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PRESS RELEASE

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Staatsolie Makes Important Contribution to State Treasury for Financial Year 2021

Staatsolie Maatschappij Suriname N.V. (Staatsolie) announces its audited results for the full year ended 31 December 2021. The company is pleased to report a year of strong operational and financial performance and closed the financial year with a consolidated revenue of US\$ 558 million and a profit before tax of US\$ 212 million. As a result, US\$ 186 million has been contributed to the state treasury. On 5 May 2022, the General Meeting of Shareholders (AGM) approved the financial statements for 2021.

In 2021, the company achieved all its production targets and with the recovery in commodity prices and continued cost discipline resulted in Staatsolie achieving strong financial results. These achievements are due to the dedication of all those involved to the success of Staatsolie and Suriname. The consequences of the Covid-19 pandemic and the economic situation in Suriname and the world have also been felt in the past financial year. Over the past two years, measures have been taken to address the effects of the pandemic and economic challenges.

Financial results

The average reference price for a barrel (159 liters) of Saramacca Crude was US\$ 70 compared to US\$ 44 per barrel in 2020. Staatsolie continues to maintain its low-cost competitive advantage mitigating risk in the event of sharp price declines. The investments in gold provide good diversification and a positive contribution to the balance sheet. In 2021, an average gold price of US\$ 1,798 per troy ounce was recorded (2020: US\$ 1,770 per troy ounce. 1 troy ounce is approximately 31.1 grams)

- Consolidated gross sales for 2021 are US\$ 558 million, an increase of approximately 31 percent compared to 2020 (US\$428 million).
- Earnings before interest, taxes, depreciation, and amortisation (EBITDA) amounted to US\$ 387 million (US\$ 316 million in 2020, an increase of 22 percent).
- Profit before tax increased 115 percent to US\$ 213 million, compared to US\$ 98 million in 2020.
- The contributions to the treasury consisting of taxes, dividends, and royalties, of US\$ 186 million (US\$ 132 million in 2020) are 44 percent higher than planned. In these economically challenging times for Suriname, Staatsolie's contribution to the state treasury is important.

Production Results

Despite periods of extreme rainfall in 2021 and associated flooding of our production operations and facilities in the Saramacca district, the company achieved its annual production target of six million barrels.

Despite some challenges, the production targets for refined products were also achieved. Approximately 2.98 million barrels of gasoline and diesel were produced during the year. In addition, a total of approximately 1.79 million barrels of bitumen and fuel oil were produced.

Subsidiary Staatsolie Power Company Suriname N.V. generated approximately eighty percent of Suriname's

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electricity demand (for households and industry). In 2021, approximately 348,000 megawatt hours (MWh) of thermal electricity was generated. At the Afobaka hydroelectric power plant, 1.1 million MWh was generated, 174,000 MWh more than planned. As a result, the government saved more than US\$ 20 million on the cost of generating electricity. This high utilization of the hydro power facility resulted in renewable energy sources contributing to over sixty percent of Suriname's overall electricity requirement during the year.

GOw2 Energy Suriname N.V., Staatsolie's retail business, has guaranteed the fuel supply to the Surinamese consumer throughout the year and maintained its market share.

Offshore

In 2021, a successful tender round was held, in which shallow water blocks were awarded to leading international oil companies further highlighting Suriname's offshore hydrocarbon potential. In October, Staatsolie and Chevron Exploration Suriname Limited (CESL) signed a production sharing contract for Block 5. Through subsidiary Paradise Oil Company N.V., Staatsolie holds a non-operated participating interest of forty percent in this block. In December, CSEL sold a third of its sixty percent stake in Block 5 to Shell (KE Suriname B.V.). In April 2022, Staatsolie and Chevron signed a production sharing contract for Block 7, with a twenty percent participation interest for Staatsolie. The uniqueness of these contracts is that Staatsolie is actively participating in these block from the start with respectively forty percent (Block 5) and twenty percent (Block 5), while not having to put up funds in the exploration phase.

Staatsolie's international partners are active in the deep offshore. In Block 58 (TotalEnergies and APA Corporation), the Sapakara South-1 well was added to the earlier finds in 2021. In February 2022, TotalEnergies and APA announced another oil discovery with the Krabdagu-1 well. In the Sapakara South-1 well, a "flow test" was carried out to assess the quantity and extent of the reservoir as well as the quality of the oil. The results were very positive and Staatsolie is optimistic that this field will play a material role in the first development in the deep-water area of Suriname.

In 2021, due to the good prospects, Staatsolie started the process of securing financing for its participation in the first deep-water development where the company has the right to participate up to twenty percent. A robust funding strategy has been developed and in March 2022, the company finalized the refinancing of its existing credit facility unlocking additional liquidity and laying a solid foundation for financing Staatsolie's participation in the first deep-water development.

Social Responsibility and the Environment

Staatsolie strives for a healthy and safe environment for employees and the communities around it and minimizing negative effects on the environment. Staatsolie and the Staatsolie Foundation for Community Development spent approximately US\$ 880,000 on social investments in 2021, with ample attention and support for Covid-19 related projects and programs. Staatsolie's partners in the offshore sector also spent around US\$ 680,000 on various social projects, focused on healthcare, education, infrastructure, and the environment.

Staatsolie is committed to the development of *local content* in the offshore oil industry, because this directly contributes to the development of Suriname. This concerns the supply of local goods and services and the employment of Surinamese people. In 2021, various actions and projects gave concrete substance to the *local content* development.

Worldwide, there is a lot of attention on climate change. Global warming is also attributed to greenhouse gases and Staatsolie is working to reduce its greenhouse gas emissions. To this end, the company's greenhouse gas emissions were determined for the first time in 2021: an average of 50,000 tons of CO₂ equivalent per month. The result has been audited according to international standards by the independent international agency Det Norske Veritas (DNV).

During the first half of 2022, Suriname experienced abnormally heavy rainfall in the inflow areas of our hydroelectric power plant in the Brokopondo district. As a precaution, our subsidiary Staatsolie Power Company Suriname N.V. (SPCS) decided to commence spilling in the middle of the official dry season. However, record amounts of rain fell in March and April, forcing SPCS to increase discharge to ensure the

integrity of the dam. As a result, low-lying areas in the villages downstream of the Suriname River are experiencing serious flooding. Together with the authorities, actions have been taken to alleviate the adverse effects and SPCS has mobilized funds for support in line with its social responsibility commitment.

Outlook

In the first quarter of this year, after an extensive evaluation, the vision, mission and core values were adapted to the current reality of Staatsolie and its ambitions. The strategic objectives for the next five years have also been adjusted. In addition to the continued focus on safe and efficient operations, much more attention will be paid to the offshore activities while sustainability will play an important role in our existing and new operations as well.

The results of 2021 have been achieved thanks to the support of all stakeholders – the shareholder, Supervisory Board, employees, partners, service providers and Surinamese society. Staatsolie looks to the future with confidence and will continue to contribute to the well-being and prosperity of the Surinamese society.

Attachment: [Summary Annual Report 2021](#)