ANNUAL REPORT 2015

STAATSOLIE

CONFIDENCE IN OUR OWN ABILITIES

Vision

- 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 market.

Mission

- 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, felxibility and corporate social responsibility.

Values

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 co-operative, and create a non-blaming environment.

Content

Front:

E. Boerenveen	Chairman

Back, from left to right:

A. Imanuel	Member
E. Poetisi	Member
I. Tholen	Secretary
G. Asadang	Member
M. Rommy	Member

Shareholder, Supervisory Board, Board of Executive Directors and Management

Sole Shareholder

The Republic of Suriname represented by:

- the President, His Excellency D.D. Bouterse, on his behalf:
- the Vice President, A. Adhin

Supervisory Board

E. Boerenveen	Chairman
G. Asadang	Member
E. Poetisi	Member
M. Rommy	Member
A. Imanuel	Member
I. Tholen	Secretary
R. Graanoogst	Member*
E. Jozefzoon	Secretary*

Board of Executive Directors

R. Elias	Managing Director
B. Dwarkasing	Upstream Director
A. Moensi-Sokowikromo	Finance Director

Deputy Director

A. Jagesar	Downstream Deputy Director

Division Managers

R. Bissumbhar	Manager Production Unit Tambaredjo
D. Brunings	Manager Human Resources
L. Brunings	Manager Marketing
P. Brunings	Production Asset Manager
M. Daal-Vogelland	Manager Petroleum Contracts
E. Fränkel	Manager Technical Support Services
W. Gajapersad	Manager Technical Services
P. Goerdajal	Manager Drilling Operations
C. Heuvel	Manager Corporate Audit
C. Hughes	Refinery Asset Manager
V. Jadnanansing	Manager Controlling
J. Gajadin-Joella	Manager Corporate Legal Affairs
W. Jungerman-Gangadin	Manager Corporate Communication
J. Kalpoe	Manager Maintenance & Turnaround
K. Lie A Kwie	Manager Health, Safety & Environment Refinery
D. Mac Donald	Manager Health, Safety, Environment & Quality
B. Nandlal	Manager Functional Support Services
A. Nelson	Manager Exploration
R. Ramautar	Manager Renewable Energy Sources
A. Ramsaransingh-Karg	Manager Corporate Procurement
M. Refos	Manager Refining Operations
A. Schuitemaker-Nghollo	Manager Production Unit TNW/Calcutta
A. Sleman	Manager Information & Communication Technology
A. Vermeer	Manager Finance Administration & Treasury
M. Woelkens	Manager Business Economics

Managers assigned

T. Ketele	Project Director Refinery Expansion

Subsidiaries

A. Ghent	Chief Executive Officer Ventrin
I. Ambrose	Chief Financial Officer Ventrin
A. Kleiboer	Operations Manager Staatsolie Power Company Suriname N.V.
A. Nai Chung Tong	Managing Director GOw2 Energy Suriname N.V.

*resigned

Board of Executive Directors

From left to right:

Annand Jagesar	Downstream Deputy Director
Wim Dwarkasing	Upstream Director
Agnes Moensi-Sokowikromo	Finance Director
Rudolf Elias	Managing Director

Letter of the Managing Director

I would like to welcome you to our 2015 Annual Report – my first as Managing Director after being officially appointed on 13 December 2015.

Across the globe, the industry has been challenged to an unusual degree, with oil price fall on a scale that few predicted. For Staatsolie, as for almost all oil companies, regardless of size or scale, this has necessitated a careful analysis of how we do business and a tight focus on costs. I am confident that the strategy we have put in place to streamline the business and ensure clear lines of accountability through an asset management structure is not only an appropriate response to the current macro operating environment, but equally important will enable Staatsolie to capture the exciting opportunities that are available to our business over the medium and long term. Although we are optimistic about our outlook, there are very significant challenges in the current operating environment: with our Saramacca Crude reaching a critical price point per barrel, we have had to severely curtail our exploration and production expansion activities and ensure meticulous management, including operating with utmost efficiency and cost effectiveness.

In these more testing times, operating in accordance with our core values has never been more important. Ensuring that we are all fundamentally guided by them every day, in all that we do, is my absolute priority and is how we will prosper now and over the long-term.

2015 results

Our consolidated gross revenues in 2015 declined by 45% to US$ 583 million, compared to US$ 1,056 million in 2014. This is attributable to a significantly reduced average net sales price of US$ 44.88 per barrel US Gulf Coast no.6, 3% Sulphur, a decrease of 47% in comparison with 2014, combined with an average daily crude production of close to 17,000 barrels, an increase of 1% compared with 2014.

In the context of what has been an extremely challenging year for all oil companies, Staatsolie has nevertheless achieved a consolidated profit before tax of US$ 28.9 million. Although a very significant drop of 93% compared to 2014, this profit is a testament to the benefits we have accrued on our journey toward becoming a fully integrated energy company. Significant value is now being realized with the production of premium diesel and gasoline at our expanded refinery – which will meet 80% of local demand for premium gasoline and premium diesel when ramped up to full production in 2016 – and in our increased power production capacity, up from 62MW to 96MW in 2015. We were also able to contribute US$ 25 million to the Government's budget, even though this figure is markedly reduced from 2014's US$ 273 million.

A year of alignment

In line with our values, our strategy's focus is to make Staatsolie a more efficient and aligned business, with all assets empowered to execute their business plans and be equally accountable for their results.

To enable this transition, since 1 January 2016 we have been equipping assets with the appropriate tools to run their businesses effectively as best suits their unique demands, supported by a consistent set of policies and procedures across of Staatsolie. This will ultimately result in our assets and people being in alignment and driving toward the same goal: a tightly integrated, efficient business, capturing opportunities across the energy value chain, within a high-performance culture.

Our people – at the heart of our strategy

As we embark on this journey, this will also mean expanded opportunities for our people – the essential human capital that will enable us to reach our destination. To this end, we continually strive to ensure we have the right people in the right role at the right time – and appropriately equipped to step up in due course to more senior roles. In addition, with our significant reduction in revenue and more restricted budgets, including a freeze on new hires, we all must have the capacity to be flexible and carry out new tasks which are outside our comfort zone. With this in mind, across the business we are putting in place a policy of role rotation, enabling skilled individuals to gain exposure to multiple areas of the business. This experience will also enable appropriate succession planning, essential to the long-term future of Staatsolie. Our number one value is the health and safety of all our employees, contractors and the community around us. In this regard, I deeply regret a fatal incident at our refinery expansion project in April 2015. The incident's causes were independently investigated and its recommendations implemented.

Our goal will remain, zero fatalities and injuries. Accordingly, I am pleased to report that in the final quarter of 2015 we recorded no lost-time incidents (LTIs), and over the year we reduced it by almost 60% – down from 12 in 2014 to just 5 in 2015.

However, despite this good result we can always do better. In this spirit, during 2015 we introduced a new program to track contractor performance. We also developed a new Health, Safety and Environment (HSE) management system, which will be fully in place by Q3 2016, incorporating best practices and providing a consistent set of policies and standards across Staatsolie. To add additional robustness to our health and safety processes, in 2016 we will also introduce a program of HSE leading indicators, to help identify and mitigate risks before incidents occur..

Success in downstream and upstream

The launch of premium gasoline and premium diesel on the retail market on 13 December 2015, was an extremely proud moment for all of us at Staatsolie. I would like to thank our employees and the many thousands of contractors who made this possible. As we ramp up the refinery to its capacity of 15,000 barrels a day, the added value that it will create will be transformative for our business. It marks another significant milestone on Suriname's journey toward reducing dependency on fuel imports and generating extra income through dividends for the Republic of Suriname.

Our success in delivering the refinery expansion project is testament to how far we have come as a business, in both technical and project delivery capabilities. It gives me great confidence in our ability to realize the many additional opportunities available to us to create value for our business and for Suriname.

In this spirit, 2015 also marked the first time we independently drilled exploration wells in our nearshore acreage. Although we had to reduce the exploration plan on Block 4 from nine wells to five wells, due to market conditions, nevertheless four wells showed promising results. We also completed processing of the raw data captured during our 2014 seismic program across six of the nearshore blocks. In 2016 we will be analyzing these results, and will likely proceed with an appraisal program on Block 4 in 2017, either at sole risk or with a partner.

In oil production, although we reduced the number of planned onshore wells from 80 to 64, we still achieved our highest ever yearly production at 6,189,000 barrels. This is clear evidence of the success of our strategy, and our ability to extract more value from our assets through efficient, well-run operations - a clear sign of what we can achieve as we further refine our business.

Offshore activities

Furthermore, despite the challenging market conditions a number of exploration programs were undertaken offshore. Apache Suriname Corporation LDC drilled an exploration well in offshore Block 53. Staatsolie and Apache also signed a production-sharing contract (PSC) for offshore Block 58. Also last year, Teikoku Oil drilled an exploration well in Block 31. No significant hydrocarbons were encountered and the well was plugged and abandoned. In Block 54, Tullow acquired 3D seismic, which is being currently processed. In Q2 2016 Petronas and its partners will drill an exploration well in Block 52 as part of their PSC obligations.

Looking to tomorrow

Like the pressure that transforms carbon into diamonds, I believe these more testing times will result in an even stronger Staatsolie – as a result of the strategy we have put in place and have been executing in 2015, and which we will continue to implement during 2016. With a company united by a shared set of values, a proven track record of success and exciting prospects ahead, I am supremely confident we can pull together to embed Staatsolie as an enviably integrated energy company, creating substantial value for the people of Suriname in the decades that lie ahead.

On behalf of the Board of Executive Directors, I express my gratitude to the Shareholder, Supervisory Board, our employees, contractors and customers. I also extend my gratitude to Marc Waaldijk, who retired on May 1, 2015 after nine years as Managing Director, for the significant progress he made in transforming Staatsolie from an oil business into an integrated energy company.

Thank you!

R.T. Elias
Managing Director

Rig 53 performing exploration drilling in nearshore Block 4

Activities in the wetlands

Operational Performance 2015

Financial Performance

Staatsolie's consolidated total gross revenues amounted to US$ 583 million, 45% lower than 2014. The average net sales price per barrel for 2015 was US$ 44.88, a decrease of 47% in comparison with 2014. The average reference price per barrel for our crude amounted to US$ 44.32 in 2015, 46% lower than 2014. The reference for our crude is the United States Gulf Coast no. 6, 3% Sulphur. Profit before tax decreased by 93%, amounting to US$ 28.9 million compared to US$ 400 million in 2014. This decrease was primarily caused by the substantial decrease in the price of oil per barrel. Consequently, contributions to the Government budget on an accruals basis decreased by 90% and amounted to US$ 25 million.

Reserves

As of 31 December 2015 proven reserves stands at 84 Millions of stock tank barrels (MMSTB), a decrease of 16 MMSTB from 100 MMSTB at the end of 2014. The main reason is the production of 6 MMSTB in 2015. Furthermore the downgrade, by 5 MMSTB of recoverable hydrocarbon volumes by means of polymer injection and the economic and technical cut off of 5 MMSTB, contributed to the decrease. The reserves as of December 31, 2015 were audited by Gaffney, Cline and Associates (GCA).

Upstream

Onshore

In 2015, Staatsolie operated a total of 1,729 onshore wells across three fields and achieved a total average daily production of close to 17,000 bbls, with a total year production of 6,189,000 bbls – our highest ever annual production.This result was despite having drilled less new wells than planned (64 instead of 80). This is a confirmation of our efforts to increase the productivity and efficiency of our wells, a clear focus on production optimization and monitoring, including an ongoing program of field header and pipeline replacement, and well interventions. Due to the low oil price environment, Staatsolie currently plans to maintain the present production level of 17,000 barrels a day, but is positioned to increase production to 18,000 barrels a day as soon as the per barrel price justifies the investment in additional production capacity and related costs. Our efforts in 2016 and beyond will be focused on increasing our efficiencies and on well optimization, with the overarching goal being to reduce our onshore uplift cost per barrel of oil through companywide operational cost reduction. We will also undertake reservoir modeling of horizontal wells to determine the feasibility of horizontal wells in areas with water influx and to ultimately be able to upgrade contingent resources to reserves in areas with oil/water contact through horizontal well technology. An evaluation will also be conducted of a down-hole water sink pilot project that is focused on producing dry oil from reservoirs with a strong tendency for water coning which are otherwise not taken into production.

Tambaredjo

A reservoir characterization study (RCS) conducted South of the Tambaredjo field concluded that we can increase oil recovery through injection of a polymer solution thereby repressurizing the pattern area and improving sweep of the residual oil. The pilot was considered a success with 12% incremental recovery while the commercial viability of expanding polymer injection was determined in the aforementioned RCS.

Tambaredjo North West

To better map the reservoirs and to increase the success rate of our development drilling programs of the Tambaredjo North West field we commenced the pilot stage, consisting of 4 km^2 3D seismic survey. The results are positive and the full program of approximately 60 km^2 will be completed the moment oil prices will recover.

Coesewijne and Weg naar Zee (WNZ)

The post Geological and Geophysical Interpretation of the Coesewijne area was completed following the 2014 and early 2015 drilling and seismic program. A follow up exploration drilling program in the Coesewijne area and the WNZ Block were put on hold due to budget constraints.

Nearshore

In 2015, the final processed data of the acquired nearshore 2D seismic lines and reprocessed data of vintage lines were received for further geological evaluation. The in-depth evaluation, to be finalized in Q1 of 2016 is to provide a comprehensive geological assessment of the nearshore (water depth 0-25m). The geological risking model has been updated and will be used to risk and rank the nearshore leads and prospects.

Block 4

Block 4 covers a 46 km strip along the coasts of the Districts of Saramacca and Wanica and stretches 27 kilometers to the north in the Atlantic Ocean. Water depths vary from 0 to 25m. Block 4 is promising because it is situated north of the fields where Staatsolie has its biggest onshore reserves and it is hoped that it may eventually yield at least 100 million barrels of recoverable oil – doubling Staatsolie's existing reserves. In the second half of 2015, an exploratory drilling program was carried out through our subsidiary Paradise Oil Company N.V. This was the first time Staatsolie has drilled for oil at sea at its sole cost and risk. Scaled back from a planned program of nine wells, five wells were drilled, four of which yielded oil. This was an excellent result and a testament to Staatsolie's growing technical ability: managing the rig successfully in a relatively complicated environment including a soft seabed, shallow waters and the extra-strong Guyana current. The next stage in the program is a detailed study of the drilling results, to assess the prospects of commercial levels of recoverable oil and, if so, a strategy for recovery.

Offshore and Institutional activities

In 2015, we continued to promote our offshore (and onshore) acreage and sought innovative ways to attract companies that can partner with us to explore offshore, including extending the exploration timeframes under our production sharing contracts (PSC's). In September we launched an open door invitation to attract companies that have a demonstrated ability to explore, develop and produce petroleum in a safe and environmentally responsible manner. Also in 2015, and in recognition of the challenging market environment, we issued a tender for a 2D multi-client survey which a number of oil companies contributed to. The tender was awarded to Western Geco in January 2016. The survey will encompass the shelf. Our long term aim is to make offshore Suriname as exciting and prolific a destination for oil companies as West Africa is currently. With the recent discovery in the Liza well in offshore Guyana, we believe the signs are very positive and we will ultimately reach this goal.

New PSC

Offshore Suriname measures 130,000 km^2 and, at the close of 2015, Staatsolie in its institutional capacity had nine offshore blocks or 40% of the acreage under a PSC. Following our 2014/15 international bidding round, in June 2015 a PSC was signed with Apache Corporation for Block 58, adding to its existing PSC for adjacent Block 53.

Located approximately 200 kilometers to the north-west of Paramaribo, in depths varying between 55 and 2,250 meters, Block 58 measures 5,830 km^2. The PSC for Block 58 expires after 30 years and is divided into exploration, development and production stages. The minimum work program for the exploration stage consists of the acquisition of seismic data and exploration drilling. All costs in the exploration phase will be covered by Apache; Staatsolie is to reimburse costs only if Apache makes a commercial discovery and commences with production. Under the agreement, Staatsolie is eligible for a 20 percent interest in the development and production phase. The PSC specifically focuses on inspection, safety and environment. There are also provisions for local employment, training, social programs and dismantling of facilities after termination of the operations. The next step under the PSC for Block 58 is the acquisition of 6,000 km^2 of 3D seismic, which is targeted for commencement in Q3 2016.

Other exploration

- Apache has been operational in Block 53 since October 2012, and in February 2015 the company drilled the exploration well Popokai 1. The results of the test drilling have not yet been published. Apache's partners in Block 53 are CEPSA (Spain) and Petronas (Malaysia).

- Teikoku Oil, a subsidiary of Japanese company Inpex, and its partners drilled an exploration well in Block 31. No significant hydrocarbons were encountered and the well was plugged and abandoned.

- In Block 54, operator Tullow acquired 5,000 km^2 of 3D seismic, which is currently being processed.

- In Q2 2016 Petronas and its partners in Block 52 will drill an exploration well as part of their PSC obligations.

- In 2016, Kosmos plans to acquire approximately 5,500 km^2 of 3D seismic data in Block 42.

Downstream

Refinery expansion and production

A significant part of the refinery was successfully started up during Q1 2015, following the commissioning period which started mid-2014. In doing so, we resumed the production of the original product slate: Staatsolie Diesel; various grades of fuel oil; and bitumen. During the remainder of 2015, the refinery area designed to produce high quality premium diesel and premium gasoline was commissioned and started up. Plant mechanical completion was reached in July 2015, including the completion of all pre-commissioning and integrity testing. The startup was formally completed by signing the substantial completion certificate on 17 December 2015, which

substantial completion certificate on 17 December 2015, which constituted the moment of handover of control over the refinery from Saipem to Staatsolie – a milestone for both Staatsolie and Suriname after ten years of planning and execution.

This project provides clear evidence of how far our business has come. It was a highly complex technical and logistical challenge which significantly moved Staatsolie up the oil value chain. Importantly, the refinery helps Suriname on its journey toward energy independence. As at December 2015 Staatsolie had spent US$ 991 million. In 2015 the refinery processed 2.9 million barrels (bbls) of Saramacca Crude into the following end products: 18,000 bbls of premium gasoline; 73,000 bbls of Staatsolie diesel; 71,000 bbls of premium diesel; 32,000 bbls of bitumen; and the rest into fuel oil. The next step with the refinery is ramping up its output over 2016 to reach stable production in 2017 and thereby maximize the revenue available from its full-capacity. The ultimate goal for our refinery – as with all our assets – is top-tier HSE performance combined with optimal production and efficient operations.

Marketing

Total sales of petroleum products after elimination of intra-company sales amounted to 7.6 MMBLS in 2015, a decrease of 16% compared to 2014. These volumes include sales from our own production and from trading. Sales of Staatsolie's products were 5.8 MMBLS, a decrease of 6 % compared to 2014. Compared to 2014, the total traded volumes of gas oil, gasoline and fuel oil amounted to 3.0 MMBLS, a decrease of 20%. Imports of petroleum products from Petróleos de Venezuela S.A. were 0.3 MMBLS.

Power – Staatsolie Power Company Suriname N.V. (SPCS)

2015 saw the addition of 34MW of capacity to our thermal power plant within budget, on time and with no lost time incidents. This has brought SPCS' total generating capacity to 96MW. The biggest challenge in 2015 has been the supply of secure power to the newly commissioned refinery, while maintaining supply to the national grid. To assist in optimizing the reliability of power supply, SPCS brought in a team of external consultants for advice. This resulted in the commissioning of a program aimed at improvements in the areas of systems reliability, personnel and work processes. The 34MW expansion was the third expansion since the power plant's commissioning in 2006. The project included the installation of two additional Wärtsilä generator sets of 17MW each, and increasing the installed steam capacity by fitting three additional exhaust gas boilers. The generators can produce 16 tons of steam per hour, which fulfills an important part of the refinery's steam needs.

Bunkering – Ventrin Petroleum Company Limited, Trinidad

Staatsolie's Trinidad based subsidiary Ventrin supplies bunker fuel to international vessels calling at ports and anchorages in the Gulf of Paria along the western coast of Trinidad. Ventrin faced some challenges in 2015, mainly associated with stringent new marine fuel specifications and low oil prices. The change in fuel specifications and low oil prices. The change in fuel specifications brought a demand for Low Sulphur Gas Oil, however Ventrin could not meet this demand because of a lack of availability of this product from its suppliers. In the latter half of 2015 the business improved, partly due to the addition of a second barge which doubled sales volumes from 12,000 to 21,000 metric tonnes. The withdrawal of a major competitor from the market, was a contributing factor. We anticipate that the business will reap the benefits of these changes in 2016.

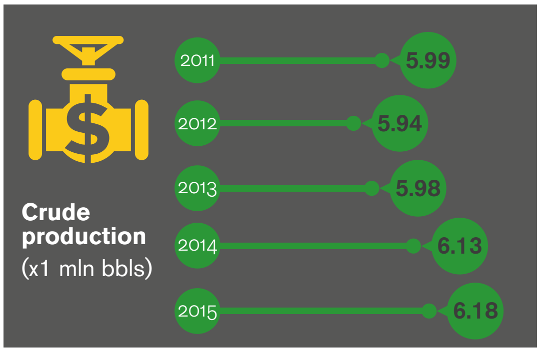
Retail – GOw2 Energy Suriname N.V. (GOw2)

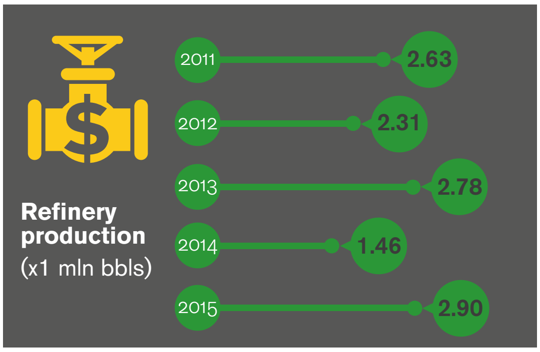
From September 2011 GOw2 has steadily increased its Suriname fuel market share from 23% to 38%. This increased share was achieved through rebranding and implementing a new, dynamic retail offering for the Suriname market. With the exception of one, all company owned retail stations were upgraded. The environmental studies at all sites were completed and two locations were remediated. In order to increase distribution capacity, a second loading bay was installed. GOw2 started its implementation and promotion of Total Lubricants through the opening of a lubes service bay. The lubricants market share in 2014 of 5% moved to 6% in 2015, an increase of 1%. In addition, GOw2:

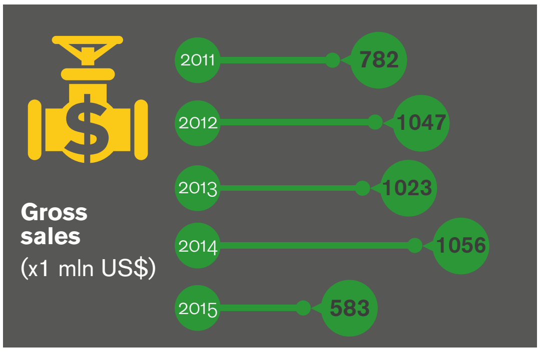
- implemented a more reliable and larger loyalty program to increase customer retention;
- undertook the rehabilitation and opening of its Albina terminal to increase fuel supply to the gold `mining sector in the interior of the country; and
- increased lubricant storage capacity to improve supply reliability.

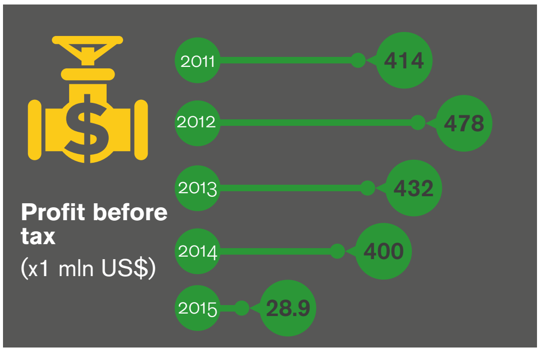
Renewable energy

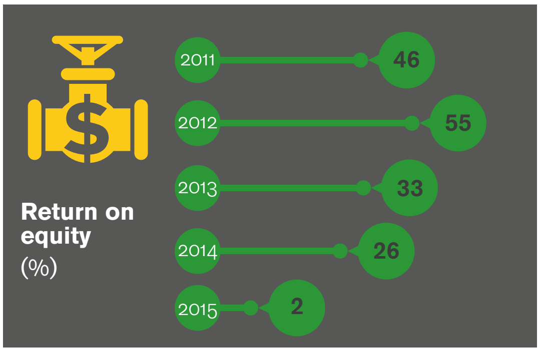
Staatsolie is aware that hydrocarbons are a non-renewable, finite resource and that the world is on a journey to a lower carbon future. We wish to participate in that journey, and indeed if Staatsolie is to be a sustainable business long into the future, renewables will have to play a role in the energy supply mix that we offer business and consumers.











Technicians in the refinery controlling room

Wageningen Ethanol and Sugarcane Project

The Ethanol and Sugarcane Project, which Staatsolie had planned for in the Wageningen region of Suriname, has been placed on hold for the foreseeable future because no suitable partner could be found in the current market environment. The decision was also made due to enforced budgetary constraints requiring a reassessment of our investment program, which has required the scaling back or cessation of projects with relatively low yield and high uncertainty.

30kvA Solar Energy Project

In March 2015, a 30kW grid-connected photovoltaic (PV) solar energy system, without backup battery, was commissioned on the premises of Staatsolie's head office at Flora. The system has been operational to date and from 20 March to 31 December 2015 produced a cumulative yield of 30,138.13 KWh of solar energy. The ultimate plan is to build a grid-tie solar PV system that will serve the following objectives:

- promote the use of renewable energy in Suriname (with Staatsolie as a trend-setter);
- deepen our understanding of grid-tie opportunities for the use of renewable energy; and
- demonstrate the use and application of solar PV grid-tie tecnology

BiosolarCells/AlgaeParc

In 2010 Staatsolie joined an international consortium (AlgaeParc) to conduct scientific research into the economic feasibility of producing biodiesel and high-value by-products (feed and pharmaceuticals) from algae. The consortium consisted of 18 companies and 19 scientific institutions. The investigation lasted five years. The consortium was dissolved in October 2015.

Findings included:

- identification of algae species with high lipid and protein content;
- selection of the most efficient, economical and environmentally friendly production system; and
- development of economic models and business cases for application in industry.

Merian gold project

Staatsolie has the option to hold a stake of up to 25% in the Merian gold project, which is led by Suriname Gold Company, a subsidiary of the American mining multinational Newmont, with a 75% stake. The mine is located 65 kilometers south of Moengo in the District of Marowijne in East Suriname, and covers 500.000 ha. After ten years of exploration, the construction phase started in August 2014. At balance sheet date, Staatsolie participation in the Merian Gold project amounted to 25%. This amounts to US$ 229 million as of end January 2016. In the first four years of operation, it is anticipated that the gold processing factory will produce between 400,000 to 500,000 ounces – equal to between 12,500 to 15,500 kilograms of gold per year, and equivalent to a daily production of close to 40 kilograms. The total proven gold reserves at Merian per December 2015 stands at 5.1 million troy ounce.

Our People

Resource planning and culture

It is our people, united by a shared set of common values, that will enable Staatsolie to not only get through a challenging time in our market, but emerge a stronger, more efficient and resilient company. In 2014/2015, and continuing into 2016,

Mechanics at work in the SPCS engine hall

our focus has been on ensuring that our employees clearly understand their role and value in the business and receive fair remuneration and benefits for their work. To achieve this goal, commencing in 2014 and continuing across 2015, we engaged leading human resource consultant HayGroup to review all roles across the business and to ensure that our pay and benefits structure was fair and balanced. In parallel, to ensure clear lines of accountability and autonomy, we restructured the organization to be asset-based. We have done this by creating four directorates – Upstream, Downstream, Finance and General and specific assets within the Upstream and Downstream directorates, with clearer lines of responsibility. With the structure in place as from 1 January 2016, our goal during the coming year is to ensure employees understand their role in their asset and how they directly contribute to – and are responsible for – the directorate's results.

Health and Safety

We strive for zero harm to our people and the communities around us. We deeply regret the loss of one contractor's life in 2015, during the Refinery Expansion Project. A detailed independent investigation has led to a set of recommendations which have been implemented to improve the project's H&S management procedures. In 2014 and 2015, our overall H&S statistics were as follows:

	2014		2015	
Type of incident	Staatsolie	Contractors	Staatsolie	Contractors
Fatality	0	0	0	1
LTI	3	9	2	3
Injuries	6	16	5	25

Our employee LTI and injury incidents were almost 50% lower than 2014. However, our contractor injury rate in particular remains unacceptably high, even though it must be seen in the context of employing thousands of extra contractors due to the refinery expansion project. Indeed, any incident is unacceptable and in 2016 we will continue to work hard to embed a safety culture across the business. Underpinning our approach to H&S is an understanding that, as Suriname's leading business, and working in a developing country, we have an obligation not only to ensure the safety of our own employees, but also to spread H&S messages beyond our own business and into the broader community. This is particularly true in relation to our contract labor force. For example, during the refinery expansion project, we engaged more than 2,800 contractors, all of whom were made aware of our health, safety and environment policy and expectations. They will have brought this understanding back into their communities, as safety ambassadors, after working with us. Our approach to contractors is formalized in our Contractor Management Guidelines, which are also due to be incorporated into our overall Contractor Management Program, which we will roll out during 2016.

Our Community

Staatsolie makes a significant contribution to Suriname in many ways. These include: developing the country's oil industry over the past 35 years; paying taxes and dividends to the Government; improving people skills and developing technologies; and providing employment opportunities and paying wages to employees and contractors. Beyond these immediate benefits, we are also aware of our broader obligation to help our society. By doing so, not only do we help make Suriname a better place for its citizens, but we also maintain our social license to operate through our genuine community support. Overall, Staatsolie aims to set a positive example for Suriname; our vision incorporates the obligation to make a strong contribution to the advancement of our society. We are aware that we can always do better. To this end, and in keeping with our overall business strategy to streamline the business and embed consistent ways of working, in 2016 and 2017 our focus will be on developing a corporate social responsibility policy.

Improving skills and creating opportunities

The refinery expansion project required the support of many thousands of contractors, and we also sought to make the project an opportunity to give local citizens skills that they could take with them beyond the timeframe of the project. To this end, for example, instead of hiring qualified welders outside Suriname, we offered welding certification to local citizens. In total we certified 100 local people as qualified welders. In addition, we trained around 100 HSE officers over the course of the project, with all successfully securing employment either on site or with other employers.

Community support and development

Both directly and through the Stichting Staatsolie Foundation for Community Development (consisting of representatives of Staatsolie and the community), we contribute financially and through skills support to a range of programs, with a focus on health, education and the environment – key priorities in a developing nation. In 2015 this support included, amongst many initiatives:

- a project to drill four water wells to provide 800 households in Saramacca with clean and healthy drinking water;
- financial support for the Kinderboekenfestival (a children's book fair);
- an early childhood development project in the district of Nickerie;
- financing of the Nature Conservation Centre in the district of Coronie to raise awareness about the importance of mangrove vegetation;
- delivery of healthy drinking water for the maroon village of Gaakaba in the district of Sipaliwini;
- and renovation of the intensive care unit at 's Lands Hospitaal (a local hospital specialized in mother and child care)

In total, donations during 2015 were approximately US$ 2.3 million and spanned a range of sustainability projects across Suriname. Staatsolie spent about US$ 1.3 million and Stichting Staatsolie Foundation for Community Development US$ 1.0 million.

Engaging with our community

Because of our significant presence and our geographic footprint, we actively engage with our community to ensure local citizens are fully informed of key decision making processes, and have the opportunity to raise concerns. In 2015 we have done this through:

- stakeholder meetings;
- field visits;
- signing a Memorandum of Understanding with the Commissariat of the district of Saramacca, where Staatsolie has its main operational activities, to enshrine cooperation and goodwill;
- untertaking a community assessement at Tout Lui Faut, our refinery's local community; and
- conducting neighborhood research in the Jossiekreek area to identify and understand the experiences of the local residents in relation to our operations

Our Environment

Exploration and production of crude oil requires significant infrastructure. Of necessity, it impacts the natural environment. In that context, Staatsolie seeks to minimize its footprint as much as possible and, after any project is completed, to return the landscape as far as practicably possible to its original state or a condition supporting other types of land use with economic benefits. Although Suriname currently has no environmental legislative framework, Staatsolie has adopted international accepted standards demonstrating the company's commitment to preventing or minimizing any adverse negative impacts on the environment that may be caused by our operations. Our commitment toward environmentally responsible operations is practiced by the execution of an Environmental and Social Impact Assessment (ESIA) for any new or expansion project or operations we undertake, followed by regular monitoring used to detect early warnings which is used to provide our management team with HSE guidance to prevent deterioration of the quality of the environment. In 2015, four ESIA studies were submitted to the Environmental Authority NIMOS (Suriname's National Institute for Environment and Development) for review and approval for the following projects:

- Block 4 nearshore exploration drilling;
- the Jossiekreek development project;
- a draft addendum report to the ESIA on production development at the Tambaredjo North-West oil field; and
- expansion of the Staatsolie Power Company Suriname power plant to 96MW.

Protecting our coastal mangroves

Through the Staatsolie Foundation, in 2016 we are supporting a mangrove rehabilitation program to mitigate coastal erosion through the application of wave-breaking and sediment trapping. This is promoting the rehabilitation of the mangrove ecosystem at the Weg naar Zee resort, about ten kilometers north of Paramaribo. This area is affected by frequent flooding due to rising sea levels and loss of mangrove forests, which leads to breaching and/or overtopping of the local dam during high water. The local community, including fishermen and farmers and two important religious and cultural sites, are also endangered by the intrusion of sea water. The project follows on from an initial pilot program conducted in the second

Inspection by airboat in our wetland operations

half of 2015, which built wooden walls to encourage mud bank formation where mangrove juveniles can grow.

Wildlife monitoring - Tambaredjo North-West area

In 2015, Staatsolie commenced a wildlife monitoring program (including macro invertebrates, birds and mammals) in the Tambaredjo North West oil field, which will continue during 2016. The bird monitoring is done in close collaboration with Suriname's Forest Services. The aim of the monitoring is to gather data on the current situation and compare it with baseline data gathered during the ESIA in 2009. This will help to determine whether the proposed mitigation measures have been sufficient to minimize the predicted impacts.

Environmental Monitoring - Tout Lui Faut Operations

At the refinery, strengthening of the site's environmental management system continued in 2015 with the implementation of an environmental management and monitoring program. This resulted in the finalization of several environmental programs related to environmental noise, air quality (both ambient air and stack emissions) and wastewater quality. The waste inventory for the refinery was updated and a waste management plan developed. A major achievement to support environmental monitoring is the purchase of a comprehensive air quality monitoring station, which allows continuous monitoring of ambient air quality and weather conditions. Noise measuring equipment has also been purchased. Based on environmental monitoring results, no breaches were recorded, apart from an occasional exception for the hydrogen sulfide odor threshold limit. This was caused by process upsets as a result of the commissioning and start-up of the expanded refinery.

In 2015, the refinery's wastewater treatment unit was partly commissioned and continuous efforts have been directed toward optimizing the unit's performance. Final commissioning of the filter press section of the unit is scheduled for 2016.

Corporate activities

Enhancing efficiency – Reviewing our processes

In keeping with our corporate restructure, which has positioned us as an asset-focused and more streamlined business, we initiated and/or completed a number of projects to enable our central services team and operations to work more effectively:

SAP implementation

Wave I of the Systems, Applications & Products in Data Processing (SAP) was implemented. This started the process to increase the real time availability of information across the business.

Procurement partnerships

In 2015 we commenced negotiations with Shandong Kerui Petroleum Equipment, China to purchase drilling materials. Staatsolie will purchase the materials under beneficial credit terms. The vendor agreement was signed in the first week of February 2016.

External quality audit

The external recertification audit was undertaken by Lloyds from 20 to 24 July 2015. Despite one non-conformity, Staatsolie's certification was extended until September 2018.

A female mechanic at the refinery

IV Management's Analysis of Operations and Financial Condition

1. Risks and Uncertainties

Staatsolie is exposed to a number of risks that could affect our operational and financial performance. Staatsolie manages risk in order to ensure safe operations and to realize our corporate goals in compliance with our requirements. In this paragraph some of the key risks are discussed.

Risks related to our business

1. Market risk

- A prolonged decline in oil prices will adversely affect our business, the results of our operations, our financial condition, our liquidity and our ability to finance planned capital expenditure. A planning tool is in place to monitor the effects of fluctuations in oil prices and where necessary decisions are taken to assure business continuity.

2. Operational risks

- Failure to find and develop additional oil reserves: unless we conduct successful exploration and development activities, our proved reserves will decline as reserves are produced. Intensified exploration efforts are made to find and develop additional oil reserves based on advanced methodologies.
- The crude oil reserve data are estimates. Every two years the crude oil reserves are validated by a reputable independent third party.
- Health, Safety and Environmental (HSE) risks could result in significant losses: HSE risk assessments are conducted according to our HSE policies and procedures, resulting in environmental management plans and health & safety plans.
- Failure to attract and retain key employees which can effect the successful implementation of our strategy. Our human resource management system includes the determination of key positions, succession planning, workforceplanning and development of competencies.

3. Financial risks

- Risks related to the execution of the investment program: Critical success factors are defined and monitored via the Staatsolie performance scorecard.
- In case of a property damage or claim: Staatsolie maintains insurance with proper coverage in case of physical damage to its properties, claims from third parties and accidents to its employees. Regular valuation and risk surveys are performed by an independent surveyor. Also regular evaluation of the content of the insurance coverage is done by Staatsolie and its insurance brokers.
- Credit, interest and liquidity risks: Credit terms and credit limits are determined and monitored. A financial model including among others refinancing scenarios, which is reviewed periodically, is used to monitor our financial position.
- Currency translation risk: The year-end exchange rate for the Surinamese dollar, the Euro and the TT dollar for the year under review was US$ 1 = SRD 3.96, US$ 1 = Euro 0.91 and US$ 1= TT$ 6.30. The reference used was the foreign exchange rates published by the Central Bank of Suriname.

4. Political and economic risks

- Political and economic policies of the Surinamese government may have an impact on our business through e.g. tax and environmental laws and regulations.

The Surinamese government is the sole shareholder of Staatsolie and they may cause us to pursue certain macroeconomic and social objectives which may affect our results and financial condition.
Access to international capital market may be influenced by the country risk grade which may have impact on our ability to finance our operations.

5. Reputational risk

- Failure to meet our ethical standards could harm our reputation and our business: With our Code of Conduct, which applies to all employees and others who act on our behalf, we wish to firmly establish the specific values of integrity and community spirit. Staatsolie has started the phased implementation of the Enterprise Risk Management system.

2. Critical Accounting Policies

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (US GAAP) requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. The following summary provides further information about the critical accounting policies and the judgments that are made by the Company in the application of those policies.

Oil reserves

Evaluation of oil reserves is important to the effective management of upstream assets. It is integral to making investment decisions about oil properties such as whether development should proceed. Oil reserve quantities are also used as the basis for calculating unit of production depreciation rates. Oil reserves include both proved and unproved reserves.

Proved oil reserves are those quantities of oil, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions and operating methods. Unproved reserves are those with less than reasonable certainty of recoverability and include probable and possible reserves. Probable reserves are reserves that are more likely to be recovered than not. Possible reserves are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves.

The estimation of proved reserves, which is based on the requirement of reasonable certainty, is an ongoing process based on rigorous technical evaluations, commercial and market assessment, and detailed analysis of well information such as flow rates and reservoir pressure declines.

Reserve changes (revisions) are made within a well established, disciplined process driven by geoscience and engineering professionals.

Revisions can include upward or downward changes in previously estimated volumes of proved reserves for existing fields due to:

1. Change in reservoir performance;
2. Change in production technology;
3. New geologic, reservoir or production data;
4. Changes in prices and costs that are used in the estimation of reserves;
5. Revised reservoir model.

Although Staatsolie is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance and significant changes in long-term oil price levels.

Proved reserves can be further subdivided into developed and undeveloped reserves. The proved developed reserves were 72 percent (2014: 66 percent) of total proved reserves at year end 2015, and have been over 50 percent for more than five years. This indicates that proved reserves are consistently moved from undeveloped to developed status, as new wells are drilled and facilities to collect and deliver the production from those wells are installed.

Staatsolie uses the “successful efforts” method to account for its exploration and production activities. Under this method, costs are accumulated on a field by field basis with certain exploratory expenditures and exploratory dry holes being expensed as incurred. Costs of economic productive wells, development dry holes, other wells drilled to support development of the field (e.g. observation wells, injection wells, delineation wells) and production equipment are capitalized and amortized based on the Unit of Production Method (UPM).

Impact of oil reserves on depreciation

The calculation of Unit of Production depreciation is a critical accounting estimate that measures the depreciation of upstream assets. It is the ratio of actual year volumes of crude produced to total proved developed oil reserves.

Suspended exploratory well costs

In accordance with US GAAP, costs for exploratory wells are initially recorded as tangible assets under projects in progress, pending the determination of whether the well has found proved reserves. If proved reserves are found, the recorded costs of drilling the well are reclassified to evaluated properties and amortized on a Unit of Production method. If proved reserves are not found, the capitalized costs of drilling the well are charged to expense. However, successful exploratory efforts are, in many cases, not declared to be proved until after an extensive and lengthy evaluation period has been completed. Staatsolie continues to record the costs of exploratory well when (a) the well has found a sufficient oil column for completion of the well to justify its completion as a producing well; and (b) Staatsolie is making sufficient progress in assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria are charged to expense. Determination of whether an exploratory well should remain recorded under projects in progress requires a high degree of judgment on the part of management and requires careful consideration of the relevant facts and circumstances. Management reviews suspended exploratory well cost balances semi-annually, continuously monitors the results of the additional appraisal drilling and seismic work, and charges to expense the suspended well costs as dry holes when it judges the potential field does not warrant further investment in the near term.

Dismantlement and abandonment obligation

Provisions are recognized for the future dismantlement and abandonment of the production field, the related facilities, pipelines, the refinery and the power plant. The calculation is based on the cash value of the estimated full cost, taking into account assumptions regarding the rate of inflation. Furthermore, the calculation of the estimated full cost is based on the fact that the dismantlement and abandonment will be performed by Staatsolie.

Pensions and other postretirement benefits

The provision for pensions and other postretirement benefits is based on assumptions which are used in an actuarial evaluation. Pension accounting requires explicit assumptions regarding, among others, the expected return on plan assets, the discount rate for benefit obligations and the rate for inflation and salary developments. The assumptions are reviewed annually by management and adjusted as appropriate. The actuarial evaluation is performed by an independent actuarial firm.

Litigation contingencies

As at December 31, 2015 there are pending lawsuits against Staatsolie and its subsidiary GOw2 Energy Suriname N.V. Management has regular litigation reviews, including updates from its Corporate Legal Affairs Division and their external lawyers to assess the need for accounting recognition or disclosure of these contingencies. In accordance with US GAAP criteria for contingencies, it is required that liabilities for contingencies are recorded only if it is probable that a liability has been incurred at the date of the balance sheet and if the liability incurrence can be reasonably estimated. These estimated amounts for the liability incurrence are not reduced by amounts that may be recovered under insurance or claims against third parties. Undiscounted receivables from insurers or other third parties may be accrued separately. Staatsolie revises such accruals in light of new information or developments, if any. Based on a consideration of all relevant facts and circumstances, Staatsolie does not believe that the ultimate outcome of any currently pending lawsuit against Staatsolie and its subsidiary GOw2 Energy Suriname N.V. will have a material adverse effect upon Staatsolie's operations, financial condition, or financial statements taken as a whole.

Tax contingencies

Staatsolie and its subsidiaries, except for SPCS enjoying an income tax holiday until year-end 2015, are subject to income taxation. Significant management judgement is required in the accounting for income tax contingencies and tax disputes because the outcomes are often difficult to predict.

US GAAP requires recognition and measurement of uncertain tax positions that the company has taken or expects to take in its income tax returns. The benefit of an uncertain tax position can only be recognized in the financial statements if management concludes that it is more likely than not that the position will be sustained with the tax authorities.

Technician in the refinery controlling room

V Independent Auditor's Report

To the Shareholder, Supervisory Board, Board of Executive Directors and Management of Staatsolie Maatschappij Suriname N.V., Paramaribo.

Report on the financial statements

We have audited the accompanying financial statements 2015 of Staatsolie Maatschappij Suriname N.V., Paramaribo, which comprise the consolidated and company balance sheet as at December 31, 2015, the consolidated and company income statement, the consolidated statement of changes in shareholder's equity and the consolidated statement of cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Staatsolie Maatschappij Suriname N.V. as at December 31, 2015 and of its result and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Paramaribo, May 30, 2016
Lutchman & Co, Accountants
Drs. M.R.A. Lutchman RA, chartered accountant

CONSOLIDATED FINANCIAL STATEMENTS 2015

The Kingfisher, Staatsolie's newly leased oil tanker

VI Consolidated Financial Statements

1. Consolidated Balance Sheet as at December 31, 2015
(2015 before & 2014 after distribution of earnings)

x US$ 1,000

Assets	**Notes**	**2015**	2014
Current assets			
Cash and cash equivalents	4	54,064	115,173
Short-term investments	5	6,910	8,753
Trade receivables	6	118,679	94,777
Inventories	7	54,557	40,524
Prepaid expenses and other current assets	8	52,277	66,809
Loan receivable	9	1,796	-
		288,283	326,036
Loan receivable	9	-	1,966
Investments	10		
Participation in Joint Ventures		3,063	3,063
Participation in Suriname Gold Project CV		224,901	128,234
		227,964	131,297
Intangible assets	11	17,494	5,447
Deferred tax asset	12	10,119	8,149
Property, plant and equipment	13		
Oil properties			
Evaluated properties		292,583	257,272
Pipelines		30,290	1,716
		322,873	258,988
Refinery		974,316	658,954
Power plant		106,962	73,546
Other fixed assets		90,848	75,861
		1,494,999	1,067,349
Projects in progress		222,115	463,385
		1,717,114	1,530,734
Total assets		**2,260,974**	2,003,629

See accompanying notes to consolidated financial statements

Paramaribo, May 30, 2016

The Board of Executive Directors:

R. Elias	Managing Director
B. Dwarkasing	Upstream Director
A. Jagesar	Downstream Deputy Director
A. Moensi-Sokowikromo	Finance Director

x US$ 1,000

Liabilities	**Notes**	**2015**	2014
Current liabilities			
Trade payables		110,350	32,619
Bank overdraft	18	2,560	2,899
Accrued liabilities	14	55,349	114,352
Income and other taxes	15	13,119	32,515
Short-term portion of Bond	16	-	55,128
Short-term portion of Term Loan	17	64,801	-
		246,179	237,513
Long term liabilities			
Bond	16	98,281	-
Term Loans	17	623,191	510,521
FCIB long/medium term loan facility	18	-	769
Other long term liabilities		6,365	5,082
		727,837	516,372
Provisions			
Dismantlement and abandonment	19	122,606	109,464
Pensions & other postretirement benefits	20	10,742	12,770
Pension plan	21	31,803	22,201
Environmental risk	22	3,052	2,220
		168,203	146,655
Shareholder's equity		1,118,755	1,103,089
Total Liabilities & Shareholder's equity		**2,260,974**	2,003,629

See accompanying notes to consolidated financial statements

Paramaribo, May 30, 2016

The Supervisory Board:

E. Boerenveen	Chairman
G. Asadang	Member
A. Imanuel	Member
E. Poetisi	Member
M. Rommy	Member

2. Consolidated Income Statement 2015

x US$ 1,000	**Notes**	**2015**	**2014**
Revenues from			
Production & refining		230,454	486,498
Trading activities		301,181	510,378
Electric energy		50,897	59,478
Gross revenues		582,532	1,056,354
Inventory variation		8,562	12,009
Other revenues		208	8,064
		591,302	1,076,427
Less: export-, transport- and sales costs		(22,188)	(34,418)
Net revenues	26	569,114	1,042,009
Exploration expenses including dry holes		(14,157)	(13,870)
Production expenses		(53,615)	(45,881)
Refinery expenses		(54,986)	(19,149)
Depreciation	27	(66,668)	(44,066)
Accretion expenses		(6,568)	(5,881)
Other operational costs	28	(272,311)	(466,336)
Operating income		100,809	446,826
General and administrative expenses		(33,533)	(33,867)
Expensed projects		(8,637)	343
Financial expenses	29	(26,287)	(13,593)
Share in net loss of investment Suriname Gold Project CV		(3,473)	-
Earnings before tax		28,879	399,709
Income tax charge	30	(5,865)	(123,839)
Net profit		**23,014**	275,870

See accompanying notes to consolidated financial statements

Paramaribo, May 30, 2016

The Board of Executive Directors:

R. Elias — Managing Director
B. Dwarkasing — Upstream Director
A. Jagesar — Downstream Deputy Director
A. Moensi-Sokowikromo — Finance Director

The Supervisory Board:

E. Boerenveen — Chairman
G. Asadang — Member
A. Imanuel — Member
E. Poetisi — Member
M. Rommy — Member

3. Consolidated Statement of Changes in Shareholder's Equity

In 2015, the shareholder's equity consists of the following:

X US$ 1,000	Common stock	General reserve	Appropriated reserve for environmental risk	Appropriated reserve Committee Rehabilitation and Expansion of Sport facilities	Accumulated Net other comprehensive income	Total
Balance as at January 1, 2014	12,104	959,785	7,000	6,966	(3,432)	**982,423**
Equity movements:						
Transfer from earnings	-	270,696	-	-	-	270,696
Dividend declared		(137,291)	-	-	-	(137,291)
Prepaid pension benefits	-	1,287	-	-	-	1,287
Adjustment allowances	-	184	-	-	-	184
Allocation /(Withdrawal)	-	-	500	(957)	(13,753)	(14,210)
Balance as at January 1, 2015	12,104	1,094,661	7,500	6,009	(17,185)	**1,103,089**
Equity movements:						
Tranfer from earnings	-	23,091	-	-	-	23,091
Prepaid pension benefits	-	(77)	-	-	-	(77)
Allocation /(Withdrawal)1)	-	-	500	(2,649)	(5,199)	(7,348)
Balance as at December 31, 2015	12,104	1,117,675	8,000	3,360	(22,384)	**1,118,755**

See accompanying notes to consolidated financial statements

1) Allocation/ (Withdrawal) consists of the following items:

- Allocation to appropriated reserve for environmental risks: US$ 500,000.
  Annually, an amount of US$ 500,000 is allocated for environmental risks. As at December 31, 2015 the appropriated reserve for environmental risks amounted to US$ 8.0 million.
- Withdrawal from appropriated reserve Committee Rehabilitation and Expansion of Sports facilities: (US$ 2,649,000).
- Withdrawal from accumulated net other Comprehensive Income: (US$ 5,199,000)
  See note 4 for the breakdown of this amount.


CFWKO 2
6000 BBLS

Field workers at the Josiekreek operation

4. Consolidated Statement of Other Comprehensive Income

x US$ 1,000	2015	2014
Balance as at January 1	17,185	3,432
Pensions and other postretirement benefit plans	6,281	13,942
Unrealized losses short-term investments	1,842	7,547
Tax effects of items included in other comprehensive income	(2,924)	(7,736)
Balance as at December 31	22,384	17,185

x US$ 1,000

Tax effects related to other comprehensive income 2015	Before tax amount	Tax (expense)/ benefit	Net of tax amount
Pensions and other postretirement benefit plans	6,281	(2,261)	4,020
Unrealized losses short-term investments	1,842	(663)	1,179
Other comprehensive income	8,123	(2,924)	5,199

See accompanying notes to consolidated financial statements

x US$ 1,000

Difference between 2015 company - and consolidated shareholder's equity		
Consolidated shareholder's equity	1,118,755	
Company shareholder's equity	1,128,308	
Difference		**(9,553)**
Due to the following:		
Negative net capital value Ventrin	(5,580)	
Negative net capital value POC	(3,973)	
Total		**(9,553)**

5. Consolidated Cash Flow Statement 2015

x US$ 1,000	2015	2014
Cash flow from operating activities		
Net profit	23,014	275,870
Depreciation	66,668	44,066
Accretion expenses	6,568	5,881
Amortization of debt arrangement fees	3,373	(2,542)
Exploration expenses wells	-	26
Provisions	(6,449)	(5,964)
Interest on short-term investments	-	(9,382)
Accrued interest	4,988	4,635
Deferred taxes	(44)	(728)
Foreign exchange (gain)/loss	(1,433)	406
Provision for doubtful accounts	(2,479)	2,536
Other long term liabilities	1,283	340
Operating profit before working capital changes	**95,489**	**315,144**
Working capital changes (Operating assets)		
Trade receivables abd prepaid expenses	5,812	(67,039)
Inventories	(13,035)	(5,745)
Trade payables	77,505	(8,427)
Bank overdraft	(339)	(1,548)
Accrued liabilities	(59,308)	15,969
Income and other taxes	(19,396)	(41,945)
Pension plan	4,885	2,865
Provision or pensions and other postretirement benefits	2,858	3,349
Net cash flow from operating activities	**94,471**	**212,623**
Cash generated from investing activities		
Proceeds from sale of property, plant and equipment	34	456
Investment in property, plant and equipment	(248,061)	(349,063)
Investment in intangible assets	(12,047)	-
Proceeds from sale of short-term investments	-	7,947
Investment in Suriname Gold Project LLC	(96,667)	(108,491)
Net cash flow from investing activities	**(356,741)**	**(449,151)**
Cash generated from financing activities		
Proceeds form debt	174,728	451,000
Proceeds from bond	99,036	-
Repayment of of debt including repaymnet through debt restructu-ring/amendment	(769)	(135,341)
Repayment of matured 7% bond	(51,750)	-
Payment of debt arrangement fees	(4,768)	(13,643)
Changes in general reserve	1,409	(4,674)
Dividends paid	(15,735)	(78,865)
Commitee Rehabilitation and Expansion of Sports facilities	(2,694)	(957)
Net cash flow from financing activities	**199,502**	**217,520**
Effects of excange rate changes on foreign cash balances	1,659	490
Net increase (decrease) in cash and cash equivalents	**(61,109)**	**(18,518)**
Cash and cash equivalents at the beginning of the year	**115,173**	**133,691**
Cash and cash equivalents at the end of the year	**54,064**	**115,173**
Interest paid	29,787	12,013
Income tax paid	21,244	145,034

See accompanying notes to consolidated financial statements

Draining a sample of Saramacca Crude

VII Notes to the Consolidated Financial Statements

General Information

Staatsolie Maatschappij Suriname N.V. (Staatsolie) is an integrated oil company incorporated in the Republic of Suriname. The integrated activities include exploration, production, refining, marketing and distribution of oil products.

Staatsolie has four (4) subsidiaries of which three (3) wholly owned: Paradise Oil Company N.V. (POC) and GOw2 Energy Suriname N.V. incorporated in the Republic of Suriname and Ventrin Petroleum Company Limited, a bunkering company incorporated in the Republic of Trinidad and Tobago. 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 N.V. EBS holds one share. Furthermore, as of November 2014 Staatsolie has a minority interest of 25% in the Suriname Gold Project CV ('Surgold'), a limited partnership created between Suriname Gold Project Company LLC and Staatsolie.

1. Summary of Accounting Policies

Principles of consolidation

These consolidated financial statements include the accounts of subsidiaries for which Staatsolie has control. The consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP) for the oil and gas industries in particular. The financial data of Staatsolie and its subsidiaries are consolidated under elimination of intercompany balances, sales and purchases.

Reporting and functional currency

The US dollar is the reporting currency and also the functional currency. Other currency relates to foreign currencies as well as Surinamese dollar (SRD) transactions.

Currency translations

In preparing the financial statements, transactions in other currencies are translated at the applicable buying rates derived from exchange rates published by the 'Centrale Bank van Suriname'. At the end of the fiscal year, monetary items in other currencies are translated into US dollars at the applicable year-end exchange rate.

Cash and cash equivalents

Cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash equivalents are short-term, highly liquid investments with maturities of three months or less when acquired, which have an insignificant risk of changes in value.

Short-term investments

Short-term investments are stated at market value and are classified as available-for-sale. The market value of shares is derived from the value quoted by the 'Effectenbeurs van Suriname' (Stock Exchange of Suriname). The unrealized gains and losses on short-term investments, after deduction of deferred income taxes, are recorded under the shareholder's equity. US GAAP allows that the net unrealized gains and losses on short-term investments are recorded in the shareholder's equity as part of the accumulated net other comprehensive income. The sale proceeds of these securities available-for-sale, shall be recorded by a debit to cash, and a credit to remove the security at its market value. The other comprehensive income, representing the unrealized gain or loss at the date of sale is reversed into earnings, and the deferred tax accounts are adjusted.

Accounts receivable

Receivables are recorded at their nominal value and, if necessary, an allowance is made for doubtful accounts.

Inventories

Crude oil and refined products inventories at period end are valued at the lower of either cost or market value. Cost comprises all direct purchase costs, attributable operating expenses including depreciation and allocated overhead. Drilling supplies and other materials are recorded at the weighted average cost price or lower market value. The cost price consists of the purchase price plus an allowance for import and transportation costs. If necessary, a provision for obsolete inventory is taken into consideration and deducted from the inventory. Ordered goods have been recorded at purchase value and only the goods that are in transit at balance sheet date are recorded on the balance sheet.

Participation in joint ventures

The participation in joint ventures is recorded at cost.

Equity investments

Equity investments are accounted for using the equity method.

Intangible assets

Goodwill

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. In general goodwill is evaluated for impairment on at least an annual basis.

Other intangible assets

This relates to capitalized computer software with a finite life which is valued at cost and amortized on a straight-line basis over the estimated useful life. Capitalized software includes internal and external costs incurred directly related to the implementation of the software.

We make judgements about the recoverability of purchased finite-lived intangible assets whenever events or changes in circumstances indicate that an impairment may exist. Recoverability of finite-lived intangible assets is measured by comparing the carrying amount of the asset to the future discounted cash flows that the asset is expected to generate. In general other intangible assets are evaluated for impairment on at least an annual basis.

Property, plant and equipment

Exploration and production development

Staatsolie utilizes the successful efforts method to account for expenditures incurred on exploration and production activities. Exploration costs incurred (drilling costs and material fixed assets) are initially recorded under projects in progress, pending determination of whether the wells found proved reserves.

If proved reserves are found, the recorded costs of drilling the well are reclassified to evaluated properties and amortized on a UPM basis.

Costs are also recorded under Projects in progress for exploratory wells that have found crude oil reserves even if the reserves cannot be classified as proved when the drilling is completed, provided that the exploratory wells have found a sufficient quantity of reserves to justify its completion as a producing well and the company is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria or if the company obtains information that raises substantial doubt about the economic of operational viability of the project, the exploratory well would be assumed to be impaired, and its costs, net of any residual value, would be charged to expense

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 company's internal services. Capitalized costs for wells, equipment and production facilities are depreciated using the Unit of Production 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 unit of depreciated based on the Unit of Production Method (UPM), generally by individual field, as the proved developed reserves are produced. The UPM factor is derived from the year oil production and the related proved developed oil reserves.

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 straightline basis, taking into account the estimated useful lifetime of the assets.

Projects in progress

Projects in progress relate 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.

Capitalized borrowing cost

Interest costs incurred to finance expenditures during the construction phase of multiyear projects are capitalized as part of the historical cost of acquiring the constructed assets. The project construction phase commences with the development of the detailed engineering design and ends when the constructed assets are ready for their intended use. Capitalized interest costs are included in property, plant and equipment and are depreciated over the service life of the related assets. Capitalized interest costs can also be included in equity investments.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets of cash-generating units are written down to their recoverable amount.

Current liabilities

This relates to short-term obligations which are payable within one year, and are recorded at their nominal values.

Loan and debt arrangement fees

The term loan and the bonds are recorded at historical cost. US GAAP requires that debt arrangement fees which consist of the upfront fees and consultancy costs should be capitalized and amortized as expense over the duration of the loan. The loans are presented net of unamortized debt arrangement fees. The outstanding balance of loan which is payable within one (1) year from the balance sheet date is presented as short-term liabilities, and the remaining balance is presented as long-term liabilities.

Deferred income taxes

Income tax expense comprises both corporation tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are calculated using enacted tax rates that will apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. A valuation allowance is provided if it is more likely than not that deferred tax assets may not be realized in full.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Provision for dismantlement and abandonment / Asset Retirement Obligations

This provision regards the expected costs of the dismantlement of the production field, the related production facilities, the pipelines (Saramacca-Tout Lui Faut), the refinery and the power plant. The calculation of this provision is based on the cash value of the estimated full cost, taking into account an adjustment for inflation. US GAAP requires that the accretion expense resulting from the change in the passage of time in the Asset Retirement Obligation (ARO) should be recorded as period cost in the income statement under the operating expenses. The allocation of the cost for related production facilities, for example production fields, is based on the Unit of Production Method. The allocation of the costs for the other tangible fixed assets is based on the straightline method. The period for allocation is based on the expected moment of dismantling.

Provision for pensions and other postretirement benefits (OPEB)

This provision includes the unfunded accrued pension benefit related to the health care plan and the insured pension plan. The determination of this provision is based on an independent actuarial evaluation.

Provision for environmental risk

Liabilities related to future remediation costs are recorded when environmental assessments or cleanups or both are probable and the costs can be reasonably estimated. According to Staatsolie's policy, which is based on international accepted Environmental, Health and Safety (EHS) standards for petrol stations and national regulations, an environmental provision is recorded for GOw2 Energy Suriname N.V. The environmental provision is measured at the expected value of future cash flows. The expected value is not discounted to their present value, because the discounted present value does not significantly deviate from the expected value.

Geologist of Petroleum Contracts discussing seismic results

Earnings Per Share

Since Staatsolie has a simple capital structure with no potential common shares, only the basic Earnings Per Share applies (EPS). The calculation is based on income available to common stockholders divided by the weighted average number of common shares outstanding during the period.

Revenues

Net revenues consist of the sales of petroleum products, electric energy and trade activities of petroleum products after deduction of discounts, export charges, and other sales charges. Revenues are recognized in the year in which the goods are delivered and services have been rendered, and when title passes to the customer.

The difference between the opening and closing inventory balance of finished products for sale as well as for internal use is recorded as 'Inventory variation'.

Expenditures

Expenditures are recognized in the year incurred.

All costs relating to production, including maintenance and repair of production equipment, are accounted for as production costs ('lifting costs'), and are expensed as incurred. The costs of the trading activities and electric energy are recorded as 'other operational costs'.

Income tax

Income tax expense comprises both corporation tax and deferred tax.

Income taxes are computed on the financial results as shown in the income statement.

2. Accounting Standards and Interpretations

The consolidated financial statements are prepared in accordance with US GAAP for oil and gas industries in particular. With regard to the accounting policy of Staatsolie the new standards/ amendments of 2014 have been evaluated. As a result the new standards/amendments of 2014 are not applicable, or where applicable the adoption of the standards did not have a material impact on the company's financial statements.

3. Reclassification of Financial Statements

Certain accounts in 2014 have been reclassified to conform with 2015 presentation.

4. Cash and cash equivalents

x US$ 1,000, unless indicated otherwise

	2015	2014
Cash at foreign banks	28,995	58,524
Cash at local banks	23,752	56,267
Total bank balance	52,747	114,791
Cash on hand	1,317	382
	54,064	115,173

Cash and cash equivalents include restricted cash for a total of US$ 22.5 million. The nature of these restricted funds relates to:

- Collateral with reference to Staatsolie's long term loans and funding for interest and loan(re)payment US$ 9.7 million;
- The expansion of the SPCS power plant and collateral with reference to the loans and funding of interest and loan (re)payment US$5.6 million;
- Payment for local bondholders US$ 1.7 million;
- Corporate parent guarantees of Staatsolie to secure Ventrin's operational activities US$ 5.5 million.

5. Short-term investments

Short term investments pertain to investments in shares of local companies. Valuation of short-term investments is based on level 1 inputs. These are quoted prices in active markets for identical assets or liabilities.

6. Trade receivables

The trade receivables amounting to US$118.7 million (2014: US$ 94.8 million) include a provision for doubtful accounts of US$ 6,176,464 of which US$ 5,847,151 for Staatsolie and US$ 329,313 for Ventrin (2014: US$ 8,655,256 of which US$ 7,620,715 for Staatsolie and US$ 1,034,541 for Ventrin).

7. Inventories

	2015	2014
Petroleum products	19,944	18,794
Materials and supplies (net)	26,753	14,838
Ordered goods	7,860	6,892
	54,557	40,524

Materials and supplies include a provision for obsolete items of US$ 467,726. (2014: US$ 822,536).

8. Prepaid expenses and other current assets

	2015	2014
Amount due from Joint Ventures and Associates	11,040	20,552
Prepaid insurance costs	832	1,508
Prepaid purchased goods, services and other prepaid expenses	3,961	10,962
Receivable from personnel	440	205
Prepaid to Purchase agents	750	750
Downpayment to vendors	16,630	17,111
Net sales tax receivable	18,624	15,721
	52,277	66,809

9. Loan receivable

The amount of US$ 1,795,934 (2014: US$ 1,966,273) consists of the outstanding loan and interest regarding an 8% loan of US$ 1,404,000 to N.V. Energie Bedrijven Suriname (N.V. EBS) for the substation at Tout Lui Faut. The maturity date is November 9, 2016.

10. Investments

Investments to the amount of US$ 227,963,754 (2014: US$ 131,296,607) consist of the following:

Participation in Joint Ventures

- Uitkijk Joint Venture

The participation of POC in the Uitkijk joint venture is 96.5% and amounts to US$ 12,757,051 (2014: US$ 12,668,969). The current account amounts to US$ 9,694,054 (2014: US$ 9,605,972). This results in a balance of US$ 3,062,997 (2014: US$ 3,062,997).

Participation in Suriname Gold Project CV

On 14 November 2014 Staatsolie entered as limited partner with an interest of 25% into Suriname Gold Project CV ('Surgold'). Surgold Gold Company LLC, a subsidiary of Newmont Mining Corporation, is the general partner with a 75% interest in Surgold . The Suriname Gold Project CV encompasses the exploration, development and exploitation of the gold mine 'Merian', which is a gold deposit located in the eastern part of Suriname close to the French Guiana border. The intent is to have gold production commencing in late 2016.

Taken into account the structure and control of this partnership, Staatsolie's interest is accounted at net equity value. The investments are valued at US$ 224,900,757 as at 31 December (2014: US$ 128,233,610); this is including the capitalized interest and commitment fees of US$ 7,528,669.

In addition a negative result from participating interests of US$ 3,473,000 was recorded in 2015.

11. Intangible assets

	2015	2014
Goodwill	5,447	5,447
Other Intangible assets	12,047	-
	17,494	5,447

Goodwill

Staatsolie tested the goodwill paid in relation to the acquisition of GOw2 Energy Suriname N.V. for impairment in 2015 and concluded no impairment was necessary.

Other intangible assets

This regards capitalized computer software and is amortized on a straight-line basis over a period of 5 years.

12. Deferred tax assets

The 2015 movements in the deferred tax (assets)/liabilities were as follows:

	2015	2014
Balance as at January 1	8,149	(592)
Movement due to:		
Difference between commercial and fiscal calculation of profit	44	728
Unrealized losses on inventory subsidiaries	(998)	277
Unrealized financial gains/ (losses) from investment in pension plan and postretirement benefits	2,261	5,019
Unrealized financial gains/ (losses) from Shares	663	(309)
Unrealized financial gains/ (losses) from Powisie Gold Certificates	-	3,026
Balance as at December 31	**10,119**	8,149

13. Property, plant and equipment

Movements in 2015 in property, plant and equipment are as follows:

	2015								2014
	Evaluated properties	**Pipelines**	**Total oil properties**	**Refinery**	**Power plant**	**Other fixed assets**	**Projects in progress**	**Total tangible fixed assets**	**Total tangible fixed assets**
Investments January 1	605,545	18,022	623,567	734,567	90,079	187,872	463,384	**2,099,470**	1,745,562
Additions to PIP	-	-	-	-	-	-	281,960	281,960	-
Expensed to P&L	-	-	-	-	-	-	(27,300)	(27,300)	-
Disinvestments current year	(975)	1	(974)	-	-	(1,322)	-	(2,296)	(2,957)
Capitalized to PPE 1)	64,088	28,938	93,026	337,523	38,483	26,897	(495,929)	-	356,865
Total investments December 31	**668,658**	**46,961**	**715,619**	**1,072,090**	**128,562**	**213,447**	**222,115**	**2,351,833**	2,099,470
Total depreciation January 1	(348,273)	(16,306)	(364,579)	(75,613)	(16,533)	(112,012)	-	(568,737)	(527,619)
Depreciation disinvestments current year	60	-	60	-	-	646	-	706	2,949
Depreciation current year	(27,862)	(366)	(28,228)	(22,161)	(5,067)	(11,234)	-	(66,688)	(44,066)
Total depreciation value December 31	**(376,075)**	**(16,671)**	**(392,746)**	**(97,774)**	**(21,600)**	**(122,599)**		**(634,719)**	(568,736)
Book value as at December 31	**292,583**	**30,290**	**322,873**	**974,316**	**106,962**	**90,848**	**222,115**	**1,717,114**	1,530,734

Capitalized borrowing cost is included in the refinery units.

Investment in evaluated properties

The 2015 depreciation rate of 0.08 (2014: 0.09) for the Tambaredjo field, 0.08 for the Calcutta field (2014: 0.08) and 0.12 (2014: 0.10) for the Tambaredjo North-West field are based on the Unit of Production Method, which is calculated by using the quotient of the annual production and the proved developed reserve, plus the production in the current fiscal year.

Staatsolie's oil producing properties are primarily obtained through concessions provided by the Surinamese government. They have also been acquired through a decree in land lease or through the purchase of the right of land lease. Regarding these concessions, the government decided by decree in June 1988 that there will be no retribution on the produced oil from the Staatsolie oil fields.

Asset retirement obligations/Provision for dismantlement and abandonment

The following table summarizes the accretion related activity in the liability for asset retirement obligations:

	2015	2014
Balance as at January 1	109,464	98,012
Accretion expense	6,568	5,881
Addition subject to depreciation	6,574	5,571
Balance as at December 31	**122,606**	109,464

Evaluated properties

	2015	2014
Evaluated properties	610,421	548,917
Capitalized cost for dismantlement	58,237	56,628
	668,658	605,545
Less: accumulated depreciation	(376,075)	(348,273)
Book value evaluated properties	292,583	257,272

Suspended exploratory well costs

This amount pertains to capitalized exploratory well costs presented under projects in progress that is pending the determination of proved reserves. The following two tables provide details of the changes in the balance of suspended exploratory well costs as well as an aging summary of those costs.

Change in capitalized suspended exploratory well costs

	2015	2014
Balance as at January 1	26,286	25,818
Additions to PIP pending determination of proved reserves	39,389	3,186
Charged to expense	(140)	(2,718)
Balance as at December 31	65,535	26,286

Period end capitalized suspended exploratory well costs

	2015	2014
Capitalized for a period of one year or less	39,352	3,837
Capitalized for a period between one and two years	5,697	20,485
Capitalized for a period between two and three years	20,486	1,964
Capitalized for a period greater than one year - subtotal	26,183	22,449
Balance as at December 31	**65,535**	26,286

Exploration activity often involves drilling multiple wells, over a number of years, to fully evaluate a project. The table below provides a breakdown of the number of projects with the suspended exploratory well costs which had their first capitalized well drilled in the preceding 12 months and those that have had exploratory well costs capitalized for a period greater than 12 months.

Breakdown of number of projects with suspended exploratory well cost

	2015	2014
Number of projects that have exploratory well costs capitalized for a period greater than 12 months	3	5
Total	**3**	5

Pipelines

The pipeline facilities are depreciated on a straight –line basis. The LPG, diesel and gasoline pipeline were put into use in 2015 and are depreciated on an annual rate of 4.3%. The other pipelines Saramacca to Tout Lui Faut and the pipeline to Paranam are fully depreciated.

Pipeline assets comprise the following:

	2015	2014
Pipeline Saramacca to Tout Lui Faut	11,264	11,264
Pipeline Tout Lui Faut to Paranam	4,429	4,429
LPG Pipeline Tout Lui Faut to Ogane	3,718	-
Gasoline Pipeline Tout Lui Faut to SOL/GOw2	11,156	-
Diesel Pipeline Tout Lui Faut to SOL/GOw2	13,946	-
Capitalized cost for dismantlement	2,448	2,329
	46,961	18,022
Less: Accumulated depreciation	(16,671)	(16,306)
	30,290	**1,716**

Refinery

The refinery assets are depreciated on a straight-line basis. As of December 2015 the refinery has reached substantial completion. The refinery units and the integrated control system are depreciated at 4.3% annually. The tank farm consist of new storage tanks and tanks which have been upgraded. The depreciation rates are 4.3% and 20% per year. Land is not depreciated.

Refinery assets comprise the following:

	2015	2014
Land and land improvement	1,666	1,666
New refinery units including Integrated Control System	867,215	596,190
Other refinery assets	81,949	81,825
Refinery tankfarm	114,482	51,434
Capitalized cost for dismantlement	6,778	3,452
	1,072,090	734,567
Less: accumulated depreciation	(97,774)	(75,613)
Total refinery assets	**974,316**	658,954

Power plant

The power plant assets are depreciated on a straight-line basis. The buildings and production hall are depreciated at respectively 5% and 10%, inventory at 33,3%, tank battery at 20%, powerhouse equipment at 5% to 50%, other units are depreciated at 5% to 20% annually. Yard is not depreciated.

Power plant's assets comprise the following:

	2015	2014
Buildings and production hall	17,126	17,126
Steam boilers and metering	6,605	2,749
Yard	300	300
Field equipment	3,532	3,532
Fuel treatment	326	326
Electric installation	1,643	1,643
Inventory	165	152
Powerhouse equipment	93,275	59,098
Tank battery	3,839	3,839
Capitalized cost for dismantlement	1,751	1,314
	128,562	90,079
Less: accumulated depreciation	(21,600)	(16,533)
Total power plant assets	**106,962**	73,546

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 percentage for buildings is 10%, telecommunication equipment 20%, dock TLF 4% and oil tanker 10%. Drilling machinery and heavy equipment are depreciated annually at 20%, transportation equipment at 33,3% and office furniture, fixtures and similar assets at 50%. Where applicable a residual value is taken into consideration.

14. Accrued Liabilities

	2015	2014
Current account Surgold	-	19,905
Cash dividend payable	-	3,202
Allowances payable to management and personnel	1,676	5,733
Payables regarding consultancy and other services	15,081	50,830
Accrued interest	7,755	4,326
REP accruals	26,399	20,916
Payables in connection with land	4,438	538
Other payables	-	8,902
	55,349	114,352

15. Income and other taxes

	2015	2014
Income tax	3,682	10,227
Payroll taxes and social security	9,437	2,359
Dividend tax	-	19,929
	13,119	32,515

16. Bond

The five year 7% unsecured coupon bond matured on May 14, 2015. On this day Staatsolie issued a second five year 7.75% unsecured coupon bond and raised US$ 99.1 million. The maturity date of this second bond is May 14, 2020. Interest will be paid semi-annually on May 14 and November 14 each year.

Debt arrangement fees incurred, amounted to US$ 1.0 million in 2015. As of December 31, 2015, unamortized debt arrangement fees amounted to US$ 0.9 million. The amortization of debt arrangement fees for 2015 amounted US$ 0.1 million and is presented under financial expenses under the company's income statement.

17. Term Loans

Secured long-term loan

On September 28, 2015 Staatsolie refinanced the Term loan for the total amount of US$ 600 million. The total loan amount consists of US$ 575 million term loan and US$ 25 million revolving loan. Repayment of the term loan is planned for 13 quarterly installments, to commence in the fourth quarter of 2016. The last repayment is due in November 2019.

With regard to the term loan, the financial institutions required security for Staatsolie's payment obligations. The security mainly consists of the offshore accounts and the receivables out of the Merian Gold Project. Staatsolie also has to comply with several affirmative and negative covenants. As of December 31, 2015 Staatsolie is in compliance with the covenants of the loan agreement.

Debt arrangement fees incurred, amounted to US$ 3.8 million in 2015 (2014: US$ 12.4 million). As of December 31, 2015, unamortized debt arrangement fees amounted to US$ 12.3 million (2014: US$ 11.3 million). The amortization of debt arrangement fees for 2015 amounted US$ 2.9 million (2014: US$ 1.0 million) and is presented under financial expenses under the company's income statement.

Loan SPCS

In November 2014, SPCS restated and amended its credit agreement of US$ 74 million to US$ 120 million. The outstanding loan as of December 31, 2015 amounted to US$ 120 million. With a grace period of 4 quarters, the first repayment of US$ 5 million was made in February 2016. Repayment of the loan is planned for 24 quarterly installments. The maturity date of the loan is in November, 2021.

Staatsolie acts as guarantor for this loan and will make the repayments in US dollars. As collateral the bank requested 100% of SPCS's fixed assets, all rights and benefits gained in the Power Purchase Agreement (PPA) as well as the establishment of various collateral accounts offshore.

As of December 31, 2015, unamortized debt arrangement fees amounted to US$ 2.69 million (2014: US$ 3.15 million). The amortization of debt arrangement fees for 2015 amounted US$ 0.5 million (2014: US$ 0.3 million) and is presented under financial expenses under the company's income statement.

18. FCIB long/medium term loan facility

This regards a loan facility of US$ 5.2 million of Ventrin obtained in August 2011. Repayments will be made in 60 monthly installments. The maturity date of the loan is August 2016. The security consists among others of a corporate parent guarantee of Staatsolie Maatschappij Suriname N.V. supported by a US$ 5,500,000 Standby Letter of Credit.

19. Provision for dismantlement and abandonment

Provision for dismantlement and abandonment comprises the following:

	2015	2014
Production field in 2015: 1,729 wells (2014: 1,669 wells)	99,936	91,941
Production facilities: Saramacca and pipeline to TLF	9,636	8,741
Refinery	10,814	7,064
Power plant	2,220	1,718
	122,606	109,464

20. Provision for pensions & other postretirement benefits

	2015	2014
Unfunded accrued pension benefits, insured pension plan	626	526
Unfunded accrued pension benefits, health care plan	10,116	12,244
	10,742	12,770

21. Provision for pension plan

The provision for pension plan to the amount of US$ 31,803,033 (2014: US$ 22,201,464) includes an amount of US$ 129,342 (2014: US$ 159,690) for GOw2 Energy Suriname N.V. and US$ 31,673,691 (2014: US$ 22,041,774) regarding the accrued pension cost related to the pension plan for Staatsolie employees, which is managed by the 'Stichting Pensioenfonds voor Werknemers van Staatsolie Maatschappij Suriname N.V.'.

Pensions and other postretirement benefits

Staatsolie maintains 3 plans with regard to pensions and postretirement benefits:

- The pension plan for employees, which is managed by the 'Stichting Pensioenfonds voor Werknemers van Staatsolie Maatschappij Suriname N.V.';
- The insured pension plan;
- The unfunded health care benefit plan for retired personnel.

The benefit obligation and plan assets associated with the benefit plans are measured on December 31, as follows:

	Pension benefits		Insured pension benefits		Postretirement health care	
	2015	2014	**2015**	2014	**2015**	2014
Benefit obligation as at December 31	(124,930)	(107,023)	(626)	(526)	(16,165)	(17,892)
Fair value of plan assets as at December 31	93,256	84,981	-	-	6,049	5,648
Unfunded status as at December 31	**(31,674)**	(22,042)	**(626)**	(526)	**(10,116)**	(12,244)

(in %)	Pension benefits		Insured pension benefits		Postretirement health care	
Actuarial assumptions	**2015**	2014	**2015**	2014	**2015**	2014
Price inflation	3.00	3.00	3.00	3.00	3.00	3.00
Actuarial discount rate	4.50	4.50	4.50	4.50	4.50	4.50
Expected return on plan assets	6.50	6.50	-	-	6.50	6.50
Adjustment for inflation and salary developments	3.00	3.00	3.00	3.00	-	-
Average Merit	1.50	1.50	1.50	1.50	-	-
Rate of benefit increase	2.50	2.50	-	-	-	-
Expected increase medical cost	-	-	-	-	5.00	5.00

The measurement of the accumulated postretirement benefit obligation assumes an initial health care cost trend rate of 5.0 percent. A one percentage point increase in the health care cost trend rate would increase service and interest cost by US$ 0.5 million and the accumulated postretirement benefit obligation by US$ 3.9 million (2014: US$ 4.1 million).

A one percentage point decrease in the health care cost trend rate would decrease service and interest cost by US$ 0.3 million and the accumulated postretirement benefit obligation by US$ 3.0 million (2014: US$ 3.2 million).

	Pension benefits		Health care	
	2015	2014	**2015**	2014
Employer's contribution	(4,539)	(4,261)	-	-
Employee's contribution	(1,513)	(1,420)	-	-
Benefits paid	747	689	86	79

As at December 31	Pension benefits 2014	2015	2016	Insured pension benefits 2014	2015	2016	Postretirement health care 2014	2015	2016
Service costs	(4,665)	(5,719)	(6,447)	(33)	(28)	(32)	(996)	(1,005)	(907)
Interest costs	(4,631)	(4,816)	(5,622)	(32)	(24)	(28)	(948)	(800)	(722)
Return on assets	5,113	5,696	6,236	-	-	-	349	367	393
Unrecognized transition costs	(21)	(21)	(21)	-	-	-	(121)	(121)	(121)
Unrecognized prior service costs	(176)	(176)	(176)	-	-	-	-	-	-
Unrecognized gains/(losses)	(359)	(1,170)	(1,611)	42	57	49	(50)	-	14
Net pension costs	(4,739)	**(6,206)**	(7,641)	(23)	**5**	(11)	(1,766)	**(1,559)**	(1,343)

Change in Benefit Obligation	Pension benefits **2015**	2014	Insured pension benefits **2015**	2014	Postretirement health care **2015**	2014
Benefit obligation as at January 1	(107,023)	(84,209)	(526)	(580)	(17,892)	(17,351)
Service costs	(5,718)	(4,665)	(28)	(33)	(1,005)	(996)
Interest cost	(4,816)	(4,632)	(24)	(32)	(800)	(948)
Benefits	747	689	-	-	166	80
Actuarial gains/(losses)	(8,120)	(14,206)	(48)	119	3,366	1,322
Benefit obligation as at December 31	(124,930)	(107,023)	(626)	(526)	(16,165)	(17,893)

Change in Plan Assets	Pension benefits **2015**	2014	Postretirement health care **2015**	2014
Fair value of plan assets as at January 1	84,981	76,182	5,648	5,369
Contributions	6,129	6,027	228	220
Benefits paid	(747)	(689)	(86)	(79)
Actual return on assets	2,893	3,461	260	138
Fair value of plan assets at December 31	93,256	84,981	6,050	5,648

Change in Other Comprehensive Income	Pension benefits **2015**	2014	Insured pension benefits **2015**	2014	Postretirement health care **2015**	2014
Other comprehensive income as at January 1	32,049	16,747	(534)	(457)	2,248	3,531
Unrecognized Transition Cost	(21)	(21)	-	-	(121)	(121)
Unrecognized Prior Service Costs	(176)	(176)	-	-	-	-
Unrecognized Gains/ (Losses)	(1,170)	(359)	57	42	-	(50)
Gains/ (Losses)	10,922	15,858	48	(119)	(3,259)	(1,112)
Other comprehensive income at December 31	**41,604**	32,049	**(429)**	(534)	(1,132)	2,248

The strategy of the 'Stichting Pensioenfonds' for investing the plan assets into the different asset classes is based on the guidelines of the 'Centrale Bank van Suriname', prescribing maximum thresholds for certain asset categories. The 2015 fair value of the benefit plan assets, including the level within the fair value hierarchy, is shown below.

Plan Assets

The 2015 fair value of the Pension benefit plan assets, including the level within the fair value hierarchy, is shown in the table below:

4. Corporate bonds, valued as level 1 is based on quoted prices derived from active exchange markets and the level 2 is established by other than quoted prices that are observable for these bonds.

5. Mortgage loans, fair value is based on appraised values of collateral established by a certified appraiser using comparable market oriented prices.

6. Cash and Cash equivalents are valued at face value which is equal to the fair value.

			%	**Level 1** Quoted prices in active markets for identical assets or liabilities	**Level 2** Significant other observable inputs	**Level 3** Significant unobservable inputs
1	**Interest 'Stichting Peetkind'**	**431**	-	-	431	-
2	**Real estate:**	**38,713**	**42**	-	38,621	92
3	**Equity Securities:**	**16,149**	**17**			
	Shares	7,687		7,138	549	-
	Trust Companies	1,358		1,358	-	-
	Term deposits	6,904		6,904	-	-
	Other	200		-	-	200
4	**Debt Securities:**					
	Corporate Bonds	**3,430**	**4**	3,030	400	-
5	**Mortgage Loans:**	**29,411**	**32**	-	29,411	-
6	**Cash and Cash Equivalents**	**5,050**	**5**	5,050	-	-
7	**Other current assets**	**72**	-	-	-	72
		93,256	**100**	**23,480**	**69,412**	**364**

The valuation techniques used to measure the fair value of the plan assets are as follow:

1. Interest ' Stichting Peetkind': 40% interest in real estate of the 'Stichting Peetkind'. The fair value is based on the appraised value established by a certified appraiser, using comparable market oriented prices.
2. Real estate, fair value is based on appraised values established by a certified appraiser using comparable market oriented prices. The real estate categorized as level 3, is derived from the data regarding the profile and marketability of the investment.

3. Equity securities, measurement of fair value depends on the type of investment: Shares and investments in trust companies, are based on quoted prices, derived from active security exchanges market. The term deposits are highly marketable. The shares, categorized as level 2, are valued with input other than quoted prices that are observable for the investment. Other, is treated as a level 3, which is derived from the data regarding the profile and status of this investment.

22. Provision for Environmental Risk

In 2011 GOw2 Energy Suriname N.V. took over the Chevron marketing activities of Chevron in Suriname, which included 22 petrol stations and 3 oil terminals. Currently the sites have to be remediated and the estimated cost is US$ 3,052,492.

23. Earnings per Share

The basic earnings per share of common stock amount to US$ 4.60 (2015) and US$ 55.17 (2014), based on US$ 23,013,337 (2014: US$ 275,870,087) of earnings available to common stockholder and 5 million weighted average number of common shares outstanding year to date.

24. Segments and related information

Staatsolie's business covers integrated activities regarding the oil and energy industry. These activities are defined into the following operating segments: upstream, downstream, trading and energy. As defined in the accounting standard for segment reporting ASC 280, these operating segments are the Company's reportable segments. The upstream is responsible for exploring, developing, producing and transporting crude oil to the refinery. The downstream is organized products. The trading segment involves purchasing fuel products and selling these products to wholesale and retail as well as bunkering customers. The energy segment operates the 96 megawatt thermal power plant and sells the electric power to the single source customer, the national electricity company EBS, for further distribution. These functions have been defined as the operating segments of the company 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; and (3) for which discrete financial information is available. The corporate segment consists of Petroleum Contracts, Business Development, Suriname Gold Project and all other corporate administrative functions.

Segment reporting Staatsolie

x US$ 1,000		
Segment (Revenues)	**2015**	2014
Upstream	243,220	502,376
Downstream	284,533	580,547
Trading	347,683	628,147
Energy	53,909	60,517
Total Segment amounts	**929,345**	**1,771,587**
All Corporate activities (including eliminations)	(338,043)	(695,160)
Total consolidated amounts	**591,302**	**1,076,427**

Segment (Profit/ (Loss)	**2015**	2014
Upstream	134,639	284,726
Downstream	178,577	18,138
Trading	2,472	6,482
Energy	39,236	14,436
Total Segment amounts	**354,924**	**323,782**
All Corporate activities (including eliminations)	(331,910)	(47,912)
Total consolidated amounts	**23,014**	**275,870**

Segment (Assets)	**2015**	2014
Upstream	525,507	456,072
Downstream	1,118,124	1,100,866
Trading	79,282	100,403
Energy	156,027	166,475
Total Segment amounts	**1,878,940**	**1,823,816**
All Corporate activities (including eliminations)	380,592	179,813
Total consolidated amounts	**2,259,532**	**2,003,629**

Major customers

Revenues from one customer in the downstream segment represent approximately US$ 74.3 million (2014: US$ 133.1 million) of the company's consolidated revenues.

25. Off-balance commitments and contingencies

As at December 31, 2015, the off-balance commitments and contingencies consist of the following:

x US$ 1,000	**2016**	**2017-2020**	**Total**
Long term (sales) contracts	31,241	-	31,241
Long term refinery expansion contract	7,200	-	7,200
Operational lease	16,942	5,434	22,376
Claims	3,562	-	3,562
Study grants	396	448	844
Consultancy services	178	-	178
Corperate social investments	235	391	626
Other projects	4,944	-	4,944

26. Net revenues per product

	2015		2014	
x 1,000 Bbls	x 1,000 Bbls	x US$ 1,000	x 1,000 Bbls	x US$ 1,000
Local refined products (gross)	5,845	284,533	6,215	570,446
Intercompany sales	(1,247)	(54,079)	(986)	(83,948)
Local refined products (net)	4,598	230,454	5,229	486,498
Trading activities	3,025	301,181	3,821	510,378
Electric energy *)		50,897		59,478
Total gross revenues	7,623	582,532	9,050	1,056,354
Net revenue after deduction of direct sales costs **)		560,344		1,021,936
Other sales related revenue				
▪ inventory change oil stock		8,562		12,009
▪ other revenues		208		8,064
Net sales revenue	**7,623**	**569,114**	9,050	1,042,009

*) The generated electric energy in 2015 was 434,136,466 kWh. (2014: 323,774,955 kWh).
**) Sales costs related to electric energy is reclassed to 'Other operational costs'.

27. Depreciation

The breakdown of the depreciation expenses is as follows:

	2015	2014
Evaluated properties	28,341	24,129
Oil pipelines	248	483
Refinery	24,280	6,114
Power plant	5,047	3,980
Other fixed assets	8,752	9,360
	66,668	44,066

28. Other operational costs

The breakdown of the other operational costs is as follows:

	2015	2014
Trading activities Staatsolie	77,244	267,958
Electric energy	5,997	3,643
Paradise Oil Company	540	251
Trading activities Ventrin	32,460	50,718
GOw2 Energy Suriname	156,070	143,766
	272,311	466,336

29. Financial expenses

The breakdown of the financial (expenses) and income is as follows:

	2015	2014
Interest income on Powisie certificates	404	421
Interest expense on loan and bond	(22,037)	(13,463)
(Loss)/Gain on foreign currencies transactions	(731)	1,184
Other expense	(3,923)	(1,735)
	(26,287)	(13,593)

30. Income tax charge

The income tax comprises of:

	2015	2014
Current tax expense or benefit	(5,909)	(124,567)
Deferred tax expense or benefit	44	728
	(5,865)	(123,839)

Reconciliation statutory with effective tax rate:	2015	2014
Suriname statutory income tax rate	36%	36%
Effect of unrecognized tax credits	(16%)	(0%)
Effective tax rate	20%	31%

Tax losses carry forward

Ventrin has accumulated tax losses of approximately US$ 14.5 million (2014: US$ 14.1 million) available for offset against future taxable profits. These losses have no expiry date in Trinidad and Tobago.

Income tax holiday

SPCS was enjoying an income tax holiday for the years 2006 up until and including 2015

VIII Staatsolie Seperate Company Financial Statement 2015

1. Company Balance Sheet as at December 31, 2015

(2015 before & 2014 after distribution of earnings)

x US$ 1,000

Assets	**2015**	2014
Current assets		
Cash and cash equivalents	26,762	24,428
Short-term investments	6,910	8,753
Trade receivables	67,210	80,865
Inventories	48,056	33,267
Prepaid expenses and other current assets	92,836	128,766
Loan receivable	1,796	-
	243,570	276,079
Loan receivable	-	1,966
Investments		
Equity investment	301,139	188,292
Intangible assets	17,494	5,447
Deferred tax asset	10,119	8,149
Property, plant and equipment		
Oil properties		
Evaluated properties	292,583	257,272
Pipelines	30,290	1,716
	322,873	258,988
Refinery	974,316	658,954
Other fixed assets	80,191	65,868
	1,377,380	983,810
Projects in progress	190,836	424,299
	1,568,216	1,408,109
Total assets	**2,140,538**	1,888,042

Paramaribo, May 30, 2016

The Board of Executive Directors:

R. Elias	Managing Director
B. Dwarkasing	Upstream Director
A. Jagesar	Downstream Deputy Director
A. Moensi-Sokowikromo	Finance Director

x US$ 1,000

Liabilities	**2015**	2014
Current liabilities		
Trade payables	114,588	34,510
Accrued liabilities	54,170	116,648
Income and other taxes	5,337	23,388
Short-term portion of Bond	-	55,128
Short-term portion of Term Loan	44,833	-
	218,928	229,674
Long-term debt		
Bond	98,281	-
Term Loans	525,853	403,673
Other long term liabilities	6,365	-
	630,499	403,673
Provisions		
Deferred tax liability	-	998
Dismantlement and abandonment	120,387	107,746
Provision for pensions and other post retirement benefits	10,742	12,770
Pension plan	31,674	22,042
	162,803	143,556
Shareholder's equity	1,128,308	1,111,139
Total Liabilities & Shareholder's equity	**2,140,538**	1,888,042

Paramaribo, May 30, 2016

The Supervisory Board:

E. Boerenveen	Chairman
G. Asadang	Member
A. Imanuel	Member
E. Poetisi	Member
M. Rommy	Member

2. Company Income Statement 2015

x US$ 1,000	2015	2014
Revenues from		
Production & Refining	284,533	570,446
Trading activities	76,219	281,307
Gross revenues	360,752	851,753
Inventory variation	8,562	11,016
Net income from equity investment GOw2/ SPCS	16,263	19,983
Other revenues	202	7.870
	385,779	890,622
Less: export-, transport- and sales costs	(22,188)	(34,418)
Net revenues	363,591	856,204
Exploration expenses including dry holes	(13,946)	(13,448)
Production expenses	(53,615)	(45,881)
Refinery expenses	(57,998)	(19,366)
Depreciation	(60,334)	(38,942)
Accretion expenses	(6,465)	(5,814)
Other operational costs	(77,244)	(288,113)
Operating income	93,989	444,640
General and administrative expenses	(33,465)	(33,867)
Expensed projects	(8,637)	343
Financial expenses	(20,334)	(12,847)
Share in net loss of investment Suriname Gold Project CV	(3,473)	-
Earnings before tax	**28,080**	398,269
Income tax charge	(3,686)	(121,037)
Net profit	**24,394**	277,232

Paramaribo, May 30, 2016

The Board of Executive Directors:
R. Elias — Managing Director
B. Dwarkasing — Upstream Director
A. Jagesar — Downstream Deputy Director
A. Moensi-Sokowikromo — Finance Director

The Supervisory Board:
E. Boerenveen — Chairman
G. Asadang — Member
A. Imanuel — Member
E. Poetisi — Member
M. Rommy — Member

3. Notes to Staatsolie Company Balance Sheet

The accounting principles used for the consolidated financial statements are also applicable for the financial statements of Staatsolie. Stated below are the specific notes applicable for the financial statements regarding the equity investment and the shareholder's equity in the balance sheet.

Equity investment

Equity investments are accounted for using the equity method.

Majority interest in affiliated companies

Ventrin Petroleum Company Limited is a wholly owned subsidiary of Staatsolie and is domiciled in the Republic of Trinidad and Tobago. In 2015, Ventrin has a negative net asset value of US$ 5,579,521 (2014: US$ (5,204,187)) and therefore the participation was valued at nil. The net income of Ventrin in 2015 amounted to US$ (375,334) (2014: US$ 183,096).

Paradise Oil Company N.V. (POC) is a wholly owned subsidiary of Staatsolie and is domiciled in Suriname. In 2015, POC has a negative net asset value of US$ 3,973,993 (2014: US$ (2,969,432) and therefore the participation was valued at nil. The net loss of POC in 2015 amounted to US$ (1,004,562) (2014: US$ (987,647).

GOw2 Energy Suriname N.V. is a wholly owned subsidiary of Staatsolie and is domiciled in Suriname. The participation in GOw2 Energy Suriname as at December 31, 2015 is valued at US$ 29,834,667 (2014: US$ 26,044,937), including the net income after tax of US$ 3,872,590 (2014: US$ 5,471,732).

Staatsolie holds 102.999 out of 103.000 shares of the Staatsolie Power Company Suriname N.V. (SPCS) and the national electricity company N.V. EBS holds one share. In 2015, SPCS has a net asset value of US$ 46,403,942 (2014: 34,013,390). The net income of SPCS in 2015 amounted to US$ 12,390,552 (2014: US$ 14,511,215).

Overview of Equity investment as at 31 December 2015

	Ventrin	POC	GOw2 Energy Suriname	SPCS
Share capital	13,338,977	4,000	2,639	10,300,000
Retained earnings previous years	(18,543,165)	(2,973,431)	25,959,439	23,713,390
Net earning current year	(375,334)	(1,004,562)	3,872,590	12,390,552
Net asset value	**(5,579,522)**	**(3,973,993)**	**29,834,668**	**46,403,942**

Minority interest

Staatsolie entered as limited partner with an interest of 25% into Suriname Gold Project CV ('Surgold'). Taken into account the structure and control of this partnership, Staatsolie's interest is accounted at net equity value. The investment amounted to US$ 224,900,757 as at 31 December 2015 (2014: US$ 128,233,610) including capitalized interest and commitment fees of US$ 7,528,669. In addition a negative result from participating interests of US$ 3,473,000 was recorded in 2015.

Shareholder's equity

The difference between company and consolidated shareholder's equity is disclosed on page 30.

IX Other Information

1. Distribution of Earnings

Articles of association

Distribution of earnings takes place in accordance with Article 28 of the articles of association, which stipulates that net earnings reflected in the balance sheet and income statement, adopted by the Annual General Meeting, is placed at the disposal of the General Meeting of Shareholders.

2015 distribution of earnings

In 2015, a consolidated net profit of US$ 23.0 million was realized. Management proposed a cash dividend of 50%, profit sharing for personnel, a reserve for environmental risk and the remaining balance to be added to the general reserve.

2. Adoption of Financial Statements of the Preceding Fiscal Year

The 2014 Financial Statements were adopted at the General Meeting of Shareholders held on March 30, 2015 and included Management's proposal for the appropriation of the 2014 profit.

3. Subsequent events after balance sheet date

On March 24, 2016 an amendment on the Staatsolie Credit Agreement was executed. This amendment facilitated the release of the remaining part of US$ 17 million of a revolving loan for working capital and corporate purposes.

On February 16, 2016 and March 24, 2016 the credit agreement between SPCS and the lender was amended. This amendment facilitated the release of one quarterly principal amount from the Debt Service Reserve Account (DSRA) to Staatsolie.

Five Year Consolidated Income Statements

x US$ 1,000	**2015**	2014	2013	2012	2011
Gross revenues	582,532	1,056,354	1,022,882	1,046,796	782,233
Net revenues	569,114	1,042,009	1,011,470	1.043.618	778,225
Exploration expenses including dry holes	(14,157)	(13,870)	(14,203)	(24,009)	(37,944)
Production expenses	(53,615)	(45,881)	(44,471)	(37,166)	(37,664)
Refinery expenses	(54,986)	(19,149)	(12,943)	(15,873)	(12,080)
Depreciation	(66,668)	(44,066)	(42,744)	(40,652)	(37,368)
Accretion expenses	(6,568)	(5,881)	(5,325)	(4,875)	(4,444)
Other operational costs	(272,311)	(466,336)	(412,890)	(412,440)	(186,795)
Operating income	100,809	446,826	478,894	508,603	461,930
General and administrative expenses	(33,533)	(33,867)	(30,490)	(27,968)	(26,915)
Expensed projects	(8,637)	343	(9,759)	(7,355)	(6,457)
Financial expenses	(26,287)	(13,593)	(7,005)	4,826	(14,452)
Share in net loss of investment Suriname Gold Project CV	(3,473)				
Earnings before tax	28,879	399,709	431,640	478,106	414,106
Income tax	(5,865)	(123,839)	(133,158)	(80,390)	(151,960)
Earnings after tax	23,014	275,870	298,482	397,716	262,146
Minority interest	-	-	-	-	32
Net profit	**23,014**	275,870	298,482	397,716	262,178

XI Supplemental Information on Oil Producing Activities (Unaudited)

In accordance with FAS 69, 'Disclosures about oil producing activities' Staatsolie is required to present certain supplementary information on oil exploration and producing activities. This section provides the supplemental information in five separate tables. Table 1 through table 3 provide historical information regarding costs incurred in exploration, property acquisitions and development, capitalized cost regarding oil producing activities, result of operations for oil producing activities. Table 4 and 5 present information on Staatsolie's estimated proved reserve quantities and standardized measure of estimated discounted future net cash flows related to proved reserves.

1. Cost incurred in exploration, property acquisition and development for the year ended December 31, 2015

x US$ 1,000	2015	2014
Exploration costs	30,662	14,715
Development costs	102,463	96,118
End of the year	133,125	110,833

2. Capitalized Cost relating to oil producing activities as at December 31, 2015

x US$ 1,000	2015	2014
Proved oil properties	673,624	548,917
Accumulated depreciation	(374,399)	(315,003)
Net capitalized costs	299,225	233,914

3. Results of operations for oil producing activities for the year ended December 31, 2015

x US$ 1,000	2015	2014
Revenues		
Sales	360,752	851,754
Total	360,752	851,754
Production costs	(53,615)	(45,881)
Exploration costs	(13,946)	(13,448)
Depreciation and provisions	(35,565)	(35,565)
	257,626	756,860
Income tax expenses	(3,686)	(121,037)
Results of operations from producing activities (excl. corporate overhead interest cost)	253,940	635,823

Unaudited - see accompanying auditor's report

4. Reserve Quantity Information for the years ended December 31, 2015 and 2014

Proved developed and undeveloped reserves (x 1,000 Bbls)	2015	2014
Beginning of the year	99,980	92,540
Revisions of previous estimates	(10,000)	8,300
Extensions and EOR discoveries	-	5,240
Production	(6,000)	(6,100)
End of the year	83,980	99,980

Proved developed reserves	2015	2014
Beginning of the year	66,270	59,850
End of the year	60,250	66,270

Proved undeveloped reserves	2015	2014
Beginning of the year	33,660	32,690
End of the year	23,450	33,660

Rounding off may lead to apparent inconsistencies
Note: The oil reserves are located entirely within one geographic area in Suriname.

5. Standardized measure of discounted future net cash flows at December 31, 2015

Based on the oil price of US$ (42.00)

x US$ 1,000	2015	2014
Future cash inflows (a)	4,852,015	11,866,366
Future production and development costs (a)	(3,149,433)	(3,338,214)
Future income tax expenses (a)	(638,206)	(3,070,135)
Future net cash flows	1,064,376	5,458,017
10% annual discount for estimated timing of cash flows	(468,381)	(3,101,208)
Standardized measure of discounted future net cash flows	595,995	2,356,809

(a) Future net cash flows were computed using prices used in estimating the entity's proved oil reserves, year-end costs, and statutory tax rates (adjusted for tax deductions) that relate to existing proved oil reserves. The Society of Petroleum Engineers guidelines propose to use the average price of 2015 which is 42.00 US$/BBL (2014: 80.00 US$/BBL).

A field worker taking notes at the flow splitter

Appendix

Proforma Consolidated Balance sheet as at December 31, 2015 after distribution of earnings (Unaudited)

xUS$ 1,000		
Assets	**2015***	2014
Current assets		
Cash and cash equivalents	54,064	115,173
Short-term investments	6,910	8,753
Trade receivables	118,679	94,777
Inventories	54,557	40,524
Prepaid expenses and other current assets	52,277	66,809
Loan receivables	1,796	-
	288,283	326,036
Loan receivable	-	1,966
Investments		
Participation in Joint Ventures	3,063	3,063
Participation in Suriname Gold Project CV	224,901	128,234
	227,964	131,297
Intangible assets	17,494	5,447
Deferred tax asset	10,119	8,149
Property, plant and equipment		
Oil properties		
Evaluated properties	292,583	257,272
Pipelines	30,290	1,716
	322,873	258,988
Refinery	974,316	658,954
Power Plant	106,962	73,546
Other fixed assets	90,848	75,861
	1,494,999	1,067,349
Projects in progress	222,115	463,385
	1,717,114	1,530,734
Total assets	**2,260,974**	2,003,629

*) Unaudited

xUS$ 1,000		
Liabilities	**2015***	2014
Current liabilities		
Trade payables	110,350	32,619
Bank overdraft	2,560	2,899
Accrued liabilities	62,467	114,352
Income and other taxes	14,435	32,515
Short-term portion of Bond	-	55,128
Short-term portion of Term Loan	64,801	-
	254,613	237,513
Long term liabilities		
Bond	98,281	
Term loans	623,191	510,521
FCIB long/medium term loan facility	-	769
Other long term liabilities	6,365	5,082
	727,837	516,372
Provisions		
Dismantlement and abandonment	122,606	109,464
Pensions & other postretirement benefits	10,742	12,770
Pension plan	31,803	22,201
Environmental risk	3,052	2,220
	168,203	144,655
Shareholders equity	1,110,321	1,103,089
Total Liabilities & Shareholder's equity	**2,260,974**	2,003,629

*) Unaudited

A mechanic at the SPCS power plant

Published by: Staatsolie Maatschappij Suriname N.V.
Dr. Ir. H.S. Adhinstraat 21
P.O. Box 4069, Flora
Paramaribo, Suriname
South America
P: (+597) 49 96 49
F: (+597) 49 11 05
www.staatsolie.com

Cover: A refinery worker extracts a sample of premium gasoline

Vision/Mission page: Testing of oil samples by laboratory technicians

Photo's: HarveyLissePhotoArts & Hubert Hermelijn

Design & Production: MULTIFORMS N.V.

STAATSOLIE

STAATSOLIE