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# PERSBERICHT

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## Staatsolie on track for the big leap

**Staatsolie Maatschappij Suriname N.V. is closing the year 2023 with a great sense of pride. The company has achieved its production targets and is inspired to head into 2024.**

Staatsolie is satisfied with the successful results of 2023. It has been a dynamic year with several milestones. For example, projects have been finalized to realize oil extraction in Saramacca at the current level in the long term, production targets have been reached by the refinery, and there have been strong developments in the Offshore. The visit of Patrick Pouyanné, Chairman and Chief Executive Officer of TotalEnergies - the operator in Block 58 - in September has been a highlight of this acceleration in the offshore.

### Production results

Staatsolie produces crude oil at Saramacca, refined products at its refinery at Tout Lui Faut and electricity through its subsidiary Staatsolie Power Company Suriname (SPCS).

In 2023, crude oil production was 6.26 million barrels (6.14 million barrels in 2022). That was about 200,000 barrels more than the target. The production of diesel and gasoline this year - the last year before the four-yearly major maintenance of the refinery - was 3.2 million barrels in accordance with the target (3.3 million barrels in 2022).

SPCS's electrical generation is estimated at approximately 1.6 million megawatt hours (MWh), of which 74% came from the hydroelectric plant. This realization is 173,000 MWh higher than planned.

Subsidiary GOw2 increased its market share in 2023. This year the company also opened its first gas station in the Commewijne district. As part of the 'World Class Retail Network' project, at least three GOw2 gas stations will be renovated in 2024. This should ensure that GOw2 is confirmed as a top brand in Suriname and that its market share in the retail segment is maintained.

### Financial results

The unaudited financial results of almost the past year are positive. Below (and in appendix 1) is an overview of the results:

- By 2023, Staatsolie and its subsidiaries are expected to achieve a consolidated turnover of more than US\$700 million. The lower average oil price of US\$77 per barrel in 2023, compared to US\$93 per barrel in 2022, has resulted in total revenues being slightly lower than last year.
- Pre-tax profit is estimated at over US\$420 million (US\$430 million in 2022).
- The contribution to the state treasury has increased to more than US\$ 335 million (US\$ 320 million in 2022). The contribution is made through taxes, dividends and royalties from Staatsolie's participation in gold mines.

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## Staatsolie Maatschappij Suriname N.V.

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The bonuses received for signed production sharing contracts with various offshore partners, as well as higher production and the implementation of company-wide optimization programs, have mainly contributed to the good financial results this year.

## **Offshore**

Staatsolie remains committed to having as much of the offshore area under contract as possible. To this end, production sharing contracts were signed for offshore Blocks 6 and 8 with the international oil companies TotalEnergies Suriname and QatarEnergy on May 28, 2023.

On 15 December 2023, production sharing contracts were signed for three deepwater offshore blocks, namely Blocks 63, 64 and 65. This signing is the result of the Demerara Bid Round that ran from November 2022 to May 2023. For Block 63 the contract was signed with PETRONAS, and for Block 64 with the collaborating companies TotalEnergies, QatarEnergy and PETRONAS. Finally, Block 65 was signed with BG International (a subsidiary of Shell) and QatarEnergy.

As a highlight in the offshore, Patrick Pouyanné, Chairman and Chief Executive Officer of TotalEnergies, visited our country on September 13 to announce the preliminary design of the first production field in Block 58. TotalEnergies, as operator, leads the implementation in the partnership with APA Corporation in this block, fifty percent each. Together they drilled fourteen wells in this block. After evaluating the two main oil discoveries in Block 58, Sapakara South and Krabdagu, reserves of approximately 700 million barrels in both discoveries combined were confirmed. This demonstrated quantity is sufficient for a combined development of the two fields. In the preliminary design phase (pre - Front End Engineering Design, or pre-FEED), the selected concept of the project is further developed. After completing the pre-FEED, the Front End Engineering Design (FEED) starts, where the preliminary design will be refined into a basic design. The development of the first oil field is estimated at US\$9 billion.

In block 52, significant progress was made with a successful oil discovery in the Roystonea-1 well. The operator PETRONAS is very enthusiastic about this and will undertake more activities in 2024 in an attempt to further develop this. Staatsolie has also spoken to Petronas about exploring the previous gas discovery at the Sloanea well in this block. This discussion will continue in 2024.

In the field of Local Content, the BlueWave Supplier Development program was launched this year in collaboration with the international oil companies ExxonMobil and Chevron. The aim of this program is to take the business operations of local companies to a higher level, so that they have greater opportunities to supply goods and services to the offshore sector. A group of 25 companies have participated in this program, while preparations for the second group will start in the first quarter of 2024.

## **Environmental, Social and Governance (ESG)**

Staatsolie will also focus on its environmental, social and corporate policy in 2023. The company strives to provide a healthy and safe environment for employees and the communities in which it operates.

### *Environmental*

Minimizing negative effects on the environment is an important principle for the company. This year the Saramacca operation obtained ISO-14001 (environment) and ISO-45001 (safety) certificates. This further gives substance to one of Staatsolies core values 'Zero Harm'.

## *Social*

Staatsolie and the Staatsolie Foundation for Community Development have invested more than US\$1.8 million in social projects. Some of the investments made this year in the context of its social responsibility are:

- Renovating school buildings, as well as upgrading infrastructure at primary schools in various districts. More than US\$250,000 has been invested in these projects.
- More than US\$125,000 has been invested in healthcare through the purchase of necessary medical equipment.
- In celebration of the 10th anniversary of subsidiary GOw2 on December 13, the company and its retailers invested US\$ 100,000 in sustainable projects for the benefit of young people, people with disabilities and senior citizens.
- Various projects in the Brokopondo district, such as the construction of a drinking water installation in Nieuw Lombe and the purchase of materials for the maintenance of the district, have been financed. More than US\$75,000 was spent on this.

## *Corporate governance*

This policy enables building an environment of trust, transparency and accountability to promote long-term investments, financial stability and business integrity. Staatsolie has a Corporate Governance Code in which the principles and responsibilities of the management and the Supervisory Board (SB) are regulated. The composition of the Supervisory Board has changed as of December 1, 2023. Herman Alendy has resigned as chairman of the supervisory board. The current Supervisory Board consists of: Gonda Asadang (chairman of the supervisory board), Jim Bousaid (vice-chairman), Stanley Betterson (commissioner), Wim Bhoepsing Dwarkasing (commissioner), Leroy Jack (commissioner) and Maya Shrihar Doobe (secretary).

## **Perspectives**

Staatsolie is on track for the next big leap. This is based on the solid foundation of the existing activities and the material possibilities in the Offshore. We are committed to delivering this for Suriname.

In the **onshore** (land area) projects will be carried out to maintain production around 6 million barrels per year, including: expanding electricity capacity, upgrading the Jossie Creek and TA58 processing facilities and replacing process tanks and main pipelines in the production field. Work will also be done to increase oil reserves by carrying out an appraisal drilling program and exploration program in Uitkijk and Coronie.

The **refinery's** four-yearly major inspection and maintenance, Turnaround, will take place in the first quarter of 2024. Preparations for this major maintenance are going according to plan.

With regard to **electricity generation**, preparations will be made to increase the generation capacity of the hydroelectric power station. This is done by replacing the turbines of three of the six hydro units, which, in addition to expanding capacity, also increases the efficiency of these units.

Furthermore, in the context of green energy, after approval has been obtained from the authorities, a start will be made on setting up a 30 MWp solar power plant.

Solution models will also be examined and implemented to further stabilize the electricity supply to the Staatsolie refinery against fluctuations in the distribution network due to external factors.

In the **offshore**, a Final Investment Decision (FID) for the development in Block 58 is expected in the fourth quarter of 2024. To this end, various contractual obligations must be discussed with the operator TotalEnergies in 2024.

Steps are also being taken in the other blocks to conduct exploration drilling in the future.

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The second **shallow offshore** round was launched in December 2023 and there is a lot of interest from the international oil & gas sector. This round will close in June 2024, after which exploration activities can take place by the partners to whom those areas will be allocated after evaluation of the bid.

Staatsolie is grateful for the support of all stakeholders - the shareholder, supervisory board, employees, partners, service providers and Surinamese society - with which the 2023 results have been achieved. The vision "Energizing a bright future for Suriname" will further serve as our compass for all activities in 2024.

## ANNEX 1

	Planning 2023	Realisation forecast 2023	Realisation 2022
<b>Financial results</b>			
Consolidated turnover	US\$ 721 million	US\$ 700 million	US\$ 840 million
Profit for tax	US\$ 324 million	US\$ 420 million	US\$ 430 million
EBITDA*	US\$ 512 million	US\$ 625 million	US\$ 648 million
State treasury contribution	US\$ 292 million	US\$ 335 million	US\$ 320 million
Average oil price	US\$ 84 per barrel	US\$ 77 per barrel	US\$ 93 per barrel
Crude production	6,06 million barrels	6,26 million barrels	6,14 million barrels
Refinery			
- Diesel & gasoline ( <i>high-ends</i> )	3,2 million barrels	3,2 million barrels	3,3 million barrels
- Fuel oil	2,6 million barrels	2,4 million barrels	2,3 million barrels
- Bitumen	37.000 barrels	71.000 barrels	62.000 barrels
Electricity			
- Thermal	316.000 MWh	411.000 MWh	
- Hydro	1.095.000 MWh	1.173.000 MWh	
<i>Table: Results Staatsolie 2023 - Planning 2023 vs. Realisation forecast 2023 vs. Realisation 2022 1 barrel is 159 liter.</i>			

\* EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

**Noot voor de redactie (niet voor publicatie):**

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