12.2bn, with Staatsolie's share amounting to \$2.4bn.

The new estimates are down from \$13.2bn and \$2.6bn, respectively, announced by Staatsolie on 2 Jan. 2025.

The proceeds from this bond issuance will help Staatsolie finance its portion, reducing the need for bank loans. The company has also set aside cash reserves for the GranMorgu investment.

Another key objective of this bond issuance is to refinance the Staatsolie Bonds 2020-2025 and 2020-2027, which previously raised \$195mn to support the 2020-2027 investment program.

CONTRIBUTION TO THE ECONOMY

Over the years, Staatsolie has consistently delivered strong financial and operational performance, playing a vital role in Suriname's economy.

In the past 3 years, Staatsolie's contribution to the South American country's gross domestic product (GDP) averaged 9.5%, while its share in government revenues stood at around 32%.

The success of Staatsolie's past 3 bond issuances

"proves that confidence in our own capabilities is the foundation of our strength and stability," the company said.

STAATSOLIE HIGHLIGHTS KEY 2024 ACTIVITIES

With the approval of the development plan and the announcement of the final investment decision (FID) for a production field in Block 58, 2024 marked a historic milestone for **Staatsolie Maatschappij Suriname N.V.** and Suriname. The production and financial results of the past year confirm the solid foundation of the company.

In 2024, developments in the offshore sector, particularly in Block 58, necessitated significant efforts. Staatsolie has delivered strong performance in its ongoing operations and focused on achieving various objectives to continue making a substantial contribution to the Surinamese economy and society.

On 30 Sep. 2024, Staatsolie approved the development plan for the GranMorgu field

in Block 58, followed by **TotalEnergies'** announcement on 1 Oct. 2024 of a FID for the project. TotalEnergies chairman and CEO Patrick Pouyanné visited Suriname for this occasion.

The name GranMorgu is derived from a fish species found in Surinamese coastal waters and symbolizes a new beginning for Suriname, which is currently facing economic challenges.

First oil production from the GranMorgu field is expected in 2028, according to the project timeline. Contracts for major production facilities have been signed, securing a significant portion of the capital investment. Construction of the floating, production, storage and offloading (FPSO) unit is underway.

In coming years, wells will be drilled, subsea installations and pipelines will be laid, and modules will be installed on the already acquired floating platform. In particular, the operational activities for drilling the wells will take place from Suriname. This will have a significant spin-off for the Surinamese economy, due to the employment of local labor and the local

procurement of goods and services (local content). Over the past year, Staatsolie has continued to inform local businesses and other stakeholders about the opportunities available.

In Mar. 2024, a Letter of Agreement (LOA) was signed with **Petronas** for Block 52. The LOA is necessary to further investigate the gas discovery made in 2020 with the Sloanea-1 exploration well. The agreement outlines the key terms and conditions for exploring the commercial viability of developing a gas field in Block 52. As a direct result of the LOA, the successful Sloanea-2 exploration well, including a production test, was drilled in the second-quarter 2024. Based on this success, Petronas has initiated pre-development activities.

On 15 May 2024, Petronas confirmed a discovery at the Fusaea-1 exploration well in Block 52. This discovery is being further evaluated to determine the size of the reservoir. Additionally, studies will be conducted to assess the potential for developing the Fusaea-1 discovery together with the earlier Roystonea-1 discovery and further exploration.

Two exploration wells are planned to be drilled in 2025 to facilitate these studies.

On 13 Sep. 2024, Staatsolie and **PetroChina Investment Suriname B.V.**, a subsidiary of **China National Petroleum Corporation (CNPC)**, signed production sharing contracts for offshore blocks 14 and 15. With these contracts, PetroChina has obtained exploration, development, and production rights in both blocks. Staatsolie, through its subsidiary **Paradise Oil Company N.V. (POC)**, holds a 30% participating interest.

STAASTOLIE EYES REVENUES OF \$720MN IN 2024

Staatsolie Maatschappij Suriname N.V. expects its consolidated revenue will reach \$720mn in 2024, down slightly compared to \$722mn in 2023.

Pre-tax profit is projected at \$429mn in 2024, up compared to \$426mn in 2023, while earnings before interest, taxes, depreciation, and amortization (EBITDA) is expected to reach \$600mn in 2024, down compared to \$632mn in 2023, state-owned Staatsolie said 30

Dec. 2024 in an official statement.

The company also projects contribution to the government's treasury at \$390mn in 2024, up compared to \$335mn in 2023, in the form of taxes, dividends, and royalties from Staatsolie's participation in gold mines, the company said.

Staatsolie's contribution to Suriname's gross domestic product (GDP) in 2024 was 8% of the total GDP, representing around 32% of total government revenue in 2024, the company said.

Staatsolie said that 6.4 million barrels (MMbbls) of Saramacca crude were produced in 2024 (17,534 b/d), up slightly compared to 6.27 MMbbls in 2023 (17,178 b/d). The higher oil production was attributed to various improvement projects initiated or ongoing in recent years, according to the company.

The production of high-quality diesel and gasoline at the Staatsolie refinery was 3 MMbbls in 2024 compared to 3.16 MMbbls in 2023. The lower refinery production was the result of the refinery being out of service for a

major maintenance overhaul.

"This quadrennial maintenance overhaul was successfully and safely completed within time and budget. Several improvement projects were carried out, contributing to more efficient refinery operations," Staatsolie said in the statement.

Staatsolie's subsidiary, **Staatsolie Power Company Suriname N.V. (SPCS)**, generated 1.41 million megawatt hours (MWh) of electricity, accounting for 67% of Suriname's electricity demand. 42% of the electricity demand was supplied from the SPCS Brokopondo hydropower plant, the company said.

Staatsolie subsidiary **GOW2** maintained its market share of 55% in 2024.

The year 2024 also saw Staatsolie expand its retail network as part of the world class retail network project. 2 new service stations, owned and operated by dealers, were opened.

The complete renovation of 3 company-owned stations has commenced and will be completed in 2025.

In the coming years, several GOW2 service stations will be renovated, "contributing to improved customer experience and maintaining market share in the retail segment," Staatsolie said.

As part of product innovation, GOW2 introduced gasoline and diesel with additives under the NRG+ brand this year.

STENA DRILLING INKS 1 EXPLORATION WELL CONTRACT

Stena Drilling was awarded a 1 exploration well firm managed pressure drilling contract for the its Stena *Drillmax* in Suriname with **TotalEnergies EP Suriname B.V.**

The program is expected to start in the second-quarter 2025, and also includes the opportunity to extend for up to an additional 3 wells also in Suriname, Stena said 29 Jan. 2025 in an official statement.

SAIPEM INKS \$1.9BN CONTRACT FOR GRANMORGU

Saipem was awarded an \$1.9bn EPCI contract by **TotalEnergies** subsidiary **TotalEnergies EP Suriname B.V.** for the subsea development of the GranMorgu project offshore Suriname.

Saipem's scope of work entails the engineering, procurement, supply, construction, installation, pre-commissioning and assistance for the commissioning and start-up of the Subsea Umbilicals, Risers and Flowlines (SURF) package, Saipem announced 14 Nov. 2024 in an official statement.

This work includes the Engineering, Procurement, Construction, and Installation (EPCI) of approximately 100km of 10" to 12" subsea production flowlines, 90km of 8" to 12" water and gas injection lines, and the T&I of flexible risers, umbilicals and associated structures, at water depths ranging from 100m-1,100m.

For the offshore campaign, taking place between 2027-2028, Saipem will deploy a combination of S-

Lay and J-Lay vessels, providing the optimal pipeline installation solution, the company said.

Saipem will execute the project in cooperation with **TechnipFMC**, the company in charge of the Subsea Production System (SPS) and flexible risers and umbilical equipment packages, to optimize the integration between the mutual scopes of work.

This Suriname contract contributes to Saipem's overall fleet booking until 2028. Further, it consolidates Saipem's presence in South America and reinforces the company's track record in the development of complex subsea projects.

TECHNIPFMC BAGS IEPCI CONTRACT FOR GRANMORGU

Technology provider **TechnipFMC** was awarded a major integrated Engineering, Procurement, Construction, and Installation (iEPCI) contract by TotalEnergies for its GranMorgu project on Block 58 offshore Suriname.

TechnipFMC classifies a "major" contract as one with

a value that exceeds \$1bn. The contract with the French energy producer represents the value of the contracted scope awarded, TechnipFMC said 14 Nov. 2024 in an official statement.

"We are bringing our new frontier experience and differentiated technology — including Subsea 2.0® — while leveraging the complementary capabilities of our vessel ecosystem," TechnipFMC President, Subsea, Jonathan Landes said in the statement.

This award will be included in inbound orders in the fourth-quarter 2024, TechnipFMC said.

This iEPCI award supports the development of an emerging frontier and is enabled by the company's vessel ecosystem.

The project will combine TechnipFMC's leading subsea architecture with Saipem's EPCI solutions and best-in-class pipelay capabilities — notably J-Lay, the optimal solution given the location offshore Suriname — to accelerate time to first oil and increase schedule certainty, TechnipFMC said.

TechnipFMC's contracted scope for the project includes Subsea 2.0® tree systems, manifolds, connectors, and topside control equipment. The company will also supply umbilicals, flexible jumpers, and flexible risers.

EXXONMOBIL WITHDRAWS FROM SURINAME BLOCK 52

ExxonMobil Exploration & Production Suriname B.V. formally notified Suriname's state-owned **Staatsolie** that it will withdraw from Suriname offshore Block 52 with an effective date of 14 Nov. 2024.

The withdrawal is part of ExxonMobil's ongoing evaluation of assets in its global portfolio, Staatsolie said 20 Nov. 2024 in an official statement.

ExxonMobil is transferring its 50% working interest to a local subsidiary of Malaysia's **Petronas** called **Petronas Suriname E&P B.V.**, which operates the block. With said transfer, Petronas will hold a 100% working interest in Block 52.

Staatsolie expects operations in Block 52 will continue as usual.

The details of Exxon's exit come nearly a month-and-half after **TotalEnergies** and **APA Corporation** announced a \$10.5bn final investment decision (FID) for their GranMorgu project located offshore Suriname in Block 58.

BLOCK 52 DETAILS

Block 52 covers an area of 4,749 km² and is located north of the Surinamese coast. A gas discovery was made in this block in 2020 with the Sloanea-1 exploration well.

Petronas is further exploring the gas discovery with the drilling the Sloanea-2 appraisal well earlier this year.

Staatsolie said a Letter of Agreement (LOA) was also signed with the contractor on 4 Mar. 2024, without providing details.

The Block 52 production sharing contract (PSC) allows parties to bring in partners to a block or transfer their interests to another party.

This is common practice in the oil and gas industry, Staatsolie said in the statement.

Staatsolie said companies decide to partner in an area or exit based on their global portfolio and risk assessment.

The Suriname energy company expects Petronas to continue the activities in Block 52 without interruption and is confident in the continuation of the good partnership between the 2 companies.

PETROBRAS AND STAATSOLIE INK MOU

Brazilian energy giant **Petrobras** signed a non-binding memorandum of understanding (MOU) with its Surinamese counterpart **Staatsolie Maatschappij Suriname N.V.** aimed at assessing cooperation opportunities in the areas of hydrocarbon exploration and production, carbon capture, new energy sources, contingency response planning, among others.

The cooperation with Staatsolie could also lead to better sustainable oil and gas practices and contribute to climate resilience in the

region, Petrobras said 26 Sep. 2024 in an official statement.

The MOU is in line with Petrobras' strategy to develop partnerships that allow it to share risks and expertise, seeking to strengthen the company as an integrated energy company and contributing to the success of the fair and responsible energy transition, the company said in its statement. **EAI**

LNG POTENTIAL

Several gas developments are underway in Guyana and Suriname that could offer new competitive LNG supply sources early next decade, **Wood Mackenzie** said in a recent report.

Guyana and Suriname could supply up to 12 million metric tonnes per annum (mmtpa) of LNG by the next decade, according to the report "Can Guyana and Suriname LNG compete against new global supply?"

Guyana's Haimara cluster and Suriname's Block 52 (Sloanea) are estimated to hold 13 trillion cubic feet (Tcf) of discovered non-associated gas, according to Wood Mackenzie.

These sources could deliver this potential LNG supply at a breakeven, excluding shipping and regasification costs, of about US\$6/MMbtu (FOB NPV10 breakeven).

The positive economic results are supported by high well productivity and upstream partners

experienced in LNG commercialization.

This comes at a time when the global market still needs 105 mmtpa of pre-final investment decision (pre-FID) LNG to fill the supply/demand gap by 2035, Wood Mackenzie said.

"Guyana and Suriname projects are firming up at an interesting time," said Wood Latin America Upstream Oil and Gas Mackenzie research analyst Amanda Bandeira.

"US and Qatar LNG dominance is rapidly growing, but there is a supply window in the mid-2030s coming in part from the US President Biden's pause on approving new US LNG export projects. In this environment, Guyana and Suriname can offer a new cost-competitive LNG supply source and serve as regional suppliers, holding shipping costs advantage to address Caribbean and South American demand. They are also on par with US Gulf and West Africa projects to deliver to the main demand centers in

Southeast Asia," Bandeira said.

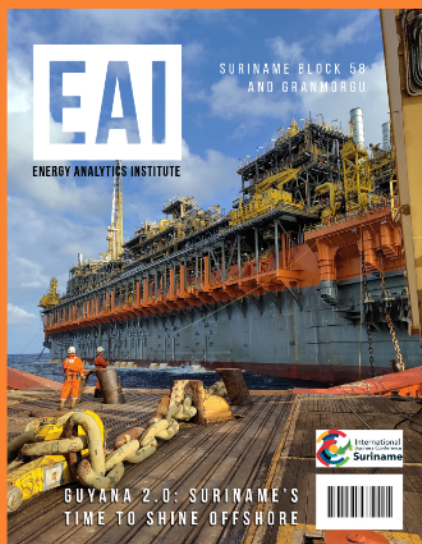
However, these developments face uncertainty as commercial structure and fiscal terms remain unclear.

"In Suriname, there is still no set terms for non-associated gas developments, but we expect this project to move forward swiftly — with first gas in 2031 — as the government and project partners have agreed to a 10-year tax break," said Wood Mackenzie Latin America Upstream principal analyst Luiz Hayum.

"In Guyana, the government and upstream partners alignment on fiscal terms and commercial structure are less advanced, and any disputes could delay the project first gas beyond 2031," Hayum said. **EAI**

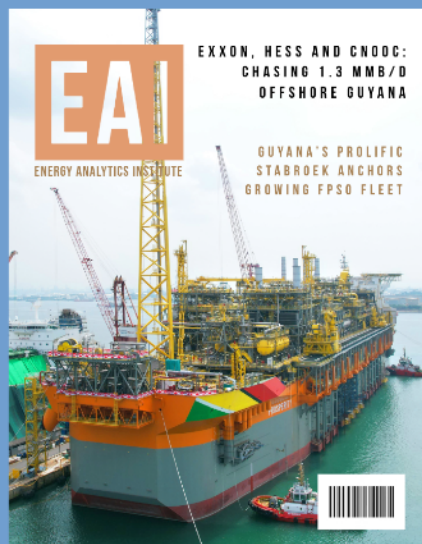
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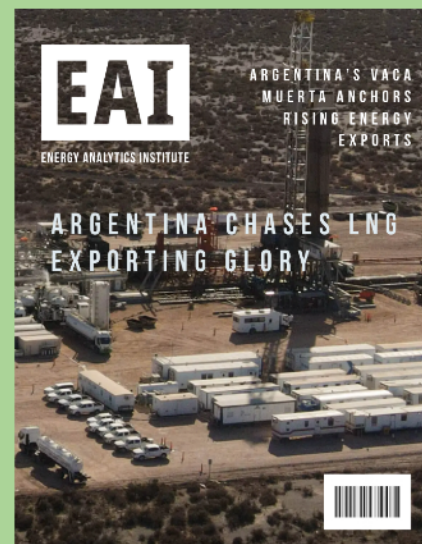
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Guyana



Stabroek

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LNG

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