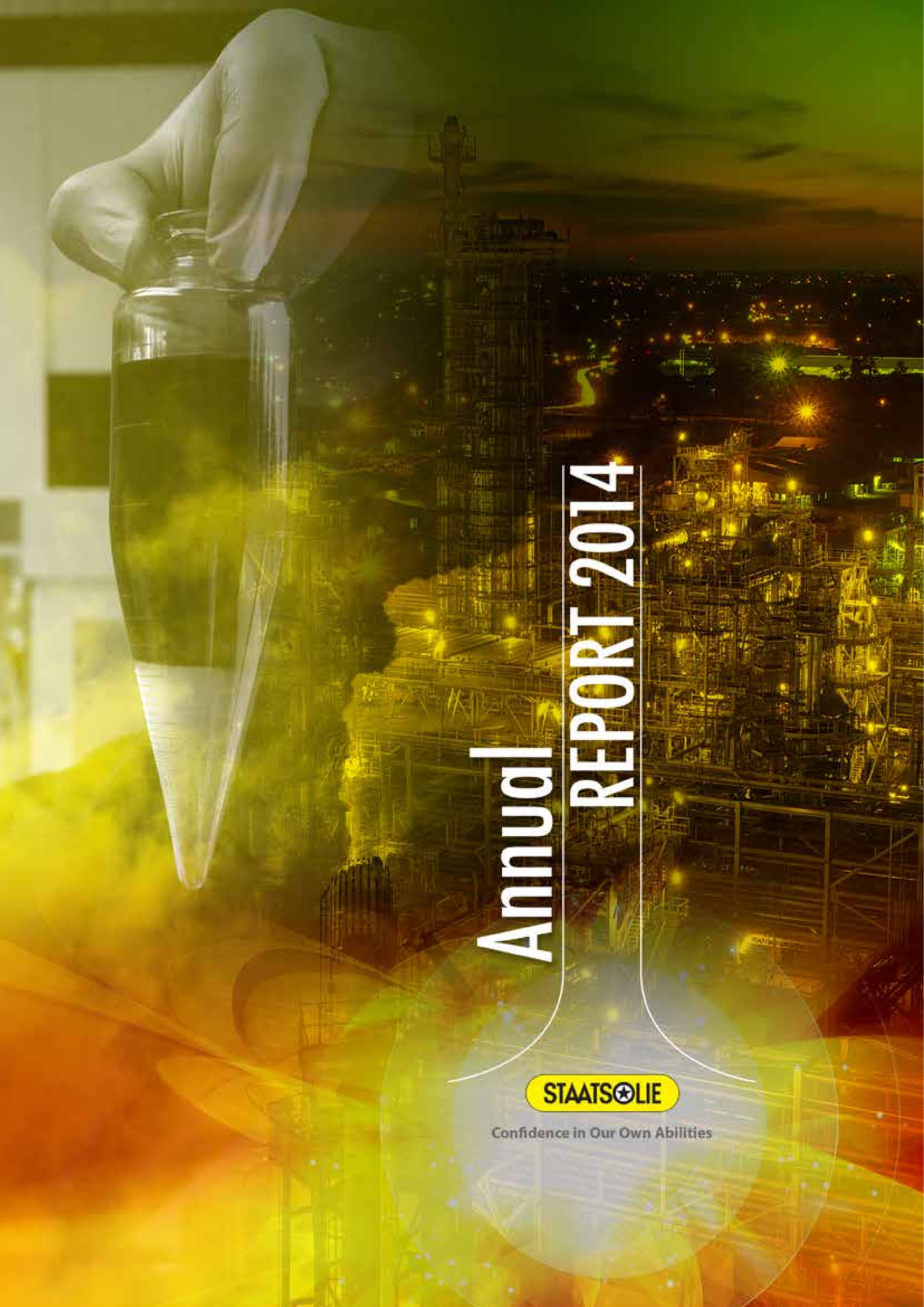


Annual REPORT 2014

STAATSOLIE

Confidence in Our Own Abilities

Staatsolie Vision 2030

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, flexibility 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.

STAATSOLIE

Content

I. Shareholder, Supervisory Board, Board of Executive Directors and Management as at December 31, 2014

Sole Shareholder

The Republic of Suriname represented by:

- the President, His Excellency D.D. Bouterse, on his behalf:
- the Vice President, His Excellency R. Ameerali.

Supervisory Board

E. Boerenveen	Chairman
G. Asadang	Member
R. Graanoogst	Member
E. Poetisi	Member
E. Jozefzoon	Secretary

Board of Executive Directors

M. Waaldijk	Managing Director
I. Poerschke	Finance Director

Deputy Directors

B. Dwarkasing	Acting Director Production & Development
	Deputy Director Exploration & Petroleum Contracts
R. Elias	Acting Director Refining & Marketing
A. Jagesar	Deputy Director Business Development
A. Moensi-Sokowikromo	Deputy Director Finance

Division Managers

D. Brunings	Manager Human Resources Management
L. Brunings	Manager Marketing
H. Chin A Lien	Manager Production Operations
M. Daal-Vogelland	Manager Petroleum Contracts
W. Gajapersad	Acting Manager Technical Services Refinery
P. Goerdajal	Manager Drilling Operations
C. Heuvel	Manager Corporate Audit
C. Hughes	Manager Refinery
V. Jadnanansing	Manager Controlling
J. Gajadien-Joella	Manager Corporate Legal Affairs
W. Jungerman-Gangadin	Manager Corporate Communication
J. Kalpoe	Acting Manager Maintenance & Turnaround Refinery
K. Lie A Kwie	Acting Manager Health, Safety & Environment Refinery
D. Mac Donald	Manager Health, Safety, Environment & Quality
B. Nandlal	Manager Field Evaluation & Development
A. Nelson	Manager Exploration
R. Ramautar	Manager Renewable Energy Sources
M. Refos	Acting Manager Operations Refinery
K. Roepnarain	Acting Manager Procurement
A. Sleman	Manager Information & Communication Technology
A. Tjong A Hung	Manager Engineering & Maintenance Services
G. Wong A Sang	Acting Manager Finance Administration

Managers assigned

E. Fränkel	Project Manager Suriname Ethanol & Sugar
T. Ketele	Project Director Refinery Expansion
A. Vermeer	Project Manager ERP

Subsidiaries

P. Brunings	Operations Manager Paradise Oil Company N.V.
A. Ghent	Chief Executive Officer Ventrin
A. Kleiboer	Operations Manager Staatsolie Power Company Suriname N.V.
A. Nai Chung Tong	Managing Director GOw2 Energy Suriname N.V.

Board of Executive Directors and Deputy Directors as of February 1, 2015

Front:
A. Moensi-Sokowikromo - *Finance Director*

Back from left to right:
A. Jagesar - *Deputy Director Business Development*
R. Elias - *Director Refining & Marketing*
M. Waaldijk - *Managing Director*
B. Dwarkasing - *Acting Director Production & Development / Deputy Director Exploration & Petroleum Contracts*

Supervisory Board

E. Boerenveen
Chairman

E. Jozefzoon
Secretary

G. Asadang
Member

E. Poetisi
Member

R. Graanoogst
Member

II. Letter of the Managing Director

The steep fall of international oil prices, which started in the second half of 2014, had a major impact on the global oil industry and inevitably on Staatsolie as well. To maintain maximum profit during this challenging time, Staatsolie was quick to draw on its capability to implement extensive measures to re-balance its budget.

In 2014, we have managed to record consolidated gross revenues of US$ 1,056 million, which is 3% higher than in 2013. The increase largely resulted from a 19% increase in trading volumes of oil products and a 60% increase in electricity production, which was partially offset by a 14% decrease in oil prices. Our profit before tax of US$ 400 million declined 7% compared to 2013. Consequently, contributions to the government budget decreased nine percent to US$ 259 million, of which US$ 122 million entails taxes and US$ 137 million dividend payments.

In 2014 our health and safety focus was on improving safety awareness and behavior of both Staatsolie and contractor personnel with the slogan: 'Safety is everyone's responsibility'. We are proud to report the safety record at the Refinery Expansion Project which shows more than 7,000,000 construction man hours without a lost workday case. In the upstream, twelve lost time incidents were recorded compared to sixteen in 2013.

The refinery operations produced 1.46 million barrels refined products compared to a target of 1.44 million, at an availability of 98.7 percent. Mid-July the refinery was taken out of service to make necessary interconnections with the expanded refinery. On 13 December we inaugurated the expanded refinery, which will enable us to supply a large portion of the local fuel demand. Ultra-low sulphur diesel and gasoline production will commence in the second half of 2015.

In order to maintain sufficient electric power supply, at the request of the Government and based on sound economic viability, Staatsolie Power Company Suriname N.V. further expanded its power plant to a capacity of 62 megawatt. The expanded capacity was taken into operations in March 2014. A further expansion to 96 megawatt initiated in October 2014, will be operational mid-2015.

In 2014 majors steps were taken to diversify our exploration portfolio to include nearshore and foreign acreage besides the traditional onshore acreage. To this

end Paradise Oil Company N.V. concluded preparations to start an exploration drilling program in nearshore Block 4 in April 2015. We are optimistic about the potential, based on the indications of the seismic surveys in this block. In addition, two independent acreage reviews were concluded.
Our crude oil reserves as of 31 December 2014 is estimated at 100 million barrels. This translates into an addition of 13.6 million barrels over 2014, a 223% reserve replacement ratio.

Our offshore partners have committed and made preparations to drill at least two wells in 2015. Apache Suriname Corporation LDC started drilling in Block 53 in the first quarter of 2015. This well is drilled in water depths of approximately 1,500 meters, about 180 kilometers North-West of Paramaribo. Teikoku Oil Suriname Ltd has already directed a drilling rig to Suriname. Drilling of this second well is scheduled to start in the second quarter of 2015.

In 2014, land development and preparations to award the Engineering Procurement and Construction contract of the Sugarcane to Ethanol Project in Wageningen continued. Unfortunately due to budget constraints, priority changes and uncertainty about the engagement of an agriculture partner we have decided to put the project on hold as of December 2014. We will maintain the pilot cultivation in order to be ready to initiate this project again under better circumstances.

In November 2014 Staatsolie and Suriname Gold Company LLC (Surgold), a subsidiary of Newmont Mining Corporation, signed an agreement to develop the Merian Gold Mine in East Suriname. Staatsolie's decision to acquire a 25 percent stake in this project is based on the outcomes of a thorough economic evaluation. Staatsolie will contribute approximately US$ 350 million to this project. This amount includes our participation in both the historical exploration costs and the total estimated project investment.

In 2014 Staatsolie increased the current loan agreement with a consortium of international and regional banks to US$ 440 million. This was further increased to US$ 540 million in February 2015. The adjustment was mainly intended for the financing of Staatsolie's participation in the Merian Gold Project.

On 25 March 2015 the second local bond issue was announced. The Surinamese community will again be given the opportunity to participate in this loan with a maturity of five years. This loan will also be used to partially fund our approximately US$ 1 billion long term investment program 2015-2020.

I would like to take this opportunity to recognize Iwan Poerschke who retired as Finance Director as of 1 January 2015. We thank him for his contribution in his brief tenure at Staatsolie. As of the same date the Supervisory Board appointed Agnes Moensi-Sokowikromo, who served as Deputy Director Finance for the last six years, as Finance Director.
The Supervisory Board also appointed Rudolf Elias as Director Refining and Marketing, after he has been ad interim in this position for the past two years. We congratulate both Agnes and Rudolf with their assignments and wish them success.

I conclude that despite the challenging developments on the international oil market, 2014 was yet another successful year for Staatsolie. The essential part of this success has to be credited to our employees, our greatest assets, as their dedication, hard work and continuous cost control efforts enabled us to achieve these result.

On a more personal note I also want to express my gratitude to the President of the Republic of Suriname who, during the inauguration ceremony of the expanded refinery, bestowed upon me the title of 'Bearer of the Grand Ribbon in the Order of the Yellow Star'. I dedicated this medal to all Staatsolie employees, as we all contributed to the success of Staatsolie.
Finally on behalf of the Board of Executive Directors, I express my gratitude to the Shareholder, the Supervisory Board, contractors and customers.

Thank You!

Paramaribo, March 2015

M.C.H. Waaldijk
Managing Director

III. Operational Performance 2014 and Work Program 2015

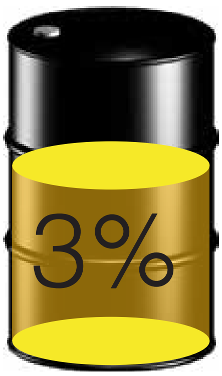
Financial Performance

The consolidated gross revenues amounted to US$ 1,056 million, 3% higher than 2013. The average product net sales price was US$ 85.34 per barrel compared to US$ 98.97 per barrel in 2013, a decrease of 14%. This decrease in the oil prices was fully compensated by a volume increase of 19% from trading activities and a 60% increase in electricity production. The profit before tax decreased by 7% amounting to US$ 400 million compared to US$ 432 million in 2013. This decrease was primarily caused by the product-mix consisting of more lower margin sales, and higher interest expenses. Consequently contributions to the government budget on an accrual basis decreased by 9% amounting to US$ 259 million: US$ 122 million for taxes and US$ 137 million for dividend. Total investment expenditures increased to US$ 457 million compared to US$ 304 million in 2013, primarily due to the Refinery Expansion Project reaching its investment peak in 2014.

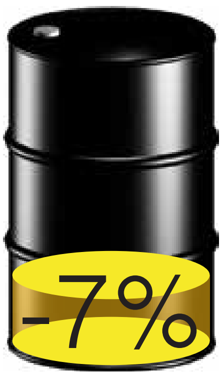
Institutional Activities

In January 2014 a Production Sharing Contract (PSC) for offshore Block 54 was signed with a consortium of Tullow (50%) and Statoil (50%). This block is 180 kilometers of the coast of Suriname and was offered along with three other blocks during the international bidding round in 2013.

In February 2014, the international bidding round 2014/2015 commenced with the objective to seek PSC's for blocks 58, 59 and 60. The bid submission was closed on 30 January, 2015. Two bids were received for block 58, while no bids were submitted for Blocks 59 and 60. The bids have been evaluated and Block 58 was awarded in March 2015.



Consolidated Gross revenues US$ 1,056 million



Profit before tax US$ 400 million

As of March 2015 there are nine offshore blocks under contract respectively operated by Teikoku Oil Suriname Co Ltd; Kosmos Energy Suriname; Tullow Suriname BV; Murphy Suriname Company Ltd; Petronas Suriname E&P BV; and Apache Suriname Corporation LDC. In 2014, two contractors committed and started preparations to drilling two wells in 2015. Apache Suriname Corporation LDC, a subsidiary of the US company Apache Corporation will start drilling activities in the first quarter of 2015 in Block 53, while Teikoku

The expanded refinery.

Oil Suriname Co Ltd has already directed the contracted drilling rig to Suriname. The Apache well is drilled approximately 180 kilometers of the coast of Suriname in water depths of 1,500 meters, while the Teikoku well will be drilled in 50 meters of water depths, approximately 100 kilometers of the coast.

Commercial Activities

Upstream

Exploration

In 2014 majors steps were taken to diversify the exploration portfolio to include, nearshore and foreign acreage besides the traditional onshore acreage.

The 112 km onshore 2D seismic project was completed in February 2014 and all processed data was received in March 2014. Based on this data, two drilling programs were initiated in the Weg naar Zee and Coesewijne area respectively.

Four wells were drilled in the Coesewijne area of which one well had a discovery with an oil column of 2.7 metre in the Miocene interval (87.5 – 90.5 metre). The 3 other wells had oil shows in the Cretaceous interval.

The drilling program for Weg naar Zee, which was to start in 2015, has been postponed due to budget reductions. Two petroleum system studies, a fluid inclusion, and satellite remote sensing & regional model integration study were conducted. These will be integrated in

2015 to obtain a better understanding of the geological conditions of the Suriname Guyana basin to assist in future exploration in the nearshore.
The nearshore 2D seismic project was carried out with data collected in five out of the six planned blocks. Due to bad weather conditions, the program was terminated earlier than planned with 1,210 km of the planned 2,630 km seismic acquired. Later in 2015 the data will be available for interpretation in order to identify leads and prospects in the respective blocks.

One foreign opportunity in the Dominican Republic, was evaluated. Although a positive evaluation, this program has been postponed due to budget reductions.

Crude Production
In 2014, crude oil production totaled 6.13 million barrels (MMBLS), 3% higher than the 2013 production of 5.98 MMBLS. The daily average production was 16,794 barrels oil per day (BOPD). A total of 119 new producers were taken into production: 106 in the Tambaredjo North West (TNW) field and 13 in the Tambaredjo field, bringing the total number of wells in production to 1,668.

Crude reserves and reservoir studies
The proved reserves as of 31 December 2014 stands at 100 MMBLS an increase of 7.5 million from 92.5 million barrels at the end of 2013. Including the 2014 production of 6.13 MMBLS this translates to an addition of 13.6 MMBLS in 2014, a reserve replacement ratio of 223%. A significant contribution came from the drilling and evaluating of 56 appraisal wells.
Several reservoir studies were executed in 2014 including studies to optimize oil recovery and assess Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) options, in order to select methods for further research.

Enhance Oil Recovery Technologies (EOR)
In 2014 an EOR pilot proposal for Water Alternating Gas injection in the Tambaredjo field has been approved. Preparations to expand the Polymer Flooding project with 36 injectors are ongoing. In addition, further research was initiated to support the execution of a 5 well pilot horizontal drilling project which is planned for 2016.

Development Drilling
In 2014, the Development drilling organization drilled a total of 129 wells of which 83 were completed. The drilling program included 56 appraisal wells and was executed with four rigs (three swamp rigs and one land rig). Furthermore, a down hole water sink well and polymer injector well were recompleted.

Engineering and Maintenance Services (E&MS) General
In September 2014 organizational adjustments were made to the E&MS organization to accelerate execution of overdue tank and pipeline rehabilitation projects. For 2014 two tanks were rehabilitated and 6 km of 4" steel lines were placed with High Density Polyethylene. The project to implement structured maintenance planning and scheduling was completed successfully.

Engineering and Construction
Engineering projects were mainly focused on sustaining production, including well facilities, field headers and treatment facilities. Major investment projects that were completed include:

- Production facilities 2014 to enable commissioning of planned drilling program;
- Pipeline from Huwelijkszorg (HZ) via TNW to TA58. Initial scope pertaining HZ to TNW is scheduled for completion in the second quarter of 2015;
- Expansion of backup power capacity for the Saramacca Operations with a 2 MW to a total available capacity of 6 MW;
- Building of new offices and a conference room for drilling operations at TA-58.

Downstream

Refinery
For the period the refinery was operational in 2014, production was 1.46 MMBLS compared to a target of 1.44 MMBLS, and refinery availability was 98.7% compared to a target of 98.5%. The refinery was taken down mid-July 2014 for the interconnections with the new refinery.

The new refinery organization was established as of April 2014 and is now fully integrated with the commissioning and start-up organization of Saipem to test, commission and start-up the integrated new Refinery. This new Refinery commenced partial operations in December

2014 and is scheduled to be fully operational in June 2015.

Marketing

Total sales of petroleum products after elimination of intra company sales amounted to 9.1 MMBLS in 2014, an increase of 10% compared to 2013. These volumes include sales from our own production and from trading. Sales of Staatsolie's products were 6.3 MMBLS, an increase of 5.4% compared to 2013. Compared to 2013, the total traded volumes of gasoil, gasoline and fuel oil amounted to 3.8 MMBLS, an increase of 18.8%. Imports of petroleum products from Petróleos de Venezuela S.A (PDVSA) were 1.2 MMBLS compared with 1.1 MMBLS in 2013.

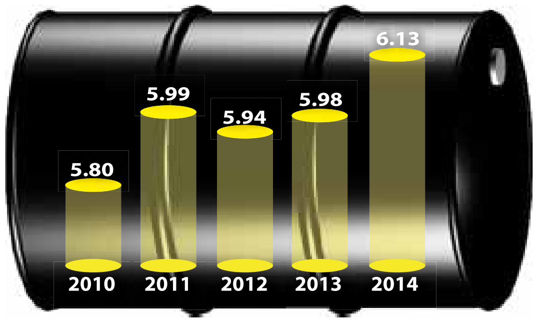
Refinery Expansion Project

The Refinery Expansion Project (REP) entails the construction of facilities for producing high value end products, primarily ultra-low sulphur diesel and gasoline for the local market. In 2014, overall site construction progressed well; construction of the pipelines to retailers, crude storage facilities and the substation building were completed. Civil, Mechanical and Electrical & Instrumentation works continued, resulting in the formal opening of the new Refinery. On 13 December 2014, on the 34th anniversary of Staatsolie, His Excellency President Desiré Bouterse officially put the expanded refinery into operation, whereby the Vacuum Distillation Unit qand ancillaries went into full commissioning and start-up mode.

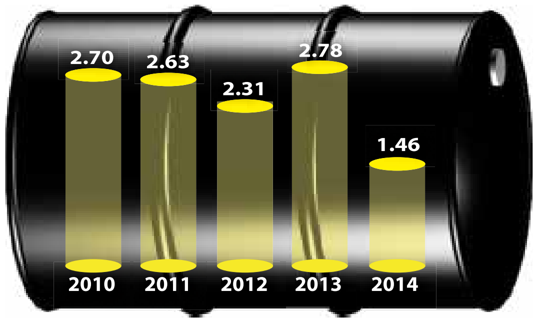
The safety record for 2014 shows more than 7 million construction man-hours worked without lost time injuries.

The Operational Readiness project, which included training of the workforce, set up of the laboratory facilities and equipment, installation of the Manufacturing Execution System, updating of internal working procedures for future operations was largely completed in 2014.

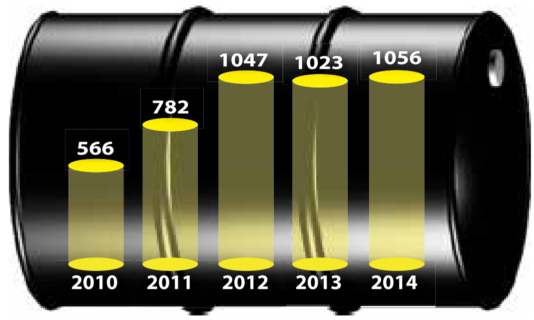
Crude production (x1 mln bbls)



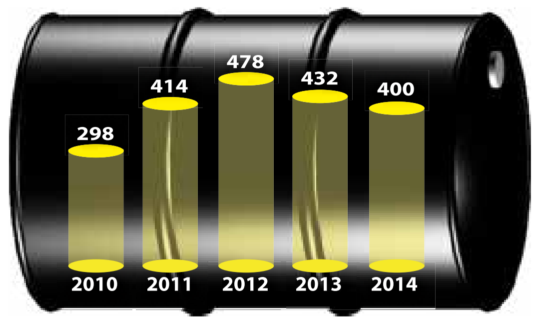
Refinery production (x1 mln bbls)



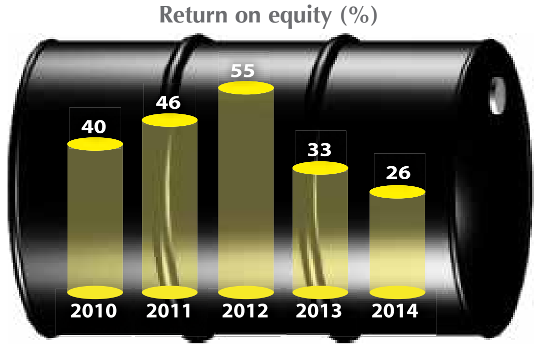
Gross Sales (x1 mln US$)



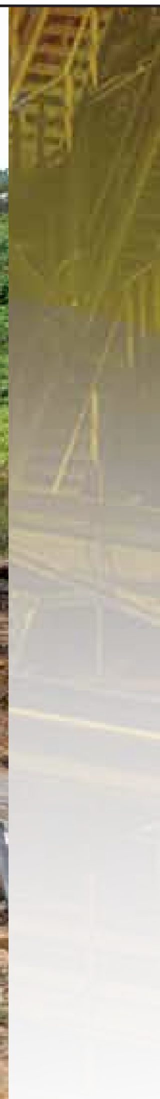
Profit before tax (x1 mln US$)



Return on equity (%)



Construction of the pipeline from the refinery to GOw2 and SOL.



Members of Staatsolie's Board of Executive Directors receive information on board of a seismic vessel.

Geologists analyze seismic data.

Commissioning and start-up activities started in August 2014 and are progressing well. The team will be overseeing first production of Staatsolie diesel, Fuel oil and Bitumen in the first quarter 2015 and working on starting-up premium Diesel and Gasoline production in the second half of 2015.

Business Development

Sugarcane to ethanol

The sugarcane to ethanol project in Wageningen was initiated with the aim to produce 40 million liters of fuel ethanol, 42,500 metric tons of raw sugar per year and 14 MW of green electricity for the Nickerie grid. In 2014, land development activities for a 300 hectares sugarcane nursery continued while the works for an initial 150 ha production acreage were awarded and started. The tender for the Engineering, Procurement & Construction contract of the industrial facilities advanced to the selection of a preferred contractor. The works for site preparation for the industrial facilities were awarded; the 2014 year-end progress is approximately 22%. Uncertainty of the engagement of an agriculture partner and budget adjustments due to lower oil prices, this project has been put on hold as of December 2014.

Solar energy pilot project

In 2014 a 30 kW grid connected Photovoltaic (PV) Solar Energy System, without backup battery, was built on the premises of the head office at Flora.
The objective of the Staatsolie Solar Energy demonstration project is to :

- Gain more insight in the solar energy potential;
- Gain knowledge and experience with respect to solar energy system design, construction, operation performance and integration with existing utilized power system;
- Collect data to validate technical and economic feasibility for future large scale application.

As of March 2015 the system will be operational.

BiosolarCells/AlgaeParc

Staatsolie continued the partnership with the BiosolarCells/AlgaeParc Consortium in the Netherlands in 2014. The goal of this project was to bridge the gap between fundamental research on algae and full scale commercial bio fuels, protein and chemicals production. In 2014, progress was made in optimizing productivity of open and closed outdoor bioreactors, leading to lower production costs and higher yields. A business case was developed for large scale deployment, which will enable the industrial partners to make feasibility studies. Even with this exciting progress, commercial fuel production from Algae is still years away and needs further optimizations to be viable.

Corporate Services

Health, Safety, Environment and Quality

The Health and Safety department focused on improvement of safety awareness and safety behavior of both Staatsolie and contractor personnel, with the slogan: "Safety is everyone's responsibility". Several Health, Safety, Environment and Quality (HSEQ) training courses were executed in 2014 to contribute to improved results. To support HSEQ alertness two HSEQ-days were held spread over 2014, instead of one HSEQ-week. Staatsolie incurred twelve lost time incidents in 2014 compared to 16 in 2013. Of this twelve, three involved Staatsolie employees and nine involved contractor employees.

Environment

As Staatsolie is expanding into new areas there is an increased need for environmental and social assessments and monitoring. In 2014, three Environmental and Social Impact Assessments (ESIA) were completed and seven Environmental Compliance Reports were sent to the National Institute for Environment and Development in Suriname (NIMOS). The monitoring of the environmental performance of the approved projects, in or nearby protected areas, is being conducted in close co-operation with the office of the State Forestry Service.

Quality

Two series of directorates and corporate management meetings were held in 2014 to review the effectiveness of the quality management system. In addition, one external quality audit and two internal quality audits were performed in 2014. The external quality audit was executed by Lloyd's Register Quality Assurance. The reviews and audits concluded that the quality management system of Staatsolie still meets the requirements of the standard ISO 9001:2008.

Corporate Communication

Community projects and other donations by Staatsolie totaled an amount of US$ 2.4 million. Community projects regarded among others the placement of location signs in the district of Saramacca, rehabilitation of breaches in a dam in the Commewijne district and rehabilitation of 30 km of roads nearby Staatsolie's Saramacca Operations. Donations were made amongst others to: the 'St. Vincentius Hospital' for the construction of an emergency room; renovation and expansion of the pediatric intensive and medium care units of the Academic Hospital of Suriname; the Children's Books Festival; a Kids News program; the public swimming facility Stichting Parima; and the family planning institute Stichting Lobi.

The Staatsolie Foundation for Community Development adopted 26 projects in 2014, valued at US$ 2.1 million.

Eighteen projects were completed, including the renovation of seven classrooms and the media center of the Shri Ganesh Elementary School, renovation of the 20 years old kitchen for residents of retirement home Fatima Oord, and a training program to boost the economic resilience of 75 young women from the 'Mati Fu Tego' (Friends forever) organization.

Community Relations

The outcome of the Staatsolie financed study 'Flooding Gangaram Panday weg and Surrounding Areas', was presented to the stakeholders in March 2014. The objective of this study was to find the cause of flooding in the area, find solutions and assess the cost to alleviate the problem. Staatsolie committed to finance parts of the priority recommendations mentioned in the report.

Construction activities at the Merian goldmine in Nassau.

Staatsolie holds a 25 percent stake in the mine.

By pushing a button President Desi Bouterse inaugurated the expanded refinery ...

Public Relations

The largest official event of 2014 was the special celebratory inauguration of the expanded Staatsolie refinery on the company's 34th anniversary. A special highlight during the official ceremony was that Staatsolie's Managing Director Marc Waaldijk was bestowed the title 'Bearer of the Grand Ribbon in the Order of the Yellow Star' by the President of Suriname.

Staatsolie was the platinum sponsor as well as a participant of the First Suriname International Mining, Energy & Petroleum Conference (Surimep), organized by the Ministry of Natural Resources. The lectures, panel discussions and case studies facilitated by local and international speakers presented the local opportunities in referenced sectors as well as highlighting the geographical, economic, ecological and social conditions for sustainable development of natural resources. Surimep registered approximately 700 guests from 24 countries.

Staatsolie participated in the Children's Books Festival of the Stichting Projekten Christelijk Onderwijs Suriname and the Nationale Stichting Kinderboekenfestival. The theme for the Children's Books Festival for the years 2013 through 2016 is Growth. Staatsolie chose to promote a

healthy lifestyle to increase awareness at a very young age. Over 15,000 children enthusiastically participated in the various activities in the Staatsolie booth.

Staatsolie Refinery Expansion gave the kickoff for Staatsolie on social media with the Facebook page www.facebook.com/staatsolie. The results will be evaluated in the first half of 2015.

Human Resources Management (HRM)

In 2014, job evaluations were carried out for all Staatsolie positions, as was done earlier for the new refinery job

… which could be noticed by steam coming out of the flair.

positions. The focus was to ensure companywide consistency and fairness in comparative remuneration. The performance management process was simplified and career paths were developed.

Within the context of the negotiations for a three year Collective Labor Agreement, an agreement pertaining to a collective salary increase for the fiscal year 2014 was reached.

Finance

In March 2014, Staatsolie secured a US$ 275 million loan for planned investments in the 2014-2019 period. The loan contract was signed with a consortium of international and regional banks including Credit Suisse AG (Cayman Islands Branch), First Caribbean International Bank Limited (Curacao), First Caribbean International Bank Limited (Cayman Islands) and ING Bank Limited. In view of Staatsolie's participation in the Merian Gold Project, referenced loan agreement was expanded to US$ 440 million in November 2014. The existing consortium was extended to include RBC Royal Bank Ltd., RBC Royal (Suriname) Ltd., RBC Royal Bank (Aruba) Ltd., and First Citizens Financial Services Ltd.

In addition to the bank loan Staatsolie will issue a bond loan in the first half of 2015 to secure full funding of its investment program 2015-2020.

As part of Staatsolie´s strategy to create a highly integrated Information Technology (IT) architecture, the implementation of the Systems, Applications & Products in Data Processing (SAP) project was initiated.
This implementation will form the core technology, database and development environment and will allow to enhance the planning and decision making capabilities, improve customer service delivery and monitor and manage day to day operations. Initially, this solution will support the Sales and Distribution, Finance, Material Management and Plant Management functionalities and processes at Staatsolie and the subsidiaries Staatsolie Power Company Suriname (SPCS) and Paradise Oil Company (POC).
To support this implementation project, the services of IBM were engaged to lead the implementation, and Ernst and Young (EY) to support the functional and transversal teams and develop quality assurance activities.
The upcoming activities include system configuration and testing, training of end users and the final preparation to start running the system. Implementation is scheduled to be completed in June 2015.

After a thorough study of the Merian Gold Project, it was concluded that it is a sound financial investment for both Staatsolie and Suriname. In addition, participation offers long term growth potential and the opportunity to achieve skills and knowledge in the gold industry and earn foreign currency. Staatsolie entered the agreement with Surgold on 14 November, 2014 the Republic of Suriname confirmed its participation. With this confirmation Staatsolie has a participation interest of 25% in the Merian Gold Project. The total project investment is estimated at US$ 1 billion.
With its current expertise and experience with large projects, Staatsolie will make an important contribution to the successful execution of this Merian Project.

Procurement
To improve local contractors' and suppliers' input and in an effort to increase local content, an extensive assessment program was executed at 30 local contractors. This assessment focused on the gap between current and required adherence to Staatsolie policies and procedures. Assessment activities included site visits, assessment of their quality control systems including HRM, safety and equipment maintenance management systems. The gap analysis reports were discussed and all participating contractors submitted their improvement plans.
In order to realize procurement savings, the Chinese market was further scouted by visiting some major suppliers for specific goods and services. Potential suggestions were made for partnerships, which will be further evaluated and formalized in 2015.

An aerial view of the expanded refinery.

Information & Communication Technology and Controlling

In order to design the Staatsolie Information Security System (ISMS) an ICT risk assessment has been performed. Based on the result the roadmap for implementation of the ISMS based on ISO 27001 will be designed and executed in 2015. The construction of the new ICT Datacenter at Tout Lui Faut was finalized. The server room which was located at Flora, was transferred to the new location at the refinery. To improve internal communication and collaboration, implementation of Microsoft Lync and Direct Access in 2015 was prepared. These two systems will enable corporate wide messaging, video conferencing services and remote access.

In 2013 an Enterprise Risk Management (ERM) system was implemented. In order to secure a fullscale implementation of the Enterprise Risk Management (ERM) procedure, twenty ERM risk facilitators were trained in June 2014. With this training the facilitators are capable to periodically carry out companywide risk assessment sessions, as this is an important component of ERM.

Subsidiaries

GOw2 Energy Suriname N.V.

On 25 April 2014 the articles of association were published and the company's official name changed from Suritex N.V. to GOw2 Energy Suriname N.V.

In May 2014 "Pitstop" Beekhuizen, was opened. This is the first service station where the full new retail approach and concept was presented to the customers. Partly as a result of the new brand and concept the Beekhuizen service station realized an increase in sales. In August 2014 the front court of the rebranded station Gemenelandsweg was opened and this also resulted in an 14% increase in sales. The rebranding of the front court of four service stations will be executed in 2015.

The environmental study, for 18 service stations and the terminals was completed by the Antea group in 2014. The initial results have been reported and Antea Group is currently working on a remediation plan for sites where certain risks have been identified.

The remediation plan of all locations is expected to be completed by April 2015. The rebranding is also focused on the training of retailers and company staff to increase their awareness and knowledge of the new brand. This internal rebranding will continue in 2015.
Based on the approved strategic plan the focus in 2015 will be on further strengthening GOw2's marketing position.

Paradise Oil Company N.V. (POC)

The first half of 2014 was characterized by operational activities in almost all of POC's projects and also by many preparations for the upcoming drilling program in nearshore Block 4. In the second half of 2014 the activities in Uitkijk as well as in Coronie were put on hold in order to fully focus on Block 4.
In the Uitkijk Block five appraisal wells were drilled to better understand the discovered reservoir and to investigate a Cretaceous play near the Saramacca fault system. Producible oil has been revealed in two areas in this block. For 2015, a number of appraisal wells and one production test well are planned.

In Coronie three appraisal wells were drilled in the swamp to further investigate an accumulation that was encountered in the Cretaceous, all these wells had oil shows. The ESIA for drilling a land exploration program was also finalized. Further execution depends on concluding a contract with one or more farm-in partners. Negotiations are on-going.

In the nearshore Block 4, detailed geological evaluations including inversion were conducted on the quality seismic data that was acquired in 2012. Almost 40 prospects and leads were identified, grouped in eleven playtypes. A contract was negotiated and concluded for drilling of nine wells, commencing April 2015. Studies to support planned drilling activities included a full ESIA and geotechnical and geophysical surveys.

Staatsolie Power Company Suriname N.V. (SPCS)

For SPCS, 2014 can be characterized as a year of growth. The installed capacity of the plant was more than doubled, from 28 MW to 62 MW leading to significant production increase from 198.3 GWh in 2013 to 318.2 GWh in 2014, a 60% increase. The expansion of the SPCS power plant was officially put into operation on 28 February 2014 by the President of the Republic of Suriname. Limitations in the 33 kV connection to the Utility grid, allowed a maximum dispatch of 45 MW of the available 62 MW. This limitation will be removed with the commissioning of a new 161 kV transmission facility in March 2015, increasing SPCS' dispatch capacity to 150 MW.
In 2014, the installed steam generation capacity was also increased from 3 to 8 tons per hour. A further increase to 16 tons is planned for 2015. The steam that is generated from hot exhaust gases is sold to the adjacent Staatsolie Refinery. Finally, in October 2014 a contract was signed to further increase the electrical capacity of the SPCS Power Plant with 34 MW to be commissioned by mid-2015.

Ventrin Petroleum Company Limited Trinidad

Ventrin margins were good in the first half of 2014, but deteriorated in the second half due to falling oil prices and in the latter part due to a change in US Emission Control Areas (ECAs) regulation. This change was driven by upcoming legislation which mandates that vessels operating in the designated US ECAs use marine fuels with a maximum of 0.1% sulphur effective 1 January 2015. Current sources of Ventrin do not readily supply this specification. Despite these factors Ventrin managed a marginal profit over 2014.

Work Program 2015

The focus of the work program in 2015 is derived from the Staatsolie Strategic Corporate Goals 2013-2030. In order to realize these long-term goals, focus areas are defined for 2015 pertaining each strategic goal.

Upstream

Exploration

The main focus is on continuation of the nearshore program. The objective is to identify leads and to advance these to drillable prospects. The 2015 activities include:

Nearshore exploration (block 1-3 and 5-7)

- Reprocessing of 2D seismic data;
- Nearshore Seismic interpretation and integration of special studies;
- Completing of an ESIA for nearshore drilling.

Foreign Acreage

- Foreign acreage assessment (regional opportunities).

Petroleum Contracts

Open acreage activities will focus on increasing the contract acreage from 34 to 40% by promoting and awarding blocks 58, 59 and 60.

Regarding Contract Monitoring, the focus is on supporting and monitoring drilling activities for two wells.

POC

The main focus of POC in 2015 will be on the nearshore exploration program and include:

- Exploration drilling activities of nine wells in Block 4-South;
- Completion of an appraisal program in Coronie;
- An appraisal program in the Uitkijk Block (to find a second Uitkijk look-alike);
- Preparations for a development plan for Uitkijk;
- Completion of an ESIA for Uitkijk development.

Field Evaluation & Development

In 2015 the focus of the activities will remain on the planning of the development drilling program, appraisal drilling program, execution of reservoir studies, EOR/ IOR projects and the E&P Data Management projects. The detailed activities are:

1. Development Drilling Program (DDP): To compensate the natural production decline of the fields in order to meet the production target. This goal will be achieved by utilizing the undeveloped reserves through drilling of new oil wells and primary production. This will be realized through the following activities:
    - Monitoring and evaluation of the DDP 2015;
    - Acquisition of 4 km^2 3D seismic in TNW;
    - Reservoir studies to comprehend and analyze the behavior of the reservoirs;
    - Pressure Volume & Temperature Sampling and analysis of Staatsolie fields;
    - Conduct studies to define future locations for development drilling;
    - Conduct field appraisal programs in order to define the field limits and convert probable and possible reserves to proven reserves.

2. Continuation of EOR/IOR projects:
    - Feasibility studies of recovery improvement techniques in the Staatsolie fields;
    - Conduct a characterization study for expansion of Polymer injection in the Tambaredjo field;
    - Field recovery optimization using horizontal wells.

3. E&P Information Management Improvement Program:
    - Continuation of the restructuring of the E&P data management;
    - Finalize the implementation of a production data management system and a seismic data management solution.

Development & Appraisal Drilling

The objective of the Development Drilling Program 2015 is to drill 40 wells of which 13 appraisal wells. Four wells are expected to be dry holes and 36 wells will be completed as oil producers. The Development Drilling Program will be carried out with one rig. In addition nine suspended wells from previous appraisal drilling programs will also be taken into production.

Production operations

In 2015, the focus will be on achieving the production goals for this and the following years. The major activities include:

- Start-up of 45 new production wells;
- Optimization projects to increase the production of individual wells;
- Maintaining the 17,000 BOPD production level;
- Improve down hole maintenance of old wells to reduce their failure rates.

Engineering

Major Engineering projects for 2015 include:

- Construction of facilities for the Development Drilling Program 2015;
- Upgrading and expanding treatment, collection & transfer facilities for the TA58 and Jossiekreek plants;
- Upgrading of the TNW field;
- Completion of the foundations for the expansion of the polymer flooding production facilities Tambaredjo (EOR);
- Development and implementation of a Pipeline Integrity Management System under the Reliability Maintenance Engineering program.


Hand-knitting senior citizens in the renovated recreational room of Stichting Kibri Mi.

Downstream

Refining Operations

The refining operations will continue with the remaining start-up activities in 2015. The majority of the capital investments consist of first year consumables, raw materials and parts required for start-up. The remainder of the investments is for security upgrades, modification of existing buildings and HSE improvements.

Marketing

The focus will be on having contracts in place for the major transition in product mix as well as a major increase in volume to be sold from trading. The product mix will change once the refinery starts producing ultra-low sulphur Diesel and Gasoline. The amount of own fuel oil will significantly decrease and will be supplemented from trading.

Refinery Expansion Project

The focus will be on completion of the project in 2015 comprising of:

- Completion of construction works;
- Inspections of installations and equipment, testing of all pipes, materials and operating systems and certification of processes;
- Commissioning and start-up of the remaining modules.

Business Development

Sugarcane to Ethanol Project

Budget constraints that became apparent in the fourth quarter of 2014 led to the decision to temporize the execution of the Wageningen Sugarcane to Ethanol project. For 2015 this decision implies the following:

- Industrial site development to be put on hold;
- Completion of works being executed on the total 450 ha agricultural acreage;
- No development of additional commercial acreage;
- Maintaining of existing seed crop on the pilot site.

SPCS

Activities planned for 2015 include:

- Completion of phase 4 expansion SPCS thermal plant to 96 MW installed capacity;
- Completion of the 161kV transmission facilities from SPCS to the Menckendam substation.

Corporate Planning

Main activities entails:

- Review of regional opportunities and to have non-binding collaborations with regional oil and gas companies in place to share and jointly review opportunities.
- Review and implementation of improved project evaluation methodology, including deployment of probabilistic modeling.

Renewable Energy Sources (RES)
Activities planned for 2015 include:

- Start-up of two research or pilot projects for highest ranked renewable energy projects;
- Development of a green book focused on renewable energy most suitable for local circumstances;
- Operating the 30 kW solar pilot system and reporting findings. Based on the findings of the pilot, a study will conducted for a 5 MW solar plant, preferably at Saramacca operations.

Corporate Services

The focus for 2015 will be further professionalization of Corporate Services (HRM, HSEQ, Corporate Communications, Finance) which will include the following activities:

- Review and improvement of service delivery of processes and procedures of corporate services;
- Improve service orientation by corporate services, including formalization of service level agreements.

HRM
The activities will mainly focus on:

- Continue: realignment of the organizational structure with Vision 2030;
- Continue: design and rollout of the Career Development & Management Development process, including succession planning and determination of career paths;
- Continue: design and start of a Leadership Development Program;
- Review of the HRM Strategy and Implementation Plan to align with Vision 2030;
- Further professionalization of HR Services.

Health Safety Environment & Quality
Activities planned for 2015 include:

- Continue the development and implementation of an integrated HSE Management System, within the framework of ISO 14001 and OHSAS 18001;
- Identify changes within the Staatsolie Quality Management System according to the new ISO 9001:2015 standard;
- Align the HSE Management System with the ISO Quality Management System;

- Continue with the implementation of the Contractor Management Program.

Corporate Communication
The main focus for Corporate Communication in 2015 will be the compilation of a Corporate Social Responsibility Policy.

Wi Oso (Our House), a shelter for physically challenged persons, received a new main building from Staatsolie Foundation.

Finance Directorate

The activities will mainly focus on:

- Complete implementation of a Cost Management Model, in order to improve reporting of financial management activities such as lifting cost, cost per barrel, refining and marketing margins and the correct allocation of costs/overhead;
- Implementation of Wave 1 of the integrated software SAP wich is scheduled for July 2015.

IV. Management's Analysis of Operations and Financial Condition

1. Risk and Uncertainties

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

Risks related to our business

1. Market risk

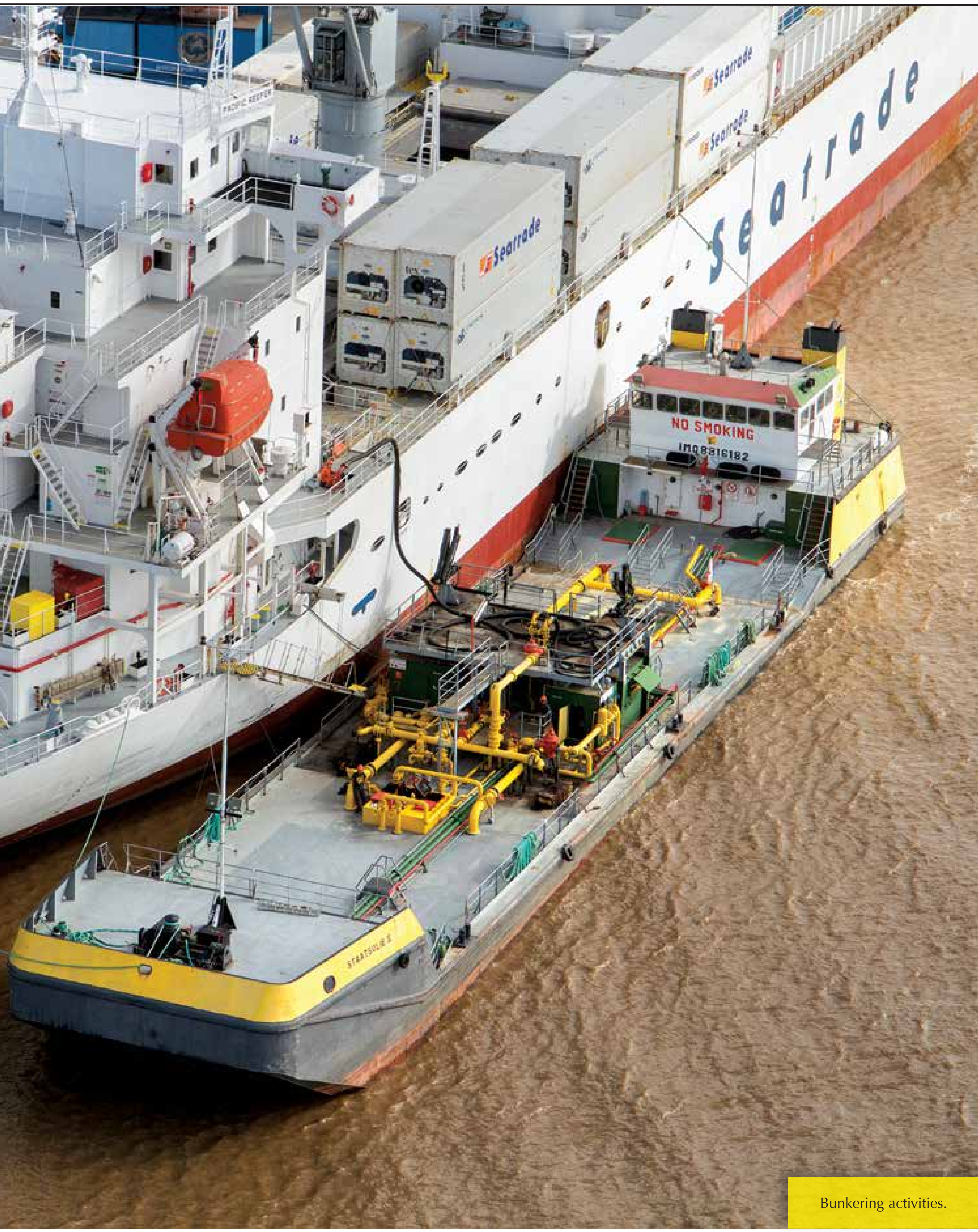
- A prolonged decline in oil prices will adversely affect the company's business, the results of operations, financial condition, liquidity and ability to finance planned capital expenditure. A planning tool is in place to monitor the effects of fluctuations in oil prices and where necessary decisions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

2. Operational risks

- Fail to find and develop additional oil reserves. Unless exploration and development activities are succesfull, proved reserves will decline as they 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 affect the successful implementation of Staatsolie's strategy. Staatsolie's human resource management system includes the determination of key positions, succession planning, workforce planning 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.



Bunkering activities.

- 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 risks 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, which is reviewed periodically, is used to monitor our financial position.
- Foreign exchange 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 3.25, US$ 1 = Euro 0.82 and US$ 1= TT$ 6.36.

4. Political and economic risks

- Political and economic policies of the Surinamese government may have an impact on Staatsolie's business through e.g. tax and environmental laws and regulations.
- The Surinamese government is the sole shareholder of Staatsolie and it may cause the company to pursue certain macro-economic and social objectives which may affect results and financial condition. Access to the international capital market may be influenced by the country risks grade which may have impact on the ability to finance operations.

5. Reputation risk

- Failure to meet Staatsolie's ethical standards could harm its reputation and business: With a Code of Conduct, which applies to all employees and others who act on the company's behalf, Staatsolie wishes to firmly establish the specific values of integrity and community spirit. Therefore the phased implementation of the Enterprise Risk Management System has started.

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;

The computer lab of the AMS high school was renovated by Staatsolie.

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 66 percent (2013: 68 percent) of total proved reserves at year end 2014, 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.
Development projects typically take two to five years from the time of recording proved reserves to the start of production from these reserves. However, a longer time frame is applied where reserves are only developed until actually required to meet the company's production target.

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 etc.) and production equipment are capitalized and amortized based on the Unit of Production Method (UPM).


Staatsolie donated an ultrasound machine to 's Lands Hospital.

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
Staatsolie carries as an asset, exploratory well costs when the well has found a sufficient quantity of reserves to justify its completion as a producing well and where sufficient progress is made in assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria are charged to expense. Assessing whether a project has made sufficient progress is a subjective area and requires careful consideration of the relevant facts and circumstances.

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 Post Retirement 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.

A solar energy park at Staatsolie's head office.

Litigation Contingencies

As at December 31, 2014 there are pending lawsuits against Staatsolie and its consolidated subsidiary GOw2 Energy Suriname N.V.

Management has regular litigation reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. US GAAP requires that liabilities for contingencies be recorded when it is probable that a liability has been incurred by the date of the balance sheet and that the amount can be reasonably estimated. These amounts are not reduced by amounts that may be recovered under insurance or claims against third parties, but undiscounted receivables from insurers or other third parties may be accrued separately. Staatsolie revises such accruals in light of new information.

Based on a consideration of all relevant facts and circumstances, the Company does not believe the ultimate outcome of any currently pending lawsuit will have a material adverse effect upon the Company's operations, financial condition or financial statements taken as a whole.

Tax Contingencies

Staatsolie and its subsidiaries are subject to income taxation. Significant management judgment 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.

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 2014 of Staatsolie Maatschappij Suriname N.V., Paramaribo, which comprise the consolidated and company balance sheet as at December 31, 2014, 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 risks 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.

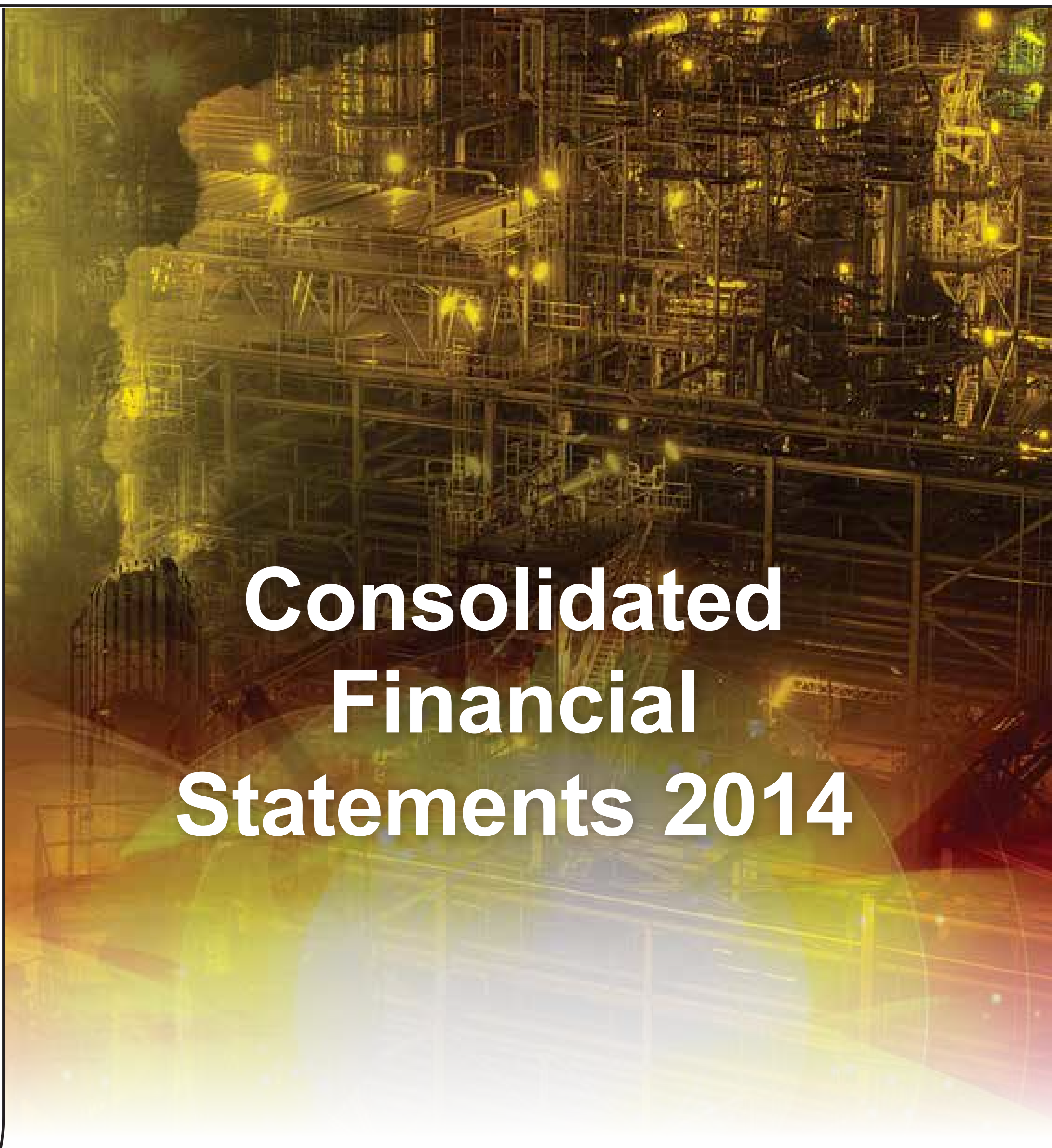
Opinion

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, 2014 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, March 30, 2015

Lutchman & Co. Accountants

Drs. M.R.A. Lutchman RA (Chartered Accountant)



Consolidated Financial Statements 2014

VI. Consolidated Financial Statements

1. Consolidated Balance Sheet as at December 31, 2014

(after distribution of earnings)

x US$ 1,000

Assets	**Notes**	**2014**	2013
Current assets			
Cash and cash equivalents	4	115,173	133,691
Short-term investments	5	8,753	14,865
Trade receivables	6	94,777	112,330
Inventories	7	40,524	35,056
Prepaid expenses and other current assets	8	51,088	50,417
		310,315	346,359
Loan receivable	9	1,966	1,854
Investments	10		
Participation in Joint Ventures		3,063	554
Participation in Suriname Gold Project LLC		128,234	-
		131,297	554
Goodwill	11	5,447	5,447
Deferred tax asset	12	8,149	-
Property, plant and equipment	13		
Oil properties			
Evaluated properties		257,272	240,962
Pipelines		1,716	2,073
		258,988	243,035
Refinery		658,954	12,280
Power plant		73,546	23,082
Other fixed assets		75,861	78,527
		1,067,349	356,924
Projects in progress		463,385	861,019
		1,530,734	1,217,943
Total assets		**1,987,908**	1,572,157

See accompanying notes to consolidated financial statements

Paramaribo, March 30, 2015

The Board of Executive Directors:

M. Waaldijk — Managing Director
A. Moensi-Sokowikromo — Finance Director
R. Elias — Director Refining & Marketing

x US$ 1,000

Liabilities	**Notes**	**2014**	2013
Current liabilities			
Trade payables	14	32,619	41,046
Bank overdraft	19	2,899	4,447
Accrued liabilities	15	119,434	101,312
Income and other taxes	16	16,794	58,739
Short-term portion of 7%Bond	17	55,128	-
Short-term portion of Term Loan	18	-	53,083
		226,874	258,627
Long term liabilities			
7% Bond	17	-	55,085
Term Loans	18	510,521	152,543
FCIB long/medium term loan facility	19	769	1,876
		511,290	209,504
Provisions			
Deferred tax liability	12	-	592
Dismantlement and abandonment	20	109,464	98,012
Pensions & other postretirement benefits	21	12,770	12,562
Pension plan	22	22,201	8,217
Environmental risk	23	2,220	2,220
		146,655	121,603
Shareholder's equity		1,103,089	982,423
Total Liabilities & Shareholder's equity		**1,987,908**	1,572,157

See accompanying notes to consolidated financial statements

Paramaribo, March 30, 2015

The Supervisory Board:

E. Boerenveen	Chairman	R. Graanoogst	Member
G. Asadang	Member	E. Poetisi	Member

2. Consolidated Income Statement 2014

x US$ 1,000

	Notes	**2014**	2013
Revenues from			
Production & Refining		486,498	513,470
Trading activities		510,378	474,295
Electric energy		59,478	35,117
Gross revenues		1,056,354	1,022,882
Inventory variation		12,009	5,282
Other revenues		8,064	2,227
		1,076,427	1,030,391
Less: export-, transport- and sales costs		(34,418)	(18,921)
Net revenues	27	1,042,009	1,011,470
Exploration expenses including dry holes		(13,870)	(14,203)
Production expenses		(45,881)	(44,471)
Refinery expenses		(19,149)	(12,943)
Depreciation	28	(44,066)	(42,744)
Accretion expenses		(5,881)	(5,325)
Other operational costs	29	(466,336)	(412,890)
Operating income		446,826	478,894
General and administrative expenses		(33,867)	(30,490)
Expensed projects		343	(9,759)
Financial expenses	30	(13,593)	(7,005)
Earnings before tax		399,709	431,640
Income tax charge	31	(123,839)	(133,158)
Net profit		**275,870**	298,482

See accompanying notes to consolidated financial statements

Paramaribo, March 30, 2015

The Board of Executive Directors:

M. Waaldijk	Managing Director
A. Moensi-Sokowikromo	Finance Director
R. Elias	Director Refining & Marketing

The Supervisory Board:

E. Boerenveen	Chairman
G. Asadang	Member
R. Graanoogst	Member
E. Poetisi	Member

3. Consolidated Statement of Changes in Shareholder's Equity

In 2014, 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 Sports facilities	Accumulated Net other comprehensive income	Total
Balance as at January 1, 2013	12,104	814,490	6,500	7,456	(1,129)	839,421
Equity movements:						
Transfer from earnings	-	293,941	-	-	-	293,941
Dividend declared	-	(149,068)	-	-	-	(149,068)
Prepaid pension benefits	-	344	-	-	-	344
Adjustment allowances	-	78	-	-	-	78
Allocation /(Withdrawal)[2)]	-	-	500	(490)	(2,303)	(2,293)
Balance as at January 1, 2014	12,104	959,785	7,000	6,966	(3,432)	982,423
Equity movements:						
Tranfer from earnings	-	270,696	-	-	-	270,696
Dividend declared	-	(137,291)	-	-	-	(137,291)
Prepaid pension benefits	-	1,287	-	-	-	1,287
Adjustment allowances[1)]	-	184	-	-	-	184
Allocation /(Withdrawal)[2)]	-	-	500	(957)	(13,753)	(14,210)
Balance as at December 31, 2014	12,104	1,094,661	7,500	6,009	(17,185)	**1,103,089**

See accompanying notes to consolidated financial statements

[1)] Adjustment allowances consists of:

- the adjustment profit sharing 2013: US$ 185,302

[2)] Allocation/ (Withdrawal) consists of the following items:

- Appropriated reserve for environmental risks: US$ 500,000
  Annually, an amount of US$ 500,000 is allocated for environmental risks. As at December 31, 2014, the appropriated reserve for environmental risks amounted to US$ 7.5 million.
- Appropriated reserve Committee Rehabilitation and Expansion of Sports facilities: (US$ 957,000)
- Accumulated net other Comprehensive Income: US$ (13,753,000)
  See paragraph 4 on the next page for the breakdown of this amount

4. Consolidated Statement of Other Comprehensive Income

x US$ 1,000

	2014	2013
Balance as at January 1	3,432	1,129
Pensions and other postretirement benefit plans	13,942	1,253
Unrealized (gains) and losses short-term investments	7,547	2,345
Tax effects of items included in other comprehensive income	(7,736)	(1,295)
Balance as at December 31	17,185	3,432

x US$ 1,000

Tax effects related to other comprehensive income 2014	**Before Tax amount**	**Tax Expense/ Benefit**	**Net of Tax amount**
Pensions and other postretirement benefit plans	13,942	5,019	8,923
Unrealized (gains) and losses short-term investments	7,547	2,717	4,830
Other comprehensive income	21,489	7,736	13,753

See accompanying notes to consolidated financial statements

x US$ 1,000

Difference between 2014 company - and consolidated shareholder's equity

Consolidated shareholder's equity	1,103,089	
Company shareholder's equity	1,111,139	
Difference		**(8,050)**
Due to the following:		
Negative net capital value Ventrin	(5,204)	
Negative net capital value POC	(2,969)	
Elimination of POC's net profit from overhead charges Staatsolie	(67)	
Tax adjustment from profit elimination from ending stock Ventrin and SPCS	276	
Elimination Staatsolie profit from sales to Ventrin and SPCS	(767)	
Adjustment of retained earnings due to result subsidiaries	681	
Total		**(8,050)**

5. Consolidated Cash Flow Statement 2014

x US$ 1,000	2014	2013
Cash flow from operating activities		
Net earnings	**275,870**	298,482
Depreciation	44,066	42,744
Accretion on discounted provisions	5,881	5,325
Amortization of debt arrangement fees	(2,542)	653
Exploration expenses of dry holes	26	-
Provision	(5,964)	(5,904)
Interest on short-term investments	(9,382)	3,437
Accrued interest	4,635	(258)
Deferred taxes	(728)	(2,405)
Foreign exchange (gain)/loss	406	271
Provision for doubtful accounts	2,536	(928)
Operating profit before working capital changes	**314,804**	341,417
Working capital changes (Operating assets)		
Accounts receivable	(67,039)	(79,928)
Inventories	(5,745)	(5,918)
Accounts payable	(8,427)	(8,021)
Bank overdraft	(1,548)	49
Accrued liabilities	16,309	15,982
Income and other taxes	(41,945)	(15,356)
Pension plan	2,865	4,078
Provision for pensions and other postretirement benefits	3,349	2,992
Net cash flow from operating activities	**212,623**	255,295
Cash generated from investing activities		
Proceeds from sale of property, plant and equipment	456	12
Investment in property, plant and equipment	(349,063)	(304,346)
Proceeds from sale of short-term investments	7,947	15,291
Investment in Suriname Gold Project LLC	(108,491)	-
Net cash flow from investing activities	**(449,151)**	(289,043)
Cash generated from financing activities:		
Proceeds from debt	451,000	74,000
Repayment of debt including repayment through debt restructuring/ amendment	(135,341)	(45,277)
Payment of debt arrangement fees	(13,643)	(2,369)
Changes in general reserve	(4,674)	(4,302)
Dividends paid	(78,865)	(79,119)
Committee Rehabilitation and Expansion of Sports facilities	(957)	(490)
Net cash flow from financing activities	**217,520**	(57,557)
Effects of exchange rate changes on foreign cash balances	490	241
Net increase (decrease) in cash and cash equivalents	**(18,518)**	(91,064)
Cash and cash equivalents at the beginning of the year	**133,691**	224,755
Cash and cash equivalents at the end of the year	**115,173**	133,691
Interest paid	12,013	14,805
Income tax paid	145,034	146,030

See accompanying notes to consolidated financial statements

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 subsidiaries of which three 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 is the main shareholder 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 LLC ('Surgold'), a limited partnership concluded 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 translation

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.

Exploration and production development

Staatsolie utilizes the successful efforts method to account for expenditures incurred on exploration and production. On this basis, exploration costs incurred (drilling costs and material fixed assets) are initially capitalized, pending outcome of the technical findings of the exploration effort. If the drilling operation is not commercially successful, the capitalized costs are charged in full to the expense account after deduction of any residual value. All other exploration costs, including geological and geophysical expenses, are charged to the expense account as incurred.

Capitalized costs relating to investments in the oil field, including productive land properties, are 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.

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, generally determined under the last-in, first-out method – LIFO. 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.

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.

Property, plant and equipment

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.

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.

Capitalized interest 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.

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 shortterm 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
This relates to the difference between the commercial and fiscal calculation of profits and the resulting difference in income tax position.

Provision for dismantlement and abandonment
This provision regards the expected costs of the dismantlement of the production field, the related production facilities, the pipelines (Saramacca-Tout Lui Faut-Paranam), 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.
Annually, a portion of the expected costs of dismantlement and abandonment is expensed. The allocation of the cost for related production facilities, for example production fields, is based on the Unit of Production Method.

Asset Retirement obligations
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 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 (NIMOS), 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.

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 inccurred.

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 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. The new standards/amendments of 2014 are generally 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 2013 have been reclassified to conform with 2014 presentation.

(x US$ 1,000, unless indicated otherwise)

4 Cash and cash equivalents

	2014	2013
Cash at foreign banks	58,524	82,767
Cash at local banks	56,267	49,866
Total bank balance	114,791	132,633
Petty cash	382	1,058
	115,173	133,691

Cash and Cash equivalents include restricted cash for a total of US$ 45.6 million (2013: US$ 53.3 million). The nature of these restricted funds relates to:

- Collateral with reference to Staatsolie’s long term loans and funding for the intrest and loan (re)payment, ad US$ 7.7 million;
- The expansion of the SPCS power plant and collateral with reference to the loans and funding for intrest and loan (re)payment of SPCS, ad US$ 26.8 million;
- Corporate parent guarantees of Staatsolie to secure Ventrin's bank loans as well as other operational activities, ad US$ 11.1 million.

5 Short-term investments

	2014	2013
Powisie Gold certificates	-	6,972
Shares	8,753	7,893
	8,753	14,865

Valuation of short-term investments is based on level 1 inputs. These are quoted prices in active markets for identical assets or liabilities. On March 13, 2014, the remainder of the Powisie Gold certificates in the amount of US$ 6,972,045 were exchanged at the Centrale Bank van Suriname.

6 Trade receivables

	2014	2013
Trade receivables in US$	82,769	100,906
Trade receivables in other currencies	12,008	11,424
	94,777	112,330

The trade receivables include a provision for doubtful accounts of US$ 8,655,256 of which US$ 7,620,715 for Staatsolie and US$ 1,034,541 for Ventrin (2013: US$ 6,119,609).

7 Inventories

	2014	2013
Petroleum products	18,794	20,016
Materials and supplies (net)	14,838	11,812
Ordered goods	6,892	3,228
	40,524	35,056

Materials and supplies include a provision for obsolete items of US$ 822,536. In 2013 no additional provision has been calulated for obsolete materials and supplies.

8 Prepaid expenses and other current assets

	2014	2013
Amount due from Joint Ventures and Subsidiaries	20,552	16,163
Prepaid insurance costs	1,508	1,488
Prepaid purchased goods and services	17,121	17,338
Other prepaid expenses	11,907	15,428
	51,088	50,417

9 Loan receivable

The amount of US$ 1,966,273 (2013: US$ 1,853,953) consists of the outstanding loan and interest regarding an 8% long-term 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$ 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$ 12,668,969 (2013: US$ 7,520,271).

- Coronie Joint Venture
POC is the sole operator in the Coronie Block and its participation amounts to US$ 6,817,709 (2013: US$ 3,688,682).

- Current account Uitkijk Joint Venture
This is the 96.5% participation of POC in the Uitkijk Joint Venture that has to be paid by POC and amounts to US$ (9,605,972) (2013: US$ (6,966,138)).

- Current account Coronie Joint Venture
This is the 100% participation of POC in the Coronie Joint Venture that has to be paid by POC and amounts to US$ (6,817,709) (2013: US$ (3,688,682)).

Participation in Suriname Gold Project LLC

On 14 November 2014 Staatsolie entered as limited partner with an interest of 25% into Suriname Gold Project LLC ('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 LLC 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 contributions to this participation amounted to US$ 128,233,610 as at 31 December 2014.

11 Goodwill

Staatsolie tested this goodwill for impairment during 2013 and concluded no impairment was necessary.

12 Deferred tax (assets)/liabilities

Movements in 2014 in the deferred tax (assets)/liabilities were as follows:

	2014	2013
Balance as at January 1	592	4,435
Movement due to:		
Difference between commercial and fiscal calculation of profit	(728)	(2,405)
Unrealized losses on inventory subsidiaries	(277)	(143)
Unrealized financial gains/ (losses) from investment in pension plan and postretirement benefits	(5,019)	(451)
Unrealized financial gains/ (losses) from Shares	309	463
Unrealized financial gains/ (losses) from Powisie Gold Certificates	(3,026)	(1,307)
Balance as at December 31	**(8,149)**	592

13 Property, plant and equipment

Movements in 2014 in property, plant and equipment are as follows:

	2014								2013
	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	566,153	17,896	584,049	81,926	35,635	182,933	861,019	**1,745,562**	1,441,652
Disinvestments current year	(1,284)	-	(1,284)	(147)	-	(1,526)	-	(2,957)	(436)
Capitalized current year [1)]	40,676	126	40,802	652,788	54,444	6,465	(397,634)	356,865	304,346
Total investments December 31	**605,545**	**18,022**	**623,567**	**734,567**	**90,079**	**187,872**	**463,385**	**2,099,470**	1,745,562
Total depreciation January 1	(325,191)	(15,823)	(341,014)	(69,646)	(12,553)	(104,406)	-	(527,619)	(485,186)
Depreciation disinvestments current year	1,047	-	1,047	147	-	1,755	-	2,949	309
Depreciation current year	(24,129)	(483)	(24,612)	(6,114)	(3,980)	(9,360)	-	(44,066)	(42,744)
Total deprecia-tion value December 31	**(348,273)**	**(16,306)**	**(364,579)**	**(75,613)**	**(16,533)**	**(112,011)**	**-**	**(568,736)**	(527,619)
Book value as at December 31	**257,272**	**1,716**	**258,988**	**658,954**	**73,546**	**75,861**	**463,385**	**1,530,734**	1,217,943

[1)] On December 13, 2014 the new refinery was commissioned. An amount of US$ 652.7 million was capitalized in relation to the refinery units which are technically in service as from this date. Capitalized interest in 2014 is US$ 3.3 million from a total interest amount of US$ 6 million (2013: US$ 7.7 million from a total interest amount of US$ 14.7 million).

Investment in evaluated properties

The 2014 depreciation rate of 0.09 (2013: 0.08) for the Tambaredjo Field, 0.08 for the Calcutta Field (2013: 0.12) and 0.10 (2013: 0.12) 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:

	2014	2013
Balance as at January 1	98,012	88,757
Accretion expense	5,881	5,325
Addition subject to depreciation	5,571	3,930
Balance as at December 31	**109,464**	98,012

Evaluated properties

	2014	2013
Evaluated properties	548,917	514,349
Capitalized cost for dismantlement	56,628	51,804
	605,545	566,153
Less: accumulated depreciation	(348,273)	(325,191)
Book value evaluated properties	**257,272**	240,962

Suspended exploratory well costs

The amount of capitalized exploratory well costs 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

	2014	2013
Balance as at January 1	25,818	23,969
Additions pending determination of proved reserves	3,186	4,626
Charged to expense	(2,718)	(2,777)
Balance as at December 31	**26,286**	25,818

Period end capitalized suspended exploratory well costs

	2014	2013
Capitalized for a period of one year or less	3,837	2,862
Capitalized for a period between one and two years	20,485	20,745
Capitalized for a period between two and three years	1,964	2,211
Capitalized for a period greater than one year - subtotal	22,449	22,956
Balance as at December 31	**26,286**	25,818

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

	2014	2013
Number of projects with first capitalized well drilled in the preceding 12 months	-	2
Number of projects that have exploratory well costs capitalized for a period greater than 12 months	5	3
Total	**5**	5

Pipelines

The pipeline facilities that transport fuel oil from Tout Lui Faut to Paranam were put into use in July 2000. This pipeline is depreciated on a straight-line basis over a period of 15 years.

Refinery

The refinery assets are depreciated on a straight-line basis. Part of the new refinery was put into use in December 2014. The new refinery units are depreciated at a rate of 4.3% per year. The distributed control system and the crude storage tanks are depreciated at respectively 8% and 20% annually. Land is not depreciated.

Refinery assets comprise the following:

	2014	2013
Land and land improvement	1,666	1,666
Crude desalting and vacuum unit, visbreaker unit, tankfarm and utilities	676,190	58,144
Distributed control system	1,825	1,825
Crude storage tanks	51,434	16,917
Capitalized cost for dismantlement	3,452	3,374
	734,567	81,926
Less: accumulated depreciation	(75,613)	(69,646)
Total refinery assets	**658,954**	12,280

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 1/3%, 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:

	2014	2013
Buildings and production hall	17,126	3,326
Steam boilers and metering	2,749	1,163
Yard	300	300
Field equipment	3,532	3,532
Fuel treatment	326	248
Electric installation	1,643	1,643
Inventory	152	152
Powerhouse equipment	59,098	23,732
Tank battery	3,839	768
Capitalized cost for dismantlement	1,314	771
	90,079	35,635
Less: accumulated depreciation	(16,533)	(12,553)
Total power plant assets	**73,546**	23,082

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.

Other fixed assets comprise the following:

	2014	2013
Properties & Dock TLF	50,564	50,564
Buildings and installations	61,742	59,466
Oil tankers	8,798	8,598
Drilling machinery, heavy equipment and transportation	32,449	31,607
Office furniture, fixtures and tools	34,319	32,698
	187,872	182,933
Less: accumulated depreciation	(112,011)	(104,406)
	75,861	78,527

14 Trade payables

	2014	2013
Trade payables in US$	28,480	35,230
Trade payables in other currencies	4,139	5,816
	32,619	41,046

15 Accrued Liabilities

	2014	2013
Current Account Surgold	19,905	-
Cash dividend payable	3,202	22,644
Allowances payable to management and personnel	5,733	6,811
Payables regarding consultancy and other services	20,916	34,966
Other short-term provisions	5,082	4,742
Accrued expenses	50,830	26,554
Accrued interest	4,326	1,343
Other payables	9,440	4,252
	119,434	101,312

16 Income and other taxes

	2014	2013
Income tax	22,315	61,871
Other taxes and social security	(5,521)	(3,132)
	16,794	58,739

The other taxes and social security of 2014 include net of tax receivables of US$ 15,720,789 (2013: US$ 13,391,874) regarding Staatsolie sales taxes.

17 7% Bond

On May 14, 2010, Staatsolie issued a five-year 7% unsecured coupon bond, which will be due on May 14, 2015. Interest is paid semi-annually on May 14 and November 14 each year. Interest recognized in 2014 amounts to US$ 2.0 million (2013: US$ 1.8 million).

18 Term Loan

Secured long-term loan

On 31 March 2014 Staatolie refinanced the remainder of the 2010 term loan by closing a new long term loan of US$ 275 million to fund the investment program. With respect to the financing of the 25% investment in the Suriname Gold Project, Staatsolie made use of the option to further increase the term loan to US$ 440 million on 14 November 2014. The total loan amount consists of US$ 415 million term loan and US$ 25 million revolving loan. Repayment of the term loan is planned for 12 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. This security consist of, among others, the offshore receivables. Staatsolie also has to comply with several affirmative and negative covenants. As of December 31, 2014 Staatolie is in compliance with the covenants of the loan agreement.

Loan at Credit Suisse

In November 2014, SPCS increased the 7 year loan with the Credit Suisse bank for the expansion of the Power Company with US$ 36 million. The total balance as of 31 December 2014 is US$ 110 million and is recorded as long-term debt. Repayment of the loan is planned for 24 quarterly installments. The maturity date is set on November 2021.
Staatsolie acts as guarantor for this loan. As collateral the bank requested 100% of SPCS fixed assets, all rights and benefits gained in the Power Purchase agreement (PPA) as well as the establishment of various collateral account offshore.

19 FCIB long/ medium term loan facility

In August 2011, Ventrin Petroleum Company Limited obtained two medium-term bank loans from First Caribbean International Bank. The first being a demand loan of US$ 2 million to assist with the Company's capital expenditure program. The second bank loan of US$ 3.2 million was provided to make a reduction of parent company loans on the balance sheet. This loan was drawdown on August 10, 2011 in which the proceeds were used to pay the principal balance of Loan Sum 2 - US$ 1,262,767, Loan Sum 4&5 - US$ 1 million and part of a pro forma invoice due in August - US$ 937,233.

Both of these bank loans are being repaid through 60 monthly installments of principal and interest after the date of drawdown. In addition, the Company has a working capital financing line of credit facility from First Caribbean International Bank with a limit of US$ 5 million. Interest is charged on the outstanding balance at current effective rate of 4.5% per annum. As at December 31, 2014, borrowings of Ventrin Petroleum Company Limited amounted to US$ 3,668,200 (2013: US$ 6,322,770).

The above bank facilities are secured by:

1) The transfer and assignment of an existing Registered 1st Legal Demand Debenture (previously in favour of RBTT Bank Limited), stamped to cover an additional amount of TT$ 2,700,000, over the following:
   - Deed of Transfer/Assignment dated 23 October 2002, registered as #DE200202665770D001 between Scotiabank Trinidad and Tobago Limited and RBTT Bank Limited, over the 1st Legal Demand Debenture #DE200102146410D001.
   - First Legal Demand Debenture in the amount of TT$ 30,939,300 dated 22 August 2001, registered #DE200102146410D001, over the fixed and floating assets of Ventrin Petroleum Company Limited in favour of Scotiabank Trinidad and Tobago Limited, presently stamped to cover TT$ 30,939,300.
2) Corporate Parent Guarantee of Staatsolie Maatschappij Suriname N.V. supported by a US$ 7,500,000 Stand-By Letter of Credit issued by their bankers, FirstCaribbean Curacao, in favour of FirstCaribbean Trinidad & Tobago to be held for the duration of the facility.
3) Assignment of Terminal Operators Package Insurance all Risks and Business Interruption Policy #PP1408085 and Marine Cargo Insurance Policy #MA140 2026 in favour of the bank.

20 Provision for dismantlement and abandonment

Provision for dismantlement and abandonment comprises the following:

	2014	2013
Production field in 2014: 1,669 wells (2013: 1,550 wells)	91,941	82,277
Production facilities: Saramacca and pipeline to TLF	8,741	8,036
Refinery and pipeline to Paranam	7,064	6,590
Power plant	1,718	1,109
	109,464	98,012

21 Provision for pensions and other postretirement benefits

	2014	2013
Unfunded accrued pension benefits, insured pension plan	526	580
Unfunded accrued pension benefits, health care plan	12,244	11,982
	12,770	12,562

22 Provision for pension plan

The provision for pension plan to the amount of US$ 22,201,464 (2013: US$ 8,217,151) includes an amount of US$ 159,690 (2013: US$ 190,038) for GOw2 Energy Suriname and US$ 22,041,774 (2013: US$ 8,027,113) 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	
	2014	2013	**2014**	2013	**2014**	2013
Benefit obligation as at December 31	(107,023)	(84,209)	(526)	(580)	(17,892)	(17,351)
Fair value of plan assets as at December 31	84,981	76,182	-	-	5,648	5,369
Funded status as at December 31	**(22,042)**	(8,027)	**(526)**	(580)	**(12,244)**	(11,982)

(in %)	Pension benefits		Insured pension benefits		Postretirement health care	
Actuarial assumptions	**2014**	2013	**2014**	2013	**2014**	2013
Price inflation	3.0	4.0	3.0	4.0	3.0	4.0
Actuarial discount rate	4.5	5.5	4.5	5.5	4.5	5.5
Expected return on plan assets	6.5	6.5	-	-	6.5	6.5
Adjustment for inflation and salary developments	3.0	4.0	3.0	4.0	-	-
Average Merit	1.5	1.5	15.0	1.5	-	-
Rate of benefit increase	2.5	2.5	-	-	-	-
Expected increase medical cost	-	-	-	-	5.0	6.0

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$ 4.1 million (2013: US$ 4.0 million). A one percentage point decrease in the health care cost trend rate would decrease service and interest cost by US$ 0.4 million and the accumulated postretirement benefit obligation by US$ 3.2 million (2013: US$ 3.1 million).

	Pension benefits		Health care	
	2014	2013	**2014**	2013
Employer's contribution	(4,261)	(3,859)	-	-
Employee's contribution	(1,420)	(1,286)	-	-
Benefits paid	689	467	79	128

As at December 31	Pension benefits 2013	2014	2015	Insured pension benefits 2013	2014	2015	Postretirement health care 2013	2014	2015
Service costs	(4,284)	(4,665)	(5,718)	(41)	(33)	(28)	(914)	(996)	(1,005)
Interest costs	(4,136)	(4,631)	(4,816)	(41)	(32)	(24)	(837)	(948)	(800)
Return on assets	4,023	5,113	5,696	-	-	-	326	349)	367
Unrecognized transition costs	(21)	(21)	(21)	-	-	-	(121)	(121)	(121)
Unrecognized prior service costs	(176)	(176)	(176)	-	-	-	-	-	-
Unrecognized gains/ (losses)	(330)	(359)	(1,170)	24	42	57	(39)	(50)	-
Net pension costs	(4,924)	**(4,739)**	(6,205)	(58)	**(23)**	5	(1,585)	**(1,766)**	(1,559)

Change in Benefit Obligation	Pension benefits **2014**	2013	Insured pension benefits **2014**	2013	Postretirement health care **2014**	2013
Benefit obligation as at January 1	(84,209)	(75,197)	(580)	(753)	(17,351)	(15,301)
Service costs	(4,665)	(4,283)	(33)	(41)	(996)	(914)
Interest cost	(4,632)	(4,136)	(32)	(41)	(948)	(837)
Benefits	689	467	-	-	80	70
Actual gains/(losses)	(14,206)	(1,060)	119	255	1,322	(369)
Benefit obligation as at December 31	**(107,023)**	(84,209)	**(526)**	(580)	**(17,892)**	(17,351)

Change in Plan Assets	Pension benefits **2014**	2013	Postretirement health care **2014**	2013
Fair value of plan assets as at January 1	76,182	68,043	5,369	5,011
Contributions	6,027	5,268	220	217
Benefits paid	(689)	(467)	(79)	(127)
Actual return on assets	3,461	3,338	138	268
Fair value of plan assets at December 31	**84,981**	76,182	**5,648**	5,369

Change in Other Comprehensive Income	Pension benefits **2014**	2013	Insured pension benefits **2014**	2013	Postretirement health care **2014**	2013
Other comprehensive income as at January 1	16,747	15,530	(457)	(226)	3,531	3,265
Unrecognized Transition Cost	(21)	(22)	-	-	(121)	(121)
Unrecognized Prior Service Costs	(176)	(177)	-	-	-	-
Unrecognized Gains/ (Losses)	(359)	(330)	42	24	(50)	(39)
Gains/ (Losses)	15,858	1,746	(119)	(255)	(1,112)	426
Other comprehensive income at December 31	**32,049**	16,747	**(534)**	(457)	**2,248**	3,531

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 2014 fair value of the benefit plan assets, including the level within the fair value hierarchy, is shown on the next page.

Plan Assets

The 2014 fair value of the Pension benefit plan assets, including the level within the fair value hierarchy, is shown in the table below:

			%	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**	**1**	-	431	-
2	**Real estate:**	**31,288**	**37**	-	31,196	92
3	**Equity Securities:**	**13,924**	**16**			
	Shares	4,960		4,411	549	-
	Trust Companies	1,860		1,860	-	-
	Term deposits	6,904		6,904	-	-
	Other	200		-	-	200
4	**Debt Securities:**					
	Corporate Bonds	**1,930**	**2**	1,530	400	-
5	**Mortgage Loans:**	**30,003**	**35**	-	30,003	-
6	**Cash and Cash Equivalents*)**	**6,876**	**8**	6,876	-	-
7	**Other current assets**	**529**	1	-	-	529
		84,981	**100**	**21,581**	**62,579**	**821**

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.
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.

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

20 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. To comply with the national regulation the sites have to be remediated. The estimated cost for remediation of these sites is US$ 2,219,750.

It is expected that all provided environmental, health and safety measures will be started and finalized in the upcoming 2 to 3 years.

24 Earnings per Share

The basic earnings per share of common stock amount to US$ 55.17 (2014) and US$ 59.70 (2013), based on US$ 275,870 (2013: US$ 298,482) of earnings available to common stockholder and 5 million weighted average number of common shares outstanding year to date.

25 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 and operates to refine the crude oil, market, sell, and distribute the oil products. The trading segment involves trading fuel products and selling these products to wholesale and retail as well as bunkering customers. The energy segment operates the 62 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)	**2014**	2013
Upstream	502,376	550,259
Downstream	580,547	603,156
Trading	628,147	531,946
Energy	60,517	35,443
Total Segment amounts	**1,771,587**	1,720,804
All Corporate activities (including eliminations)	(695,160)	(690,413)
Total consolidated amounts	**1,076,427**	1,030,391

Segment (Profit/ (Loss))	**2014**	2013
Upstream	284,726	323,425
Downstream	18,138	12,551
Trading	6,482	7,276
Energy	14,436	17,820
Total Segment amounts	**323,782**	361,072
All Corporate activities (including eliminations)	(47,912)	(62,590)
Total consolidated amounts	**275,870**	298,482

Segment (Assets)	**2014**	2013
Upstream	456,072	376,079
Downstream	1,100,866	908,556
Trading	100,403	75,342
Energy	166,475	100,799
Total Segment amounts	**1,823,816**	1,460,776
All Corporate activities (including eliminations)	164,092	111,381
Total consolidated amounts	**1,987,908**	**1,572,157**

Major customers

Revenues from one customer of the downstream segment represent approximately US$ 133.1 million (2013: US$ 132.6 million) of the Company's consolidated revenues.

26 Off-balance commitments and contingencies

As at December 31, 2013, the off-balance commitments and contingencies consist of the following:

x US$ 1,000	2015	2016-2019	Total
Long term (sales) contracts	150,852	79,012	229,864
Partnership agreement 'Suriname gold project LLC'	104,000	128,000	232,000
Long term refinery expansion contract	49,509	-	49,509
Operational lease	14,493	3,173	17,666
Claims	4,018	-	4,018
Study grants	437	597	1,034

27 Net revenues per product

	2014		2013	
	x 1,000 Bbls	x US$ 1,000	x 1,000 Bbls	x US$ 1,000
Local refined products (gross)	6,270	570,446	5,946	599,008
Intracompany sales	(986)	(83,948)	(885)	(85,538)
Local refined products (net)	5,284	486,498	5,061	513,470
Trading activities	3,821	510,378	3,215	474,295
Electric energy *)		59,478		35,117
Total gross revenues	**9,105**	**1,056,354**	8,276	1,022,882
Net revenue local refined products after deduction of direct sales costs **)		1,021,936		1,003,961
Other sales related revenue				
- inventory change oil stock		12,009		5,282
- other revenues ***)		8,064		2,227
Net sales revenue	**9,105**	**1,042,009**	8,276	1,011,470

*) The generated electric energy in 2014 was 318,178,901 kWh. (2013: 198,301,870 kWh).
**) Sales costs related to electric energy is reclassed to 'Other operational costs'.
***) Other revenues include gain recognized regarding sale of Powisie Gold certificates of US$ 8,989,872.

28 Depreciation

The breakdown of the depreciation expenses is as follows:

	2014	2013
Evaluated properties	24,129	23,092
Oil pipelines	483	449
Refinery	6,114	6,561
Power plant	3,980	1,749
Other fixed assets	9,360	10,893
	44,066	42,744

29 Other operational costs

The breakdown of the other operational costs is as follows:

	2014	2013
Trading activities Staatsolie	267,958	208,154
Electric energy	3,643	3,788
Paradise Oil Company	251	424
Trading activities Ventrin	50,718	49,653
GOw2 Energy Suriname	143,766	150,871
	466,336	412,890

30 Financial (expense)/ income

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

	2014	2013
Interest income/(expense) powisie certificates	421	(2,562)
Interest expense term loan, 7% bond and loan at Credit Suisse	(13,463)	(6,975)
Gain/(Loss) on currencies transactions	1,184	1,092
Other income/(expense)	(1,735)	1,440
	(13,593)	(7,005)

31 Income tax charge

The income tax comprises of:

	2014	2013
Current tax expense or benefit	(124,567)	(135,563)
Deferred tax expense or benefit	728	2,405
	(123,839)	(133,158)

Reconciliation statutory with effective tax rate:

	2014	2013
Suriname statutory income tax rate	36%	36%
Effect of unrecognized tax credits	0%	-1%
Effective tax rate	31%	31%

Tax losses carry forward

Ventrin has accumulated tax losses of approximately US$ 14.1 million (2013: US$ 14.2 million) available for offset against future taxable profits. These losses have no expiry date in Trinidad and Tobago.

Income tax holiday

SPCS is enjoying an income tax holiday from February 1, 2006 to February 1, 2016.

Construction of a pipe line from Tout Lui Faut to the retail companies was executed by horizontal drilling.

VIII. Staatsolie Separate Company Financial Statements

1 Company Balance Sheet as at December 31, 2014

(after distribution of earnings)

x US$ 1,000

Assets	**2014**	2013
Current assets		
Cash and cash equivalents	24,428	94,217
Short-term investments	8,753	14,865
Trade receivables	80,865	87,580
Inventories	33,267	25,117
Prepaid expenses and other current assets	113,046	74,116
	260,359	295,895
Loan receivable	1,966	1,854
Investments		
Equity investment	188,292	40,122
Goodwill	5,447	5,447
Deferred tax asset	8,149	-
Property, plant and equipment		
Oil properties		
Evaluated properties	257,272	240,962
Pipelines	1,716	2,073
	258,988	243,035
Refinery	658,954	12,280
Other fixed assets	65,868	69,881
	983,810	325,196
Projects in progress	424,299	813,384
	1,408,109	1,138,580
Total assets	**1,872,322**	1,481,898

Paramaribo, March 30, 2015

The Board of Executive Directors:

M. Waaldijk	Managing Director
A. Moensi-Sokowikromo	Finance Director
R. Elias	Director Refining & Marketing

x US$ 1,000

Liabilities	**2014**	2013
Current liabilities		
Trade payables	34,510	33,061
Accrued liabilities	116,649	100,706
Income and other taxes	7,667	50,790
Short-term portion of 7%Bond	55,128	-
Short-term portion of Term Loan	-	50,000
	213,954	234,557
Long-term debt		
7% Bond	-	55,085
Term Loans	403,673	83,791
	403,673	138,876
Provisions		
Deferred tax liability	998	1,314
Dismantlement and abandonment	107,746	96,903
Provision for pensions and other post retirement benefits	12,770	12,562
Pension plan	22,042	8,027
	143,556	118,806
Shareholder's equity	1,111,139	989,659
Total Liabilities & Shareholder's equity	**1,872,322**	1,481,898

Paramaribo, March 30, 2015

The Supervisory Board:
E. Boerenveen Chairman
G. Asadang Member
R. Graanoogst Member
E. Poetisi Member

2 Company Income Statement 2014

x US$ 1,000

	2014	2013
Revenues from		
Production & Refining	570,446	599,009
Trading activities	281,307	212,625
Gross revenues	851,753	811,634
Inventory variation	11,016	4,487
Net income from equity investment GOw2/ SPCS	19,983	8,604
Other revenues	7,870	1,992
	890,622	826,717
Less: export-, transport- and sales costs	(34,418)	(18,921)
Net revenues	856,204	807,796
Exploration expenses including dry holes	(13,448)	(14,034)
Production expenses	(45,881)	(44,471)
Refinery expenses	(19,366)	(13,130)
Depreciation	(38,942)	(39,850)
Accretion expenses	(5,814)	(5,263)
Other operational costs	(288,113)	(209,628)
Operating income	444,640	481,420
General and administrative expenses	(33,867)	(30,490)
Expensed projects	343	(9,759)
Financial expenses	(12,847)	(7,611)
Earnings before tax	398,269	433,560
Income tax charge	(121,037)	(132,130)
Net profit	**277,232**	301,430

Paramaribo, March 30, 2015

The Board of Executive Directors:

M. Waaldijk	Managing Director
A. Moensi-Sokowikromo	Finance Director
R. Elias	Director Refining & Marketing

The Supervisory Board:

E. Boerenveen	Chairman
G. Asadang	Member
R. Graanoogst	Member
E. Poetisi	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 2014, Ventrin has a negative net asset value of US$ 5,204,187 (2013: US$ (5,387,284)) and therefore the participation was valued at nil. The net income of Ventrin in 2014 amounted to US$ 183,096 (2013: US$ (825,298)).

Paradise Oil Company N.V. (POC) is a wholly owned subsidiary of Staatsolie and is domiciled in Suriname. In 2014, POC has a negative net asset value of US$ 2,969,432 (2013: US$ (1,981,786)) and therefore the participation was valued at nil. The net loss of POC in 2014 amounted to US$ (987,647) (2013: US$ (782,282)).

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, 2014 is valued at US$ 26,044,937 (2013: US$ 20,619,515), including the net income after tax of US$ 5,471,732 (2013: US$ 3,112,353).

Staatsolie is the main shareholder of the Staatsolie Power Company Suriname N.V. (SPCS) and the national electricity company N.V. EBS holds one share. In 2014, SPCS has a net asset value of US$ 34,013,390 (2013: 19,502,175) . The net income of SPCS in 2014 amounted to US$ 14,511,215 (2013: US$ 17,820,436).

Overview of Equity investment as at December 31, 2014

	Ventrin	POC	GOw2 Energy Suriname	SPCS
Share capital	13,338,977	4,000	2,639	10,300,000
Retained earnings previous years	(18,726,261)	(1,985,785)	20,570,566	9,202,175
Net earning current year	183,096	(987,647)	5,471,732	14,511,215
Net asset value	**(5,204,187)**	**(2,969,432)**	**26,044,937**	**34,013,390**

Minority interest
Staatsolie entered as limited partner with an interest of 25% into Suriname Gold Project LLC ('Surgold'). Taken into account the structure and control of this partnership, Staatsolie's interest is accounted at net equity value. The contributions to this participation amounted to US$ 128,233,610 as at 31 December 2014.

Shareholder's equity
The difference between corporate and consolidated shareholder's equity is disclosed on page 40.

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.

2014 distribution of consolidated earnings

In 2014, a consolidated net profit of US$ 275.9 million was realized. Management proposed a cash dividend of 50%, profit sharing for management and 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 2013 Financial Statements were adopted at the General Meeting of Shareholders held on March 28, 2014 and included Management's proposal for the appropriation of the 2013 profit.

3 Subsequent events after balance sheet date

On 27 March 2014, the date the financial statements were audited, the following subsequent events were determined:

- On 20 February 2015 Staatsolie was formally informed by the International Court of Arbitration of the International Chamber of Commerce of an arbitration request of Ballast Nedam Infra Suriname B.V. with reference to a claim against Staatsolie regarding the execution of a contract for piling and civil work for the Refinery expansion project.
- According to Staatsolie's 25% interest, cash calls to the amount of US$ 30 million were made to the 'Suriname gold project LCC' in the period January until March 2015.
- On 25 March 2015 the second local bond issue was announced. This loan with a maturity of 5 years will also be used for the partial funding of our long-term investment program 2015-2020.
- Furthermore Staatsolie has the intention to sell the BEM land for the purpose of the operations of the national electricity company EBS.

X. Five years Consolidated Income Statements

x US$ 1,000

	2014	2013	2012	2011	2010
Gross revenues	1,056,354	1,022,882	1,046,796	782,233	565,807
Net revenues	1,042,009	1,011,470	1,043,618	778,225	547,718
Exploration expenses including dry holes	(13,870)	(14,203)	(24,009)	(37,944)	(10,385)
Production expenses	(45,881)	(44,471)	(37,166)	(37,664)	(33,419)
Refinery expenses	(19,149)	(12,943)	(15,873)	(12,080)	(10,623)
Depreciation	(44,066)	(42,744)	(40,652)	(37,368)	(34,631)
Accretion expenses	(5,881)	(5,325)	(4,875)	(4,444)	(3,953)
Other operational costs	(466,336)	(412,890)	(412,440)	(186,795)	(124,640)
Operating income	446,826	478,894	508,603	461,930	330,067
General and administrative expenses	(33,867)	(30,490)	(27,968)	(26,915)	(24,156)
Refinery expansion	-	-	-	-	(6,135)
Expensed projects	343	(9,759)	(7,355)	(6,457)	-
Financial expense and income	(13,593)	(7,005)	4,826	(14,452)	(1,474)
Earnings before tax	399,709	431,640	478,106	414,106	298,302
Income tax	(123,839)	(133,158)	(80,390)	(151,960)	(106,690)
Earnings after tax	275,870	298,482	397,716	262,146	191,612
Minority interest	-	-	-	32	23
Net profit	**275,870**	**298,482**	**397,716**	**262,178**	**191,635**

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, 2014

x US$ 1,000	**2014**	2013
Exploration costs	14,715	14,293
Development costs	96,118	84,483
End of the year	**110,833**	**98,776**

2 Capitalized Cost relating to oil producing activities as at December 31, 2014

x US$ 1,000	**2014**	2013
Proved oil properties	548,917	514,348
Accumulated depreciation	(315,003)	(293,904)
Net capitalized costs	**233,914**	220,444

3 Results of operations for oil producing activities for the year ended December 31, 2014

x US$ 1,000	**2014**	2013
Revenue	851,754	811,634
Production costs	(45,881)	(44,471)
Exploration costs	(13,448)	(14,034)
Depreciation and provisions	(35,565)	(35,336)
	756,860	717,793
Income tax expenses	(121,037)	(132,130)
Results of operations from producing activities (excl. corporate overhead interest cost)	635,823	585,663

Unaudited - see accompanying auditor's report

4 Reserve Quantity Information for the years ended December 31, 2014 and 2013

Proved developed and undeveloped reserves (x 1,000 Bbls)	**2014**	2013
Beginning of the year	92,500	76,700
Revisions of previous estimates	8,300	4,700
Extensions and EOR discoveries	5,240	17,100
Production	(6,100)	(6,000)
End of the year	**99,940**	92,500

Proved developed reserves	**2014**	**2013**
Beginning of the year	59,800	57,700
End of the year	**66,270**	59,800

Proved undeveloped reserves	**2014**	**2013**
Beginning of the year	32,700	19,000
End of the year	**33,710**	32,700

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, 2014

Based on the oil price of US$ 80.00

x US$ 1,000	**2014**	2013
Future cash inflows [(a)]	11,866,366	9,349,752
Future production and development costs [(a)]	(3,338,214)	(1,913,310)
Future income tax expenses [(a)]	(3,070,135)	(2,677,119)
Future net cash flows	5,458,017	4,759,323
10% annual discount for estimated timing of cash flows	(3,101,208)	(2,597,300)
Standardized measure of discounted future net cash flows	2,356,809	2,162,023

(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 2014 which is 80.00 US$ per barrel (2013: 90.00 US$ per barrel).

Unaudited - see accompanying auditor's report


An aerial view of the expanded refinery.

Published by: Staatsolie Maatschappij Suriname N.V.
Dr. Ir. H.S. Adhinstraat 21
P.O.Box 4069, Flora
Paramaribo, Suriname
Phone: (597) 499649
Fax: (597) 491105
www.staatsolie.com

Cover: A compilation of the refinery and production

Photos: Staatsolie, De Ware Tijd and Media Vision

Design and production: Art Sabina Design & Printing NV