



The Republic of Suriname is located on the northeast coast of South America and has a population of approximately 572.000. It gained independence on November 25, 1975. Currently Suriname consists of 10 districts and has a total of 16 ministries. The ministries

responsible for the extractive industry are the Ministry of Finance and the Ministry of Natural Resources. The Ministry of Finance is responsible for the Government budget and collection of direct and indirect taxes and other levies relating to the extractive sector. The Ministry of Natural Resources performs oversight and stimulates the natural resources sector. The local currency is the Surinamese Dollar (SRD).

Suriname has a long history of mining. It started with gold mining in the 18th century. The oil sector started in late 1920's with explorations. The bauxite industry was a primary source of income from 1940 to 2010 due to the Paranam Operations.

Source: EITI Report 2016, Executive Summary, page 14.

OIL & GAS SECTOR: STATE OIL COMPANY SURINAME



COMPANY FACTS

Official name: Staatsolie Maatschappij Suriname N.V.

Established on: 13 December 1980

Shareholder: The Republic of Suriname

Employees: 1,114 (as of January 2019)

Commercial Activities: Exploration, drilling, production, refining, marketing, sales, transport of crude and refined products, generation of electricity

Institutional Activities: Assessment of hydrocarbon potential, promotion, contracting and monitoring activities of other oil companies on behalf of the State

Oil fields: Tambaredjo, Calcutta and Tambaredjo North-West

Name of the crude: Saramacca Crude (low in sulfur and metal contents)

Average Crude production: 16,500 barrels

Staatsolie Refinery: Processing capacity of 15,000 barrels crude per day

Refinery products: Premium diesel, premium gasoline, fuel oil and asphalt bitumen

Markets: Suriname and the Caribbean

Subsidiaries: GOW2 Energy Suriname N.V., Staatsolie Power Company Suriname N.V., Ventrin Petroleum Company Limited (Trinidad)

CONSOLIDATED KEY PERFORMANCES INDICATORS

	2016	2017
Consolidated gross turnover	US\$ 358 million	US\$ 434 million
Consolidated Profit before tax	US\$ 9,2 million	US\$ 94,2 million
ROE	-1%	5%
Investments	US\$ 150 million	US\$ 130 million
Annual Crude production	5.98 million barrels	5.95 million barrels

In 2016, Staatsolie, as the sole concession owner for Oil and Gas in Suriname (Mining Decree 1981 and the Petroleum Act 1990), had Production Sharing Contracts in the offshore area of Suriname with:

- » Kosmos Energy Suriname
- » Teikoku Oil Suriname
- » Apache Suriname Corporation LLC
- » Petronas Suriname E&P B.V.
- » Tullow Oil Suriname B.V.

In 2016 the reported total payment to the Government from the Oil and Gas Companies was SRD 143,270 million.

MINING SECTOR

The following minerals are produced in the mining sector:

- » Gold and silver
- » Diamond
- » Bauxite
- » Quarry for building purposes
- » Other ores

Gold was the primary mining product in 2016 since the bauxite industry has stopped their mining activities after almost 100 years active in Suriname.

Gold mining consist of two main categories. The artisanal and small and medium scale gold mining is one category and the other is the industrial gold mining.

In the small and medium scale mining there is a bundling of small and medium size gold companies (approx. 40 entities) into a foundation for holders of mining rights and other small and medium miners (SHMR).

As of December 31, 2016, the mining companies operating in Suriname are:

MINING COMPANIES	LAW AND REGULATIONS	AREA OF INTEREST DEC 31, 2016
Rosebel Gold Mines N.V.	Mineral agreement 1994/1st amendment 2003/2nd amendment 2013	Rosebel, Charmagne, Overman Resources, Thunder Mountain, Saramacca
Newmont Suriname LLC	Mineral agreement 'Merian Gold Project'/ 2013	Merian, Amazonia, Hill 1627
N.V. Grassalco (State owned)	National Prosecution Service of 1971/ authorization act 1971 to establish NV Grassalco SB/ Mining Decree 1986	Maripaston, Lely, Goliath, Rosebel (aggregate)
Small and medium size gold mining companies	Mining Decree 1986	Several

ROSEBEL GOLD MINES SURINAME (RGM) AND NEWMONT SURINAME

RGM started the first commercial production in Suriname in 2004 and was therefore a full year production in 2016, while Newmont Suriname commenced commercial production in the last quarter of 2016.

GOLD PRODUCTION OF 2016:

RGM: 311,808 Oz

Newmont Suriname: 104,199 Oz

N.V. GRASSALCO

Grasshopper Aluminum Company (Grassalco) is a state owned company established in 1971 with the man purpose to work in the mining, industrial, commercial and transport fields.

Grassalco reported a production of 167,408 m3 aggregate and 1,163 Oz Gold.

In total payment of 2016 from RGM, Newmont and Grassalco to the Government is SRD 380.302 million and the total number of employees working at these companies is 2,461.

SMALL AND MEDIUM SCALE MINERS

The small and medium size gold mining companies do not export their product but sell this to local buyers. Royalty fees are collected from the exports of gold undertaken by the licensed gold exporter(s). Small and medium size miners therefore do not pay royalty fees directly to the Government but to the buyers of gold. Royalty payments, at the point of export, are being deposited in the account of the State at the Central Bank of Suriname (CBoS). The buyers and exporters of gold are not holders of mining rights and therefore do not operate under the mining decree or a special mining agreement.

The quantity of the estimated production by the small-medium scale gold mining companies amounts to 14,475 kilos in 2016, while exports and royalties paid amount to 13,786 kilos and SRD 93,079 million respectively. This working assumption does not include or estimate the possible smuggling of gold in and out of Suriname.

SOCIAL EXPENDITURE BY REPORTING COMPANIES

Through the Staatsolie Foundation for Community Development, a separate fund financed by Staatsolie and managed by a board consisting of members from within and outside of Staatsolie, some social projects have been carried out.

In 2016 a reported total amount of USD 3,213,000.00

was spend on social expenditures by various companies in the oil, gas & mining sector. The companies which reported their contributions for 2016 are: Kosmos Energy Suriname, Teikoku Oil Suriname (TOS), Petronas Suriname E&P B.V., Tullow Oil Suriname B.V., N.V. Grassalco, Rosebel Gold Mines N.V. & Newmont Suriname LLC.