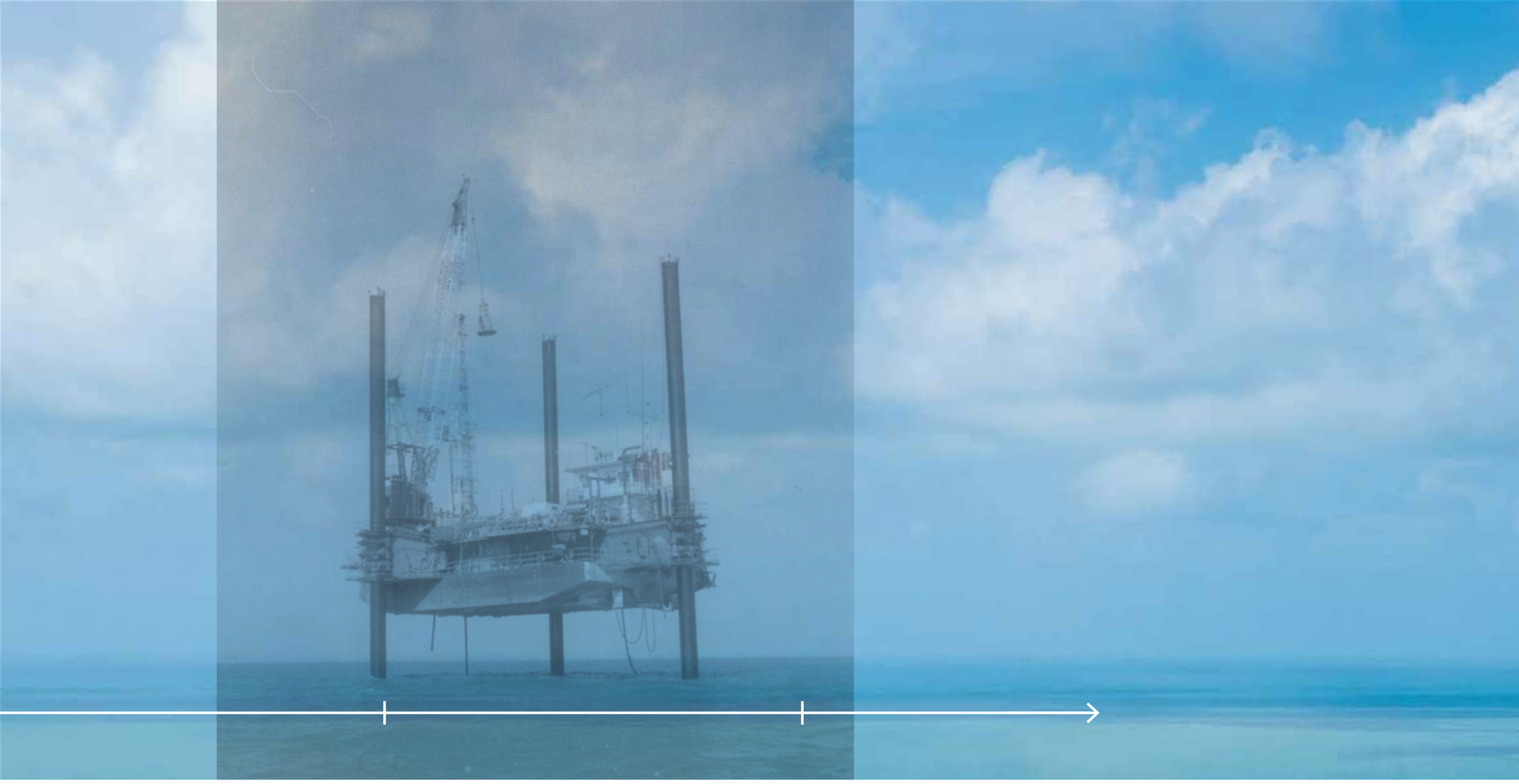
CELEBRATING 40 YEARS

1980–2020

STAATSOLIE

2020 ANNUAL REPORT



CONTENTS

ABBREVIATIONS USED

2D: two-dimensional
3D: three-dimensional
bbl: barrel (ca. 159 liter)
bopd: barrels of oil per day
CAPEX: Capital expenditures
CSS: Cyclic Steam Stimulation
DDP: Development Drilling Program
EBITDA: Earnings before interest, taxes, depreciation, and amortization
EOR: Enhanced Oil Recovery
ESIA: Environmental and Social Impact Assessment
HSE: Health, Safety and Environment
HSEC: Health, Safety, Environment and Community
HSEQ: Health, Safety, Environment and Quality
IFRS: International Financial Reporting Standards
IMO: International Maritime Organization
IOC: international oil company
IOR: Improved Oil Recovery
IPO: Initial Public Offering
Kbbls: thousands of barrels
LTI: Lost-time incident/injury
MMbbls: millions of barrels
MT/CSEM: Magneto Telluric and Controlled Source Electromagnetic
MWh: megawatt-hour
NSD: Nearshore Drilling
oz.: (troy) ounce
PSC: Production Sharing Contract
ULSD: Ultra Low Sulphur Diesel
VIU: Value in use

On 13 December, 2020, Staatsolie celebrated its 40th anniversary.

This occasion provides us an opportunity to celebrate the accomplishments of the past, take note of our present strength, and look forward to the great promise of the future.

We are duly proud of our four decades of performance growth of the company and service to Suriname. In this year's report we will highlight a number of significant moments in our history, but Staatsolie is not resting on the past.

If 2020 has any lesson to teach, it is that we must always rise to the new challenges ahead of us. This past year, marked by the COVID-19 pandemic and as a result plummeting oil prices, was more unexpected than any other in our history. And yet, with sound leadership, focus, and the efforts of Staatsolie's 1,000+ employees, we have come through those challenges together, a stronger company, poised for great things ahead.

Today, Staatsolie is entering the most important era of its history – and quite possibly Suriname's history as well. Indeed, in 2020 we saw what may well be the most significant series of events in our 40 years: four offshore discoveries by our international partners, among the largest such finds in the world, were made in 2020. Another soon followed in early 2021.

Going forward, we will no longer be a relatively small state oil company serving the energy needs of its nation, but a larger player in the world's energy market.

All Staatsolie's past and present endeavors have been pointing to the great promise of these major discoveries. It is a future we are eager to be a part of, along with our government, our people, our international partners and all of our stakeholders.

We are celebrating that future.

THE PAST 1980 – 2000

1980

Staatsolie is established and incorporated as the state-owned oil company of Suriname.

1982

Commercial oil production begins from the Tambaredjo oilfield in Saramacca.

THE PRESENT 2001 – 2020

2006

The Calcutta onshore oilfield goes into production and Staatsolie expands into electricity generation with the establishment of Staatsolie Power Company Suriname N.V.

2011

Staatsolie enters the retail market, acquiring Chevron/Texaco service stations and operations.

2013

Staatsolie produces its 100 millionth barrel of oil. Introduction of GOw2, as the new brand of retail stations and operations.

THE FUTURE 2021 –

2021

International partners Apache and Total make fourth significant discovery in Block 58.

Petronas and ExxonMobil announce their first discovery in Block 52.

> "Oil is a finite resource. The biodiversity of Suriname, if we protect it now, will be here for eternity."

RUDOLF ELIAS, Managing Director

1984
Crude production reaches 1,000 barrels a day.

1988
Staatsolie begins exporting oil to Trinidad & Tobago.

1992
55-km underground pipeline opens from Saramacca to the export terminal at Tout Lui Faut.

2014
Inauguration of expanded refinery.

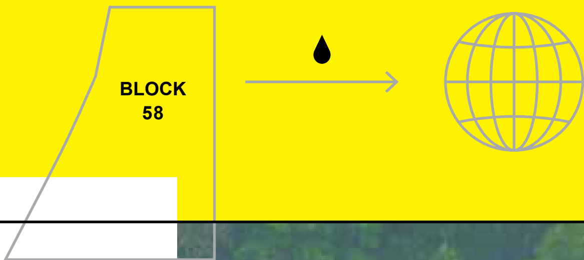
2015
Launch of premium gasoline and premium diesel on the retail market.

Commissioning of the expanded refinery.

First exploration wells independently drilled in the nearshore acreage.

Participation of 25% acquired in the Merian Goldmine.

2020
Staatsolie assumes operation of Afobaka hydro-electric plant, expanding into sustainable energy.



2025-2026
Expectation that first oil from the Block 58 discoveries ships to the world!

2026-2045
By wisely utilizing the tens of billions of dollars it will receive in oil revenue, Suriname will ensure its green future with sustainable energy solutions and enhances the well-being of its people with key investments in health, infrastructure, and education.

“I look forward to Staatsolie being the driving force of sustainable development in Suriname.”

ANNAND JAGESAR, Director Downstream

AN ERA OF PIONEERING

A fledgling state oil company builds oil infrastructure, including onshore oilfields and a refinery, from the ground up, and through tireless work and dedication gains expertise and hard-won confidence.

1997

Refinery in Tout Lui Faut opens, with production of 8,000 barrels per day.

2000

Staatsolie builds 22km pipeline from its refinery to its primary customer, Suralco.

AN ERA OF PROGRESS

To prepare for the development of major offshore resources, Staatsolie expands its onshore operations and transforms itself from a regional state oil company into a world-class organization, ready to partner with IOCs and reward investors.

2020

Staatsolie attracts investors with the issuance of its first international listed bond. Participation of 30% acquired in the Saramacca Goldmine.

2020

DISCOVERIES!

IOCs Apache and Total make three consecutive major offshore oil discoveries in Block 58, and Petronas and ExxonMobil make a discovery in Block 52. These finds confirm Suriname as a world-class hydrocarbon resource.

AN ERA OF PROMISE

Staatsolie is ready to fully participate in an era of promise, helping our country realize the long-term societal benefits of major oil and gas production revenue, as well as developing new sustainable energy solutions for the future.

> **"We will be utilizing the value of offshore oil to advance a gradual but sustainable shift towards a low-carbon economy."**

EDDY FRÄNKEL, Deputy Director Power & Sustainable Energy

VISION

Leading the sustainable development of Suriname's energy industry.

Making a strong contribution to the advancement of our society.

Becoming a regional player with a global identity in the energy market.

MISSION

To develop Suriname's hydrocarbon potential over the full value chain, to generate electricity, and to develop renewable sustainable energy resources.

To secure the energy supply of Suriname and to establish a solid position in the regional market.

To expand our reputation based on our growth performance, flexibility and corporate social responsibility.

VALUES

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.

Integrity: We are honest and do what we say we will do.

People Focused: We create a supportive and collaborative environment, respect each other, are open to others' ideas and facilitate personal and professional growth.

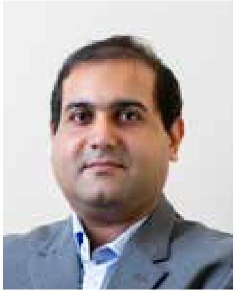
Excellence: We set high standards for quality, strive to exceed expectations and do our work with a sense of urgency.

Accountability: We accept responsibility for our job and actions, are co-operative, and create a non-blaming environment.

Supervisory Board

L. Brunswijk
Chairman

M. Santokhi
Deputy Chairman



N. Nannan
Secretary

G. Asadang
Member

J. Bousaid
Member

D. Caffé
Member

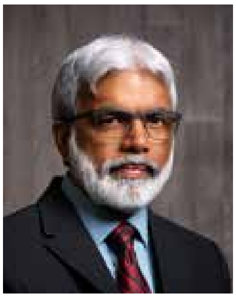
H. Dorinnie
Member

Board of Executive Directors

R. Elias
Managing Director/ CEO

A. Moensi-Sokowikromo
Finance Director

R. Bissumbhar
Onshore Upstream Director



A. Jagesar
Downstream Director

E. Fränkel
Power & Renewables Deputy Director

B. Glover
Vice President Offshore Deputy Director

General Information

As at December 31, 2020

SOLE SHAREHOLDER

The Republic of Suriname
represented by The President,
His Excellency C. Santokhi

SUPERVISORY BOARD

L. Brunswijk
Chairman

M. Santokhi
Deputy chairman

N. Nannan
Secretary

G. Asadang
Member

J. Bousaid
Member

D. Caffé
Member

H. Dorinnie
Member

BOARD OF EXECUTIVE DIRECTORS

R. Elias
Managing Director/CEO

A. Moensi-Sokowikromo
Finance Director

R. Bissumbhar
Onshore Upstream Director

A. Jagesar
Downstream Director

DEPUTY DIRECTORS

E. Fränkel
Deputy Director Power & Sustainable Energy

B. Glover
Vice President Offshore Upstream

ASSET MANAGERS

W. Gajapersad
Refinery Asset Manager

M. Refos
Marketing Asset Manager

DIVISION MANAGERS

CORPORATE

I. Ambrose
Manager Corporate Audit

M. van den Berg
Manager Gold Partnerships

E. Bergval
Manager Corporate Communication

G. Cusson
Manager Supply Chain Management

D. Dijk van
Manager Business Development

J. Gajadien-Joella
Manager Corporate Legal Affairs

M. Gangaram Panday
Manager Compliance & Risk

T. Haarloo
Manager Corporate HRM

R. Hahn
Manager Corporate ICT

K. Kalijan
Manager Corporate HR Development

J. Makhanlal-Veldhuizen
Manager Tax & Insurances

A. Profijt
Manager Treasury & Cash

K. Raghosing
Controller

D. Ratchasing
Manager ICT Project Management Office

J. Sanchez
Manager Corporate Health, Safety, Environment & Quality

A. Vermeer, *Manager Finance Administration*

DOWNSTREAM

V. Bisnajak
Manager Maintenance & Reliability

N. Debipersad
Manager Supply Chain Management Downstream

A. De Marco
Manager Health, Safety, Security & Environment Downstream

A. Mohamedhoesein
Manager Integrity & Projects

D. Pello
Manager Technical Services

S. Sporkslede
Manager Business Economics Downstream

S. Tjon A Loi
Manager HRM Downstream

R. Vlaming,
Manager Refinery Operations

UPSTREAM ONSHORE

J. Daan
Coordinator Projects

S. Kisoensingh
Manager Production Operations

P. Kwakernaak
Manager Drilling Operations

S. Lumsden
Coordinator Procurement Upstream

R. Mangnoesing
Manager Business Economics Upstream

M. Marengo
Manager HRM Upstream

K. Moe Soe Let
Manager Reservoir Management

B. Nandlal
Manager Functional Support Services

S. Sabiran
Manager Treatment & Delivery

R. Soekhlal
Manager Health, Safety, Security & Environment Upstream

OFFSHORE

C. van Brummen
Manager Subsurface Appraisal & Evaluation

P. Brunings
Manager Exploration & Subsurface

V. Gangaram Panday
Manager Commercial & Strategy

T. Ketele
Manager Projects & Engineering

POWER & SUSTAINABLE ENERGY

Firoz Habieb
SPCS Manager Power Reliability & Maintenance

SUBSIDIARIES

GOw2 ENERGY SURINAME N.V.

M. Refos
Marketing Asset Manager

STAATSOLIE POWER COMPANY SURINAME N.V.

E. Fränkel
Deputy Director Power & Sustainable Energy

STAATSOLIE HYDROCARBON INSTITUTE N.V.

A. Ramsaransingh-Karg
Director

VENTRIN PETROLEUM COMPANY LTD

G. Canning
Acting Chief Executive Officer

OVERVIEW 2020

CRUDE PRODUCTION

2020	2019
6 MMbbls	6 MMbbls

GROSS REVENUES

2020	2019
US$ 432 M	US$ 500 M

2020 TOTAL SALES

3,035 Kbbls *Fuel Oil & Crude*	1,702 Kbbls *Premium Diesel*	650 Kbbls *Premium Gasoline*
24 Kbbls *Bitumen*	114 Kbbls *Other*	

2019 TOTAL SALES

2,838 Kbbls *Fuel Oil & Crude*	1,884 Kbbls *Premium Diesel*	607 Kbbls *Premium Gasoline*
49 Kbbls *Bitumen*	204 Kbbls *Other*	

Letter of the Managing Director

Rudolf Elias
Managing Director

In ways both inspiring and challenging, 2020 was a landmark year for Staatsolie. In its course, we hailed multiple major offshore oil discoveries; we endured the effects of a pandemic, along with severely depressed oil prices around the world; and we also celebrated, on 13 December, the 40th anniversary of our company. Through it all, I am proud of the resilience demonstrated by the people of Staatsolie.

2020 Results

Financial results for 2020 include:

- Consolidated gross revenues of US$ 432 million, compared to US$ 500 million in 2019.
- EBITDA of US$ 316 million, compared to US$ 368 million in 2019.
- Profit after tax of US$ 71 million, compared to US$ 120 million in 2019.
- Gold mine investments contributed US$ 135 million to EBITDA in 2020, compared to US$ 101 million in 2019.
- Contribution to the Government of Suriname, consisting of taxes, dividend and royalties of US$ 132 million, compared to US$ 172 million in 2019.

While some of our 2020 numbers are down from the prior year, they do represent a nimble and disciplined response to a market environment that saw oil prices fall from US$ 69/bbl to lower than US$ 44/bbl realized on average. These conditions necessitated a sharp decrease in operating costs and capital expenditures while maintaining our production and remaining at a lowest cost quartile producer.

Our investment in gold – we hold a 25% interest in the Merian gold mine under the Suriname Gold Project CV with Newmont Suriname, LLC, and in 2020 we acquired a 30% interest in the UJV Pikin Saramacca with Rosebel Gold Mines N.V. – proved the value of our diversification strategy. The year's rising gold prices helped offset the reduced cash flow from oil operations.

Safety

In 2020, the Total Recordable Injury Frequency was 0.55, slightly higher than the 0.54 recorded in 2019, but overall, we continue to have a downward trend over the past several years.

Discoveries

Despite the challenges of the COVID-19 pandemic, the big news of 2020 was three major offshore oil discoveries in Block 58 by our offshore partners Apache and Total: Maka Central-1 in January, Sapakara West-1 in April, and Kwaskwasi-1 in July. These discoveries alone are expected to produce about 1.4 billion barrels of oil equivalent resources over time, and they confirm Suriname as a major upcoming hydrocarbon province. Further confirmation came in December, with IOC partners Petronas and ExxonMobil announcing another hydrocarbon discovery, with the successful drilling of the Sloanea-1 exploration well in Block 52. The new year quickly brought another new discovery in January by Total and Apache in Block 58 at the Keskesi East-1 well.

Transforming Staatsolie

For the last several years, through the successful execution of our Strategy for Success 2016-2020, we have been preparing for such major discoveries, transforming Staatsolie from a small regional company into an enterprise ready to participate with international oil companies (IOCs) and international investors on a global scale. That transformation continued in 2020, reflected by measures including the establishment of the Staatsolie Hydrocarbon Institute (SHI) to address our institutional responsibilities in monitoring Production Sharing Contracts (PSCs) with IOCs. In 2020, we also established our Upstream Offshore directorate to manage the commercial aspects of our participation in offshore developments, and we continued to develop our Power & Sustainable Energy directorate, formed in 2019, to help us focus on a sustainable energy future. As a major step in that direction, we successfully integrated the operations of the Afobaka hydroelectric facility in 2020.

Attracting International Investors

We also continued to prepare to operate financially on a global scale. We took our first step to drawing in international investors with the issuance of a US$ 195 million bond listed on the Dutch Caribbean Securities Exchange. When market conditions are favorable, we will look into the financing opportunities in the international capital markets.

Attracting Joint Venture Partners

In addition to our successful deep offshore blocks, we are also exploring our shallow offshore potential. In November 2020, we launched the Shallow Offshore Bid Round 2020/2021 to find joint venture partners to pursue opportunities in the currently unlicensed and underexplored blocks in our shallow offshore area.

Refinery Turn Around

Another major accomplishment of 2020 was the refinery Turn Around, which we successfully completed even after our major international contractor and its workforce had to leave the project before completion due to the pandemic. As a result of the Turn Around, we expect refinery uptime to increase from 70% to 86%.

40 Years of Serving Suriname

Within this report, we'll highlight some of the major milestones that have taken Staatsolie from a pioneering oil company to a world-class enterprise, on the verge of participating in the development of major offshore hydrocarbon discoveries. I would like to thank the Government, the investors and especially the people of Suriname for standing by our company in both good times and difficult ones over the last 40 years.

National Discussion

Our 40th anniversary provides not only the occasion to reflect on the past four decades but to plan for the decades ahead as well. Conservative estimates suggest that the oil from the Block 58 discoveries alone will bring tens of billions of US dollars to our country in the next 25 years. That money will start flowing into Suriname as the first oil flows out in 2026 or 2027.

What will we as a nation do with this revenue? A windfall in available funds alone is not a simple panacea for every societal problem. We must plan to use our oil and gas revenues wisely.

To determine our tomorrow, we must have a national discussion today. This discussion must include every element of our society, such as private citizens, businesses, trade unions and the government – both coalition and opposition. Though every sector of our society should have a voice in this debate, the conversation itself must strive to be above merely short-term political, economic or personal concerns and instead focus on the long-term well-being of Suriname as a whole.

Together, we must make decisions and answer many critical questions now, such as: What part of our future oil and gas revenues will be devoted to the sovereign welfare fund? How much to the annual national budget? Within that framework, how much, for example, should be allocated for healthcare, infrastructure, education, and other priorities? We must ensure that the institutions and organizations that will oversee these funds will have the necessary resources in place to develop our society effectively and sustainably.

To put matters bluntly, we must decide together today whether we want Suriname to become another Norway or another Venezuela.

Protecting Our Most Valuable Resource

Some might find it odd for the Managing Director of an oil company to say so, but I am convinced that Suriname's most valuable resource is not its hydrocarbons, but its biodiversity. Much like bauxite, oil is a finite resource, and we must recognize that. The magnificent biodiversity of a nation that is 93% covered in pristine jungle, on the other hand, can be here for eternity – if we protect it now from encroachments such as over-intensive and/or illegal logging and mining. As my contribution to the national discussion about future investments, I am passionately expressing the need to devote significant revenues to protecting our biodiversity and preparing for a more sustainable, bright green future.

New Leadership

I take the liberty to put forth my personal viewpoint here, partly because this will be my final Letter of the Managing Director of Staatsolie and thus my last opportunity to speak from this distinguished platform. Of course, mine is only one voice in what should be a national discussion. I hope this message will help get the conversation started.

Why am I retiring now? Those who know me will recognize that I always uphold that a company's leadership should change periodically; in my opinion, five to seven years is the ideal interval. Under leadership that lasts longer, companies risk falling into an entrenched comfort zone and become less open to new ideas and fresh opportunities for growth. As I will reach my sixth full year as Managing Director at the Annual Shareholders' Meeting in May 2021, I believe the time has come for Staatsolie to embrace new leadership and for me to seek new challenges. My retirement will become effective immediately after the shareholders' meeting.

The fact that Staatsolie is poised to enter a new era – of major offshore appraisal, development, and production – also makes this a propitious time for new, highly energized leadership. I am proud that under my tenure, and guided by our Strategy for Success, Staatsolie has evolved into a more diversified, flexible enterprise, with interests not only in oil, but in energy and gold as well. Each of its directorates is now taking individual accountability in contributing to the company's overall success. Staatsolie is well-positioned to participate in the rich opportunities that lie ahead.

As part of our well-established succession plan, Annand Jagesar, our current Director Downstream, will step in as Managing Director/CEO. Our board, with an average age of 54 after my departure, has both the youthful spirit and broad expertise to guide Staatsolie into its next and most exciting phase.

It remains for me to express my appreciation to my many colleagues over the last six years and to wish them well going forward. As you will see in this report, the employees of Staatsolie truly rose to the occasion in 2020 to keep our company strong despite unique challenges.

Special thanks to all our stakeholders, including our offshore partners, national and international investors and the people and Government of Suriname. I firmly believe that Staatsolie's next 40 years promise even greater things than the four decades past.

Rudolf Elias
Managing Director/CEO

FINANCIAL & OPERATIONAL PERFORMANCE 2020

A Challenging Climate

The year 2020 was a challenging year for the Surinamese economy in addition to dealing with the economic impacts of the global pandemic. Inflation accompanying the economic climate saw Surinamese consumers, including our local suppliers, paying significantly more for certain items in 2020. With government regulations on foreign currency exchange, the exchange rates for the Surinamese dollar were depreciated against the U.S. dollar, having a major impact on consumers' spending power. At certain points in the year, the nation received a C rating from a major credit rating agency. In 2021, the Government of Suriname is introducing a solidarity levy of 10% on Income Tax, which will have an impact on our net results next year.

It was also a very challenging year for the global energy industry. Oil prices were significantly impacted by the pandemic. With lockdowns, job losses and other economy-impacting effects, demand for oil worldwide dropped dramatically in 2020, which led to markedly lower prices.

Despite these local and global headwinds, Staatsolie performed well in 2020, as this report will highlight. For example, we managed to sustain our foreign/domestic currency ratio at approximately 65%/35%, a healthy balance to manage our payment obligations. Our ability to maintain our annual crude production of 6 MMbbls and to successfully complete the refinery Turn Around, along with the fiscal discipline to scale back on planned operational and capital expenditure costs, helped us realize the solid 2020 performance.

SURINAME 2020 INFLATION

34.9% [1]

(end of period, 12-month percent change)

EXPECTED RISE IN CONSUMER PRICES IN 2021

51% [2]

SURINAME GROSS DOMESTIC PRODUCT PER CAPITA

US$ 4,199 [1]

SURINAME GROSS PUBLIC DEBT

145.3% of GDP [1]

SURINAME CREDIT RATING

C [3]

AVERAGE POSTING PRICE OF STAATSOLIE CRUDE

2019

US$ 54/bbl

2020

US$ 41.4/bbl

Sources:
1. IMF World Economic Outlook.
2. "Suriname Could be Latest Big Oil Find as Industry Cuts Costs," New York Times, January 20, 2021.
3. Fitch rating on December 10, 2020

A Strong Position

Key 2020 indicators of Staatsolie’s strong financial health include the following figures.

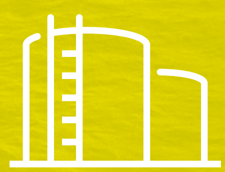
US$ 98
million
Profit before Tax

US$ 197
million
Gross Investment

73%
EBITDA
Margin

2.30
Ratio of Debt to
EBITDA

2.92
DSCR
(Debt Service Coverage)



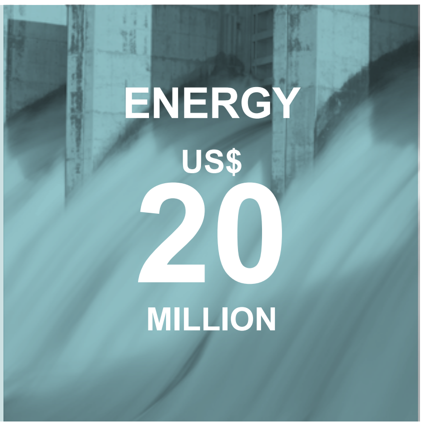
Operations at a Glance

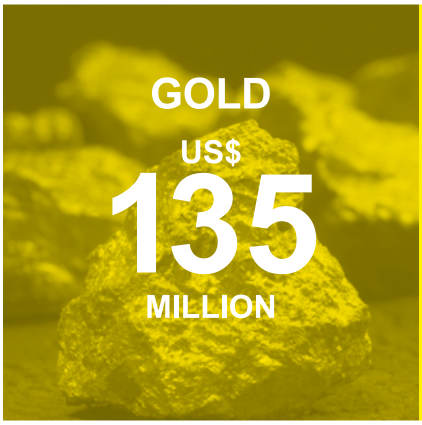
2020 OPERATING INCOME PER SEGMENT

Upstream EBITDA contribution has come down by US$ 109 million from US$ 229 million (2019) to US$ 120 million (2020) mainly due to fallen crude oil prices (from US$ 54/bbl in 2019 to US$ 44/bbl in 2020). The impact of the Opex reduction, following the Corona pandemic, volume and other factors balance each out. For 2021 the focus is to sustain production volumes at 6 MMbbls without growing Opex and keeping Capex around US$ 80 million.

Despite falling oil prices in 2020 the Downstream EBITDA contribution has gone up from US$ 28 million (2019) to US$ 38 million (2020), as on the sales side the new IMO regulations and associated change of our reference price to 1% NYH supported the revenue, whilst on the purchase side Downstream benefited from a heavily reduced crude price (3% USGC) with an overall impact of US$ 10 million. The year 2021 will be another challenging year due to continuous pressure on the crack spreads; an ambitious efficiency program to reduce Opex is in place to safeguard the EBITDA.

The EBITDA contribution of Staatsolie's Energy has gone up from US$ 16 million (2019) to US$ 20 million (2020) due to changes in volume and mainly the incorporation of the Afobaka hydro power facility with an impact of US$ 123 million and lower Cost of Sales of Thermal power plant of US$ 15 million, which is largely offset by lower sales prices (related to the oil prices) of US$ 134 million. In 2021 the focus will be to optimize the balance of Hydro and Thermal power generation.





The EBITDA contribution has gone up from US$ 102 million (2019) to US$ 135 million (2020), which is driven by the acquisition of a 30% stake in the Pikin Saramacca mine of IAMGOLD offset by lower volumes from Merian of US$ 14 million and higher gold prices during 2020 with an impact of US$ 53 million (US$ 1811/oz in 2020 versus US$ 1398/oz in 2019), offset by increased operational expenditures of US$ 34 million. In 2021 we expect the investment in Pikin Saramacca mine will start generating net cash contributions next to the existing contribution of the 25% stake interest in the Merian goldmine of Newmont.

Strategic Goals 2021-2025

As key components to realizing our Vision 2030, Staatsolie has set six key Strategic Goals for the current five-year period.

STRATEGIC GOAL 1: Sustain Onshore Production

Staatsolie will sustain our onshore hydrocarbon production level of 6MM/bbls a year in order to continue to feed our refinery until 2040. Doing so will involve continued research and implementation of multiple IOR/EOR initiatives and projects.

STRATEGIC GOAL 2: Remain a First Quartile Producer

To continue as a low-cost producer, Staatsolie will achieve enhanced cost management implementation through efficiency improvements and technologies.

STRATEGIC GOAL 3: Establish Shallow Offshore Joint Ventures

Our goal is to establish at least three joint venture partnerships for exploration and discoveries in our Shallow Offshore area.

STRATEGIC GOAL 4: Participate in Deep Offshore Opportunities

We plan to secure the funds necessary to establish Staatsolie's participation in the development of our deep offshore discoveries.

STRATEGIC GOAL 5: Develop and Implement Alternative Energy Sources

Staatsolie is working to optimize the hydro reservoir regime to increase hydro generation at our Afobaka Dam facility. We also plan to conduct studies on developing and delivering alternative energy sources such as solar and natural gas.

STRATEGIC GOAL 6: Strengthen Staatsolie to World-Class Standards

We will continue the optimization of our organizational structures, developing world-class capabilities in areas including: Health, Safety and Environment; Human Resources; Corporate Audit; Governance, Risk and Compliance; and our Refinery Asset.

Finance

Staatsolie's Finance directorate is playing a key role in the company's evolution into a world-class enterprise. With the financial strength and internal processes in place to effectively partner with international oil companies and investors, Staatsolie is well positioned to benefit from Suriname's significant offshore hydrocarbon resources. The directorate also oversees Staatsolie's 2020-2027 investment program.

FOCUS ON THE FUTURE:

Successfully Introducing Staatsolie to the World

In 2020, Staatsolie took its first small but successful step in introducing international investors to the company. On 23 March, Staatsolie issued a US$ 150 million bond in Suriname and Curaçao. The bond, internationally listed on the Dutch Caribbean Securities Exchange (DCSX), raised US$ 195,067,000 – more than US$ 45 million over the target of US$ 150 million.

The aim of the 2020-2025/2027 bond – our first international but third overall – included the renewal of the Staatsolie Bond 2015-2020, whilst also funding the implementation of our 2020-2027 investment program enabling Staatsolie to:

1) Maintain a reserve replacement ratio of at least 1 on a 5-year rolling average basis for our onshore oil production.

2) Sustain onshore crude production at 6 million barrels per year.

3) Increase production of ultra-low sulfur diesel and gasoline.

4) Integrate the Afobaka Hydro Dam to our power generating assets.

5) Maintain existing and participate in new developments including new gold investments.

Staatsolie' s investment in gold proved to be a solid one. Staatsolie realized US$ 103 million in net cash from our gold investments in 2020.

The number one attraction for international investors going forward is the enormous potential of Staatsolie' s offshore resources. When market conditions are favorable, Staatsolie will take further and larger steps to offer opportunities for international investors to participate in our future successes. Such investments will enable Staatsolie to take contractually determined stakes in the development and production phases of recent and future major oil discoveries. We anticipate, when economic conditions are more favorable, issuing international bonds listed on major exchanges such as London or New York.

Bond Target: US$ 150 million	Amount Raised: US$ 195 million	80%+ of previous bond holders reinvested

2020 KEY FOCUS:
Managing the unexpectedly low oil prices driven by a worldwide COVID-19 pandemic, by quickly temporizing investments and/or cutting capital and operational expenditures in order to still deliver solid financial results and guarantee the continuation of the company.

2021 KEY FOCUS:
Continuing the transition into a world-class organization, well positioned to participate with international partners in the development of Block 58 discoveries and more specifically focusing on defining the financial strategy to secure the funding required to enable Staatsolie to take up its 20% participation interest in developments primarily in offshore Block 58.

2020 FINANCE HIGHLIGHTS

- US$ 432 million gross revenues consolidated.
- US$ 316 million EBITDA consolidated.
- US$ 71 million profit after tax.
- US$ 103 million net cash gold income.
- 2.83 leverage ratio.
- US$ 132 million contribution to Government of Suriname.
- Acquired 30% stake in UJV Pikin Saramacca with Rosebel Gold Mines.
- Maintained 25% interest in Merian gold mine.
- Implementation of the Target Operating Model Phase 1 improved processes including financial statement close and finance control.

RESULTS

Realization (x US$ 1 Million)	2020	2019
Total consolidated revenues	**432**	**500**
Profit before taxes	98	180
Net profit	71	120


VERTROUWEN IN EIGEN KUNNEN

Upstream Onshore

Staatsolie's Upstream Onshore directorate oversees the production of Saramacca Crude from oilfields in the Saramacca District of Suriname. With wells in Tambaredjo, Calcutta and Tambaredjo-Northwest, our annual production is ca. 6 million barrels. Our crude is transported to the Staatsolie Refinery at Tout Lui Faut via a 60-kilometer pipeline.

FOCUS ON THE FUTURE:

Advanced Technology for Enhanced Recovery

In order to help address the energy needs of our nation, Staatsolie's annual production goal is 6 MM bbls of Saramacca Crude. To achieve this goal year after year despite the depletion of our oilfields, we deploy proven Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) methods.

Challenging conditions in 2020 meant we could not pursue these recovery methods as aggressively as originally planned. However, we actively advanced our preparations to ramp back up EOR/IOR initiatives when the market environment allows.

Polymer Injection
(a chemical EOR technology)
Polymer Injection involves adding polymers to the water injected in wells to help make oil movement more fluid and easier to pump. After several years of preparation including an environmental and social impact assessment (ESIA) and the building of a polymer plant, polymer injection on a commercial scale is slated to begin in 2021 in 15 injector wells.

Cyclic Steam Stimulation
(CSS, a thermal EOR technology)
CSS involves injecting hot steam into oil deposits to stimulate production. We plan to start implementing CSS in multiple wells in 2022.

Bio-Enzymes
(a microbiological EOR technology)
With this recovery method, enzymes in a solution containing water are injected into deposits to repel oil, decreasing its flow resistance. Phase I of our bio-enzyme pilot project began in 2020, with the injection of enzymes into four wells. Phase II, involving six more wells, is planned for 2021.

15-20% recovery can be achieved in our heavy oilfields with our current primary production	**8-12% additional recovery is expected in the area where polymer injection will be applied**	**The planned EOR technologies (CSS, bio-enzymes) are being explored to determine if higher recoveries are possible.**

2020 KEY FOCUS:
Maintaining production levels despite adverse market conditions by cutting operating expenses and increasing efficiency.

2021 KEY FOCUS:
Maintaining production level at 6 MM bbls while keeping operating costs low by optimizing production through improved processes such as reduced pressure in the pipe network; reducing environmental impact through re-using/recycling oilfield waste and produced water; continuing a major maintenance program on corroded field pipelines and storage tanks.

2020 UPSTREAM ONSHORE HIGHLIGHTS

- 6 MM bbls of crude production.
- 89.4 MM bbls of proven reserves.
- US$ 8.32 per barrel average production cost, in the industry's lowest cost quartile.
- 21 new wells drilled, including 11 infill wells (downsized from 95 planned wells).
- Successful start-up of 5 pilot horizontal wells, resulting in:

  2 MM bbls of new reserves
  300-500 bopd crude production
  4-5X higher production than new vertical producers
  12 new horizontal wells scheduled for drilling in 2021

- Exploration wells in the Nickerie Block and Weg Naar Zee Block prepared for drilling in 2021 via our PSC partners.
- Reduction in investment costs from US$ 75MM in 2019 to US$ 21MM in 2020, mainly due to downsized drilling project.
- 3D seismic data acquisition completed in Calcutta-North and TNW-North.
- Total Recordable Injury Rate decreased 0.61% from 2019 to 0.41%.
- Number of oil spills related to corrosion reduced from 127 to 103.


VERTROUWEN IN EIGEN KUNNEN

Offshore

Upstream Offshore is a new directorate established in January 2019 to manage Staatsolie's participation in offshore oil and gas projects. Now that the first significant offshore discoveries have been made, we are taking the necessary steps to participate in the opportunities ahead, building our technical capabilities and maximizing the long-term value from Suriname's shallow and deep offshore resources.

FOCUS ON THE FUTURE:

Appraising Deepwater and Managing Shallow Offshore Opportunities

With over US$ 1 billion being invested in Suriname's Deepwater Offshore, Staatsolie's Appraisal Team will be focused in 2021 on new data arriving not only from two appraisal wells, but also two exploration wells in Block 58. Evaluation of the discovery in Block 52 will also be key, along with tracking Tullow Oil and partners' exploration well in Block 57.

While the major deep offshore discoveries enter the Appraisal phase, Staatsolie is preparing to pursue the hydrocarbon potential of our shallow offshore waters.

In 2020, Staatsolie's Shallow Offshore team completed a comprehensive evaluation of the extensive Shallow Offshore Study Area, comprising about 35,000 square kilometers.

The study shows that Suriname's shallow offshore waters offer exciting acreage in the west of the shallow offshore area, south of the recent deepwater discoveries made in Block 58 and northwest of Staatsolie's onshore producing fields.

Working with joint venture partners, Staatsolie aspires to be an operator in this area, transferring the skills we have honed in our onshore operations, once shallow offshore discoveries are made.

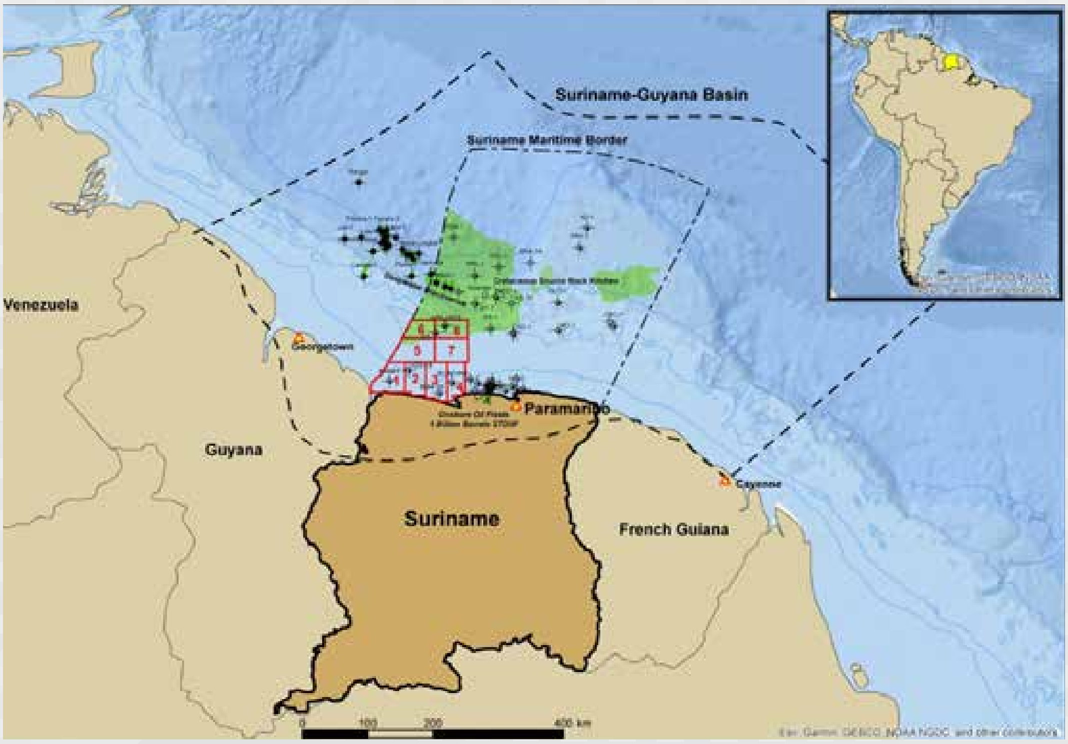
In 2020/2021, we are conducting the Suriname Shallow Offshore Bid Round to identify viable joint venture partners in eight blocks of the Shallow Offshore Area. We anticipate closing our bid round before year-end 2021

2020 KEY FOCUS:
Capacity building; Deepwater Appraisal; Shallow Offshore licensing.

2021 KEY FOCUS:
Identifying new joint venture partners for the Shallow Offshore Area; Deepwater Exploration and Appraisal.

2020 UPSTREAM OFFSHORE HIGHLIGHTS

- 4 major deep offshore discoveries by offshore partners Apache and Total confirmed Suriname as significant hydrocarbon province:
  January 2020: Maka Central-1.
  April 2020: Sapakara West-1.
  July 2020: Kwaskwasi-1.
  In January 2021 the Keskesi East-1 discovery was announced.
- In Block 52, PSC partners Petronas and ExxonMobil confirmed their first discovery.
  December 2020: Sloanea-1.
- Directorate team formation accomplished, including Deepwater Appraisal & Development Evaluation Team and Shallow Offshore Team.
- Preparation for appraisal mode of Block 58 discoveries and monitoring of continued exploration.
- Comprehensive evaluation of the 35,000 km^2 Shallow Offshore Study Area completed.
- Suriname Shallow Offshore Bid Round 2020/2021 was launched.
- Extensive training program developed for local Upstream Offshore staff to be conducted in 2021.



Map showing the 8 blocks of the Shallow Offshore Area

Downstream

Staatsolie's Downstream comprises its Refinery and Marketing assets. Our refinery in Tout Lui Faut refines the Saramacca crude from Staatsolie's onshore oilfields. With a processing capacity of 15,000 barrels a day, the facility produces different grades of fuel oil, premium diesel, premium gasoline and bitumen. Most of these refined products are sold domestically, with the surplus exported to Caribbean markets.

The Marketing asset is responsible for the sales and distribution of all refinery products to local and regional markets. It includes the operations of Staatsolie's subsidiary GOw2 Energy Suriname N.V, through which we serve the retail market with Staatsolie high end products and import lube products. GOw2 also serves the aviation market at Johan Pengel International Airport, Zorg & Hoop Airport and Gum Air Heliport.

FOCUS ON THE FUTURE:

Rising to Expected – and Unexpected – Challenges in our Refinery Turn Around

With an eye toward optimizing Staatsolie's refinery's performance for years to come, a refinery Turn Around (TA) had long been planned for 2020.

For more than two years, we prepared for the challenges of a planned shutdown that would allow us to perform testing, cleaning and maintenance on equipment that could not be conducted while the refinery was operating. We were ready for an intense, time-sensitive endeavor involving more than 500 different work activities and the prospect of a hundred thousand man-hours.

What we did not prepare for was a global pandemic.

The TA began in February. The first confirmed case of COVID-19 in Suriname was announced early March.

The challenges imposed by COVID-19 ranged from the relatively minor – reducing the number of people on the bus, meals served in shifts, increasing the number of sinks and hand sanitizer stations – to the major – the early departure of external hired specialists and a (thankfully brief) total lockdown.

No matter the size of the challenge, Staatsolie rose to the occasion, including taking over the activities of the main contractor ourselves. The TA was completed using our own workforce and local contractors we supervised.

Efforts included a catalyst change in the reactor of the hydrocracker and mechanical cleaning of heater tubes. After 70 days, the TA was finished, and refinery operations were resumed. We achieved a safe and successful startup, with no major safety incidents.

While safety measures such as social distancing lowered daily productivity, and the project as a result ended up costing more and taking 30 days longer than originally estimated, we are proud of the efforts of our people to execute a major Turn Around in the midst of the pandemic.

2020 KEY FOCUS:
Successful execution of the refinery Turn Around despite challenges posed by the global pandemic; further formation and implementation of Marketing organization and processes; evaluation and upgrading of the GOw2 facilities and service stations; maximized marketing margins in attractive markets such as bunkering (VLFSO) despite challenges posed by the COVID-19 pandemic.

2021 KEY FOCUS:
Optimizing refinery efficiency by lowering operating costs; increasing visibility of GOw2 and Total branding; further optimization of Marketing process improvement, efficiency and effectiveness of all departments; reduction in distribution costs; executing Phase I of World Class Retail Network project; further upgrading GOw2.

2020 DOWNSTREAM HIGHLIGHTS

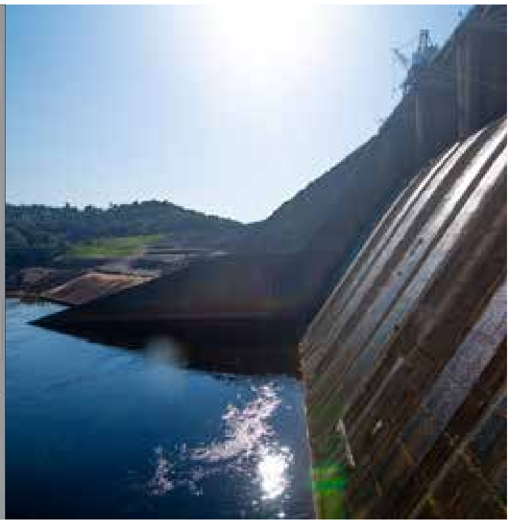
Refinery

- 90% uptime, excluding TA days, in 2020, compared to 79% in 2019.
- 2.6 MM bbls of high-end products produced, compared to 2.77 MM bbls in 2019.
- 100% Surinamese Refinery Operations workforce, 0% ex-pats.
- Operational costs reduced 30%, from which 15% controllable.

Marketing

- In total 6.0 MMbbls of Staatsolie's high-end products were sold in 2020, compared to 5.9 MMbbls in 2019.
- 43% of the high-end products produced and sold by Staatsolie were exported.
- GOw2 maintained 31% market share supplying the retail market with 0.9 MMbbls of high-end products. (Other markets include industrial and fishery.)
- Fuel oil production for 2020 was 6.0 MMbbls, the same as in 2019. (Fuel oil markets consist mostly of power generation companies and the bunker market. Although the IMO2020 implementation had a huge effect on margins, it was short-lived due to the global pandemic and its effect on the shipping industry.)
- Marketing Asset reorganization has led to greater operational efficiencies, improved customer focus and strategic sales advantages; with control of both Staatsolie and GOw2 assets, we can better manage sales, distribution, product stocks (exports and imports) and become more agile in our local and regional business.
- Marketing and branding for GOw2 has been evaluated and we initiated smaller programs to expand in coming years.
- New design for the look and feel of retail stations has been approved.
- With the World Class Retail Network (WCRN) project we will rebrand all retail stations in the coming five years. WCRN objectives are to create a world-class image of our brand and retail stations and to communicate the marketing strategy to grow the GOw2 business to 40% of the retail market within five years.
- In 2020, we increased our promotion of Total lubricants. With lubricants in its portfolio, GOw2 can offer a complete package to clients looking for a single source of high-quality fuels and lubricants.
- Our Total lubricants activation program started in Q4 of 2020 with the re-opening of the Total Autocare Shop. In 2021, we will roll out a sales and promotion plan to expand our share in retail lubricants from 3% to 5%.

Power & Sustainable Energy



The directorate of Power & Sustainable Energy was established in 2019, reflecting the addition of hydro-electric power generation to our thermal generating capabilities. By instating this new directorate, Staatsolie has institutionalized its focus on gradual transition to a low carbon enterprise. Our subsidiary Staatsolie Power Company Suriname (SPCS) operates a thermal power plant and, as of 2020, a hydro-electric facility. Together, they supply 75% of Suriname's electricity demand. Additionally, the thermal plant provides a secure source of power and process steam for Staatsolie's refinery.

FOCUS ON THE FUTURE:

A Powerful Addition

In 2019, the Government of Suriname negotiated to acquire the Afobaka hydro-electric facility, including a massive dam on the Suriname River built by Alcoa in the 1960s. Because Staatsolie had the necessary management systems and capabilities to handle its operations, the facility was placed within SPCS, at no cost. On January 1, 2020, SPCS assumed operation of the 189 MW facility.

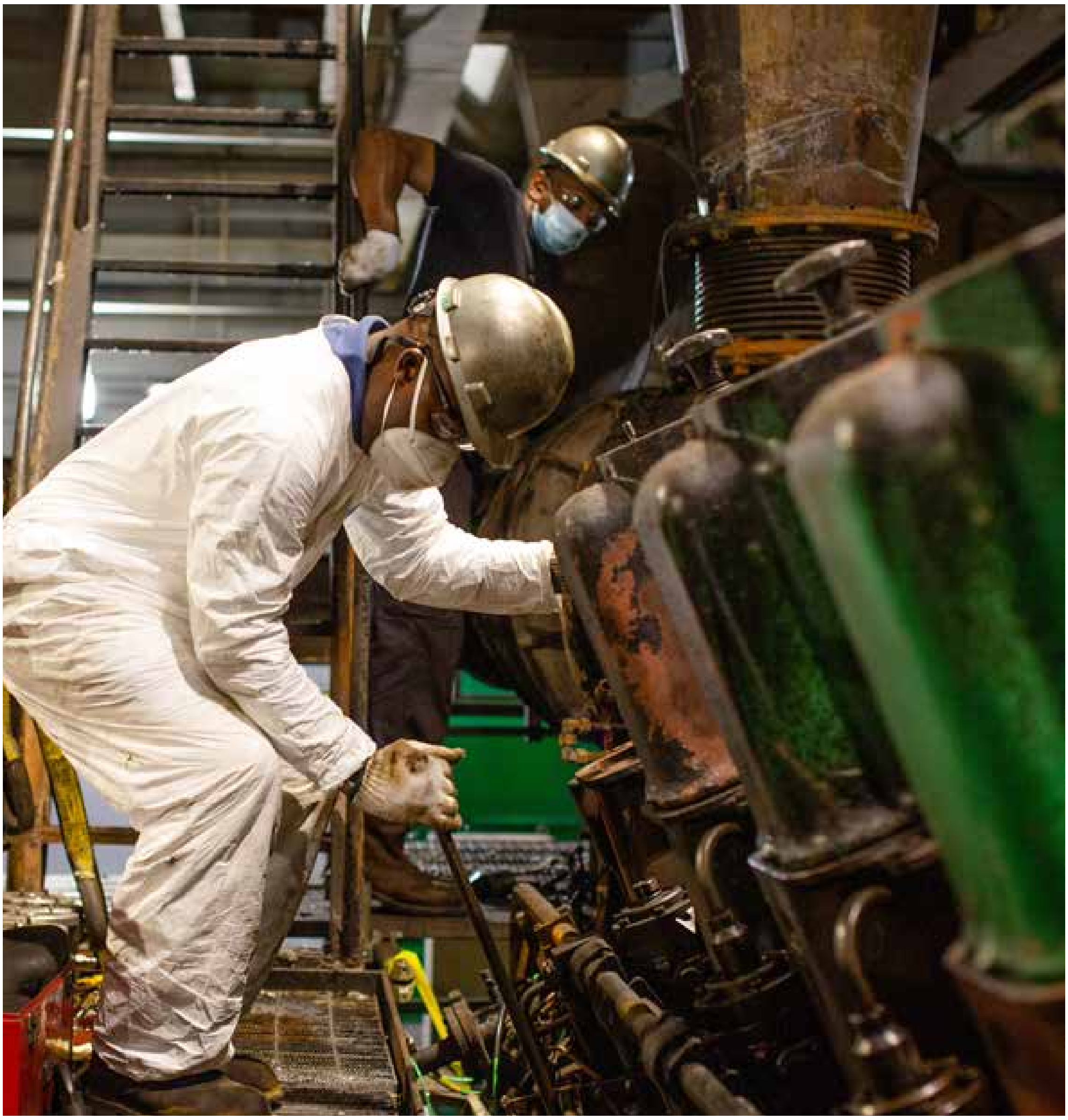
Despite the effects of the COVID-19 pandemic, we achieved a smooth integration of hydro-electric operations into SPCS in 2020. This is not to say that there were not challenges to overcome. The pandemic occasioned brief partial and total lockdowns, and dedicated SPCS staff moved into the facility full time and worked in shifts to perform mandatory maintenance and ensure continuous operations for a fixed period. The motivation of our people in a difficult time was inspirational. Thanks to their efforts, the hydro-electric facility was able to generate 800,000 MWh of power with zero blackouts and zero lost workdays. Aside from the pandemic, challenges included addressing issues with ongoing (illegal) gold mining, wood logging and other encroachments on the plant's property.

The addition of such a significant hydro-electric facility opens new doors for future sustainable energy development in Suriname. Measures currently being studied include:

A floating solar power plant (study with Anton de Kom University and the IDB)	**Increasing water supply to the reservoir via cloud seeding**	**Optimizing the reservoir management regime**	**Increasing Afobaka hydro-electric output by replacing outdated turbines with a more efficient type**

2020 KEY FOCUS:
Incorporating Afobaka hydro-electric facility into our power generation operations.

2021 KEY FOCUS:
Explore power generation efficiency and renewable expansion options; perform notional studies on alternative sources, including potential offshore natural gas.



2020 POWER & SUSTAINABLE ENERGY HIGHLIGHTS

- Operation of Afobaka hydro-electric facility transferred to SPCS on January 1.
- 75% of Suriname's electricity supplied by SPCS.
- 907,118 MWh of hydro-electric power generation.
- 348,847 MWh of thermal power generation.
- Afobaka Hydro-electric facility receives ISO 9001, 14001 and 45001 certification.
- SPCS thermal plant successfully completes ISO 9001 periodical audit.
- 87% practical capacity utilized at hydro-electric facility.
- SPCS CAT power plant successfully re-commissioned after a February fire.
- 53,312 tons of process steam delivered to Staatsolie refinery.
- 78,447 MWh delivered to Staatsolie refinery.
- SPCS achieves 100% reliability for the refinery, except for one day (PLC failure on August 17).
- Thermal plant achieved approximately 90% reliability for Wartsila plant.
- Production of hydro-electric power enabled the sale of more fuel oil to regional market.
- Thermal generation improvements include increased stability of fuel efficiency.

Sustainability

Staatsolie is focused on combining value creation from its existing and future asset portfolio with high Environmental, Social and Governance standards. The company is currently developing a Sustainability Report which it expects to publish in 2022 and this will address Staatsolie's overarching commitment and policy objectives in its ambition of becoming a forerunner in the field of ESG. As part of this, Staatsolie will determine Environmental, Social and Governance (ESG) criteria which will help enable the company to live up to its sustainability commitment and support the company to position itself in the eyes of its stakeholders. Our ESG reporting will demonstrate our commitment to upholding high ESG standards and aid socially conscious investors.

We are very aware that our activities could have negative effects on the environment. Climate change is one of the greatest challenges of our time and we see an important task for ourselves to develop initiatives that contribute to reducing greenhouse gas emissions, appropriate to our context.

Staatsolie recognizes that the use of oil and gas to meet the world's energy needs has contributed to the rising concentration of greenhouse gases in the Earth's atmosphere and acknowledges that there is substantial community concern globally about the impact of these gases with respect to global climate trends. Staatsolie seeks to mitigate its impact where possible. Staatsolie also recognizes its responsibility to measure and report its greenhouse gas emissions and to support reduction initiatives where it can.

Staatsolie is committed to being a good corporate citizen. Through avenues including the Staatsolie Foundation for Community Development and initiatives with IOCs and other partners, we make significant contributions to causes that sustainably support local communities and education. We are determined to be a force for positive change for the people of Suriname with a range of Health, Safety and Environment (HSE) initiatives, including ongoing efforts to minimize our impact on the environment and assure Suriname's green future.

The well-being of our own people is also of paramount importance. We devote significant resources to promote safety and provide opportunities for career advancement for all Staatsolie employees.

FOCUS ON THE FUTURE:

Helping our Employees – and our Nation – through the Pandemic

As usual, Staatsolie began 2020 with plans to participate in a wide range of Corporate Social Responsibility (CSR) endeavors, and programs such as scholarships and community improvement efforts did continue. However, 2020 was a year like no other, and one issue, affecting not only the health and safety of our employees, but the well-being of the entire nation, took precedence.

We are proud to say the people of Staatsolie responded to the COVID-19 crisis with compassion, determination and creativity.

Dedicated employees helped make sure our country's power and energy needs continued to be met. At both our Tout Lui Faut refinery and our Afobaka hydro-electric facility, employees took up residence for extended periods, worked in shifts and got through lockdowns to keep the facilities working. In fact, all our employees stepped up in a difficult atmosphere, which included losing the services of many expatriates, and Staatsolie performed well in an extremely challenging year.

On the corporate level, Staatsolie started, together with two other companies being Fernandes Concern Beheer N.V. and Suriname

Plastics Manufacturing N.V., the Su4Su initiative. Participating companies and citizens of Suriname, as well as the Netherlands, rose to the occasion, contributing funds to strengthen health care facilities in Suriname.

Staatsolie and our international partners contributed approximately $600,000, or about a quarter of the Su4Su funds raised. Funds were devoted to acquiring PPE and other equipment, increasing testing capacity and strengthening relationships with Dutch hospitals and doctors.

Staatsolie also purchased some 20,000 face coverings, and we donated masks, infrared hand-held thermometers and other materials to schools.

Additionally, in response to the public health crisis, Staatsolie helped raised community awareness through billboards at our GOw2 service stations encouraging people to stay home and wear masks.

US$ 100,000
contributed to Su4Su
by Staatsolie

US$ 600,000
total contributed by Staatsolie
and offshore partners
to Su4Su

2020 KEY FOCUS:
Developing a new HSE Management System and devoting resources to help our people and Surinamese society as a whole dealing with the global pandemic.

2021 KEY FOCUS:
Implementing a CSR/Sustainability management system to support initiatives that develop communities, enhance education, and protect the environment and continuing our efforts to improve the health and safety of our people.

2020 SUSTAINABILITY HIGHLIGHTS

- Developed a new corporate HSE Management System.
- Staatsolie and international partners contributed US$ 600,00 to Su4Su initiative.
- US$ 500,000 total awarded to social projects by Staatsolie and the Staatsolie Foundation for Community Development.
- Together with the Alliance for Decent Work, Staatsolie implemented a program at NATIN (the Institute for Natural Resources & Engineering Studies, a secondary school) providing work to people with a disability.
- Along with the foundation Stichting Bromki Fu Tamara, Staatsolie opened Zonnebloem Dyari (Sunflower Garden) locations in Tout Lui Faut and Dijkveld to encourage creativity from local children.
- 3 new scholarships awarded to students in Tout Lui Faut.
- IT training provided to youth and government officials in Saramacca.
- Waste collection sponsored in local communities near Staatsolie operations.
- 18 community organizations in Saramacca helped to identify community projects.
- Initiative for embanking and improving drainage in Gangaram Pandayweg launched.
- Drinking water investment helped provide 80 houses with direct access to tap water.
- Odor survey results shared with communities near the refinery on request of various members of the community.
- Continued support for the objectives of the Suriname Conservation Foundation and membership in its Green Partnership Program, and the Friends of Green Suriname initiative from Conservation International Suriname.

People

- Total Recordable Injury Frequency of 0.55, up from 0.54 in 2019.
- 0 serious injuries or fatalities during the refinery Turn Around.
- Weekly COVID-19 preventative forums held.
- Refinery-wide drinking water and air quality monitoring established.
- Corporate Life Saving Rules developed.
- Major risk management system implemented in upstream operations.
- Progression models developed to facilitate structural growth of employees.

Staatsolie Hydrocarbon Institute N.V.

In addition to Staatsolie's commercial activities, which include the exploration, production and refining of oil, Staatsolie also fulfills an institutional role through its wholly owned subsidiary, Staatsolie Hydrocarbon Institute N.V. (SHI). In this capacity, SHI focuses on promoting the sustainable development of Suriname's hydrocarbon potential by 1) encouraging, managing and sustaining hydrocarbon activities in Suriname; 2) developing and implementing world-class standards and competencies; and 3) transitioning into an independent hydrocarbon institute.

FOCUS ON THE FUTURE:

Major Discoveries, Major Opportunities

The year 2020 is a significant one for the future of Suriname as the enormous offshore hydrocarbon potential, long expected by Staatsolie, became a reality. The year saw four discoveries, three in Block 58 by offshore partners Apache Corporation and Total, and one in Block 52 by Petronas and ExxonMobil. In January 2021 there was an additional significant discovery in Block 58 announced by Apache and Total. The development of these discoveries creates major opportunities that need to be utilized strategically and wisely by Suriname.

Maka Central-1 (Block 58)
In Janaury 2020, Apache and Total announced a significant oil discovery at the Maka Central-1 well. The well successfully tested for the presence of hydrocarbons in the upper Cretaceous-aged Campanian and Santonian intervals. The well encountered 73 meters of oil pay, and 50 meters of light oil and gas condensate pay.

Sapakara West-1 (Block 58)
In April 2020, Apache and Total announced a second discovery in Block 58, 20 kilometers southeast of Maka Central-1. The well encountered 79 meters of net oil and gas condensate pay.

Kwaskwasi-1 (Block 58)
In July 2020, Apache and Total announced a third oil discovery, 10 kilometers northwest of Sapakara West-1. The well discovered multiple stacked targets in the upper Cretaceous-aged Campanian and Santonian intervals and encountered 278 meters of net oil and volatile oil/gas condensate pay.

Sloanea-1 (Block 52)
In December 2020, Petronas and ExxonMobil announced their first discovery. The well was successfully drilled to a total depth of 4,780 meters and encountered several hydrocarbon-bearing sandstone packages with good reservoir qualities in the Campanian section.

Keskesi East-1 (Block 58)
In January 2021, Apache and Total announced their fourth discovery in Block 58 Keskesi East-1. The well encountered a total of 63 meters net pay of hydrocarbons.

What's next?

Staatsolie and its partners in Block 58 started with the appraisal phase to determine reservoir structure, connectivity, producibility and total volume of the hydrocarbon resources in place, and to create a plan for the development and production phases. The appraisal programs will identify the potential risks and reduce current uncertainties of the current discoveries.

Meanwhile, additional exploration will continue in Block 58, comprised of 1.4 million acres. This block offers significant potential beyond the initial discoveries.

ASIDE FROM BLOCK 58, THE FOLLOWING ACTIVITIES ARE PLANNED:

Tullow Oil is set to drill an exploration well in Block 47 in 2021.

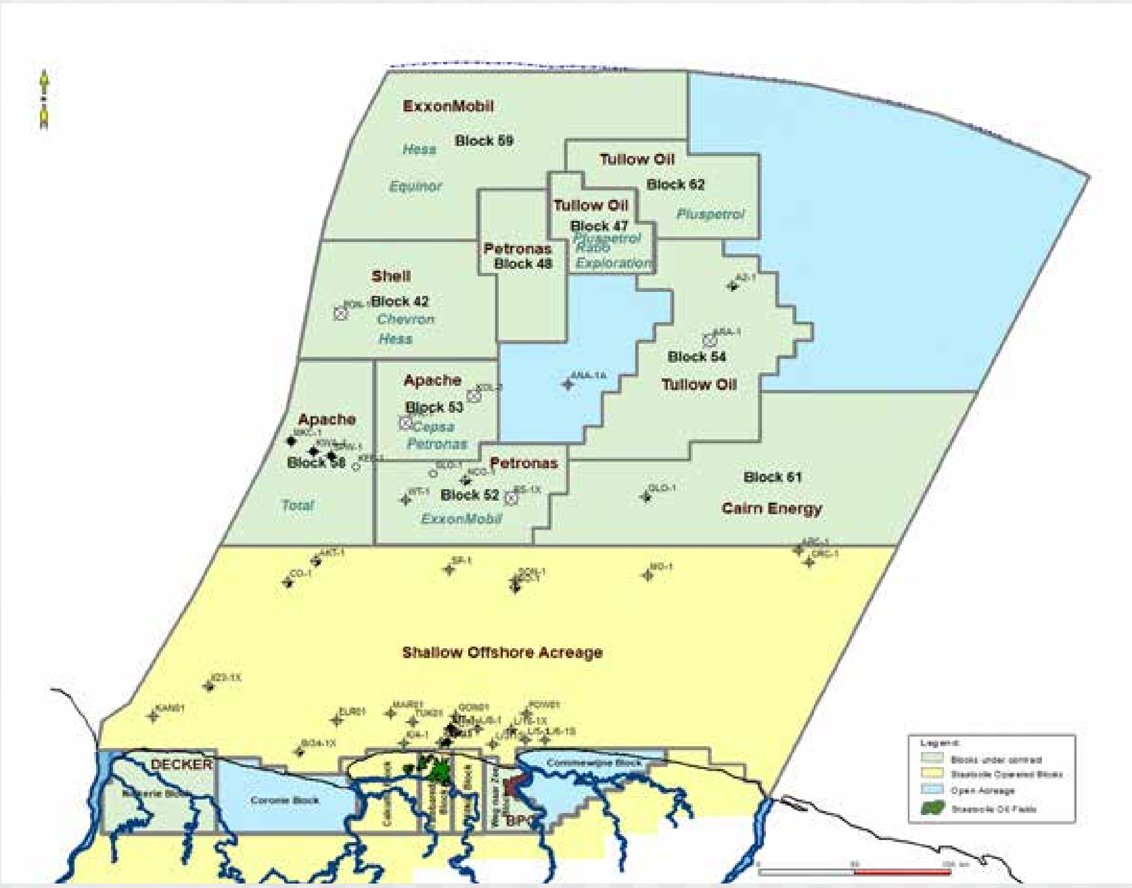
Petronas will continue the 3D seismic survey in Block 52.

2020 KEY FOCUS:
Formalizing the ringfenced organization through memorandum and mandate; initiating and managing the appraisal evaluation process to assess the hydrocarbon resource potential of the Block 58 discoveries; developing standards, processes and capabilities.

2021 KEY FOCUS:
Further development of standards, processes and capabilities, with focus on cost recovery, local content and social responsibility monitoring; initiate and mange Field Development processes; research impact of gas resources on current PSCs.

2020 SHI HIGHLIGHTS

- Successful ringfencing of the Divison Petroleum Contracts to a wholly owned subsidiary, Staatsolie Hydrocarbon Institute N.V. on 18 February.
- 1st significant discovery, in January: Maka Central-1.
- 2nd significant discovery, in April: Sapakara West-1.
- 3rd significant discovery, in July: Kwaskwasi-1.
- 4th discovery, in December: Sloanea-1.
- 5th significant discovery, in January 2021: Keskesi East-1.
- Optimization review of data management, petroleum contract accounting and drilling operations processes.
- Review of appraisal programs submitted by the operator as required by the PSC of the Block 58 discoveries.



Map showing offshore blocks and partners with active PSCs.

Risk Management

Overview

As an oil company, Staatsolie is exposed to a range of risks. They have the potential to impact our employees' health and safety, the environment, our reputation, our community, our legal standing and the financial performance of Staatsolie.

To ensure we continue with being able to meet our strategic objectives, and as part of our ongoing transition into a world-class enterprise ready to work closely with international partners, Staatsolie has implemented an Enterprise Risk Management (ERM) program with rigorous internal controls across our organization.

The aim of our ERM program is to manage risk by identifying, quantifying, prioritizing and mitigating risks in order to satisfy our defined risk appetite and tolerance levels. The program is based upon ISO 3100 and COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles.

Risk Assessment & Management

Staatsolie's ERM process is built on a continuous sequence of activities that results in a better understanding of the risks we are exposed to and what we can do to reduce or eliminate these risks. As part of the process we follow clearly defined guidelines in areas including Risk Identification, Risk Rating and Risk Escalation.

RISK MANAGEMENT PROCESS

The key categories of risk Staatsolie addresses are in the areas of:

- Strategy
- Health, Safety and Environment
- Operations
- Financial
- Pricing

Internal Control Environment

Our internal control environment is bolstered by our Corporate Governance Code, which is enforced by the BOED, a Supervisory Board and an Audit, Risk and Compliance Committee. The Corporate Governance Code includes a strong Code of Conduct and Whistleblower Policy.

Spotlight: Financial Statement Risk

One key component of our ERM program is addressing financial statement risk.

Under the guidance of the BOED, the Finance Directorate and our Corporate Audit group, our Compliance and Risk – Finance team is overseeing the implementation of rigorous controls to mitigate risks associated with generating the information that appears in our financial statements.

To do so we have identified the risks associated with the six main financial statement processes and developed a range of effective controls to mitigate them. As with other areas of risk management and control, we have been guided by the COSO and ISO 3100 frameworks.

Bringing our financial statement risk program up to world-class standards is a multi-year process, which started in 2019. In 2020 we have successfully implemented the majority of the manual processes involved. After internal assessment and compliance testing, we plan to have the manual framework complete by the end of 2021, with automated processes to follow and planned for completion in 2023.

Independent Auditor's Report

TO THE SHAREHOLDERS OF STAATSOLIE MAATSCHAPPIJ SURINAME N.V.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Staatsolie Maatschappij Suriname N.V. ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of 2020. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
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IMPAIRMENT OF UPSTREAM AND DOWNSTREAM OIL AND GAS PPE ASSETS - NOTE 4.11 TO THE CONSOLIDATED FINANCIAL STATEMENTS

The group's consolidated statement of financial position as at 31 December 2020 includes property, plant and equipment totaling $1.746 billion (2019: $1.785 billion), of which the combined upstream, downstream and related corporate assets totaled $1.434 billion.

Management recorded a $16.8 million impairment charge relating to the upstream, downstream and related corporate assets Cash Generating Unit (CGU). The impairment assessment method adopted in determining the recoverable amount of the producing assets was Fair Value Less Cost of Disposal (FVLCD).

Management's judgment and estimates in the Fair Value Less Cost of Disposal (FVLCD) model makes impairment of upstream, downstream and related corporate assets a key audit matter.

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We obtained an understanding of the process related to impairment testing. We assessed data used in the Fair Value Less Cost of Disposal (FVLCD) model, including testing of the forecasted future cash flows.

We assessed management's definition of the Cash Generating Unit (CGU) taking into consideration how management monitors and makes decisions about the company's operations.

Further we analyzed the sensitivity of key assumptions used in the valuation model, and assessed historical accuracy of cash flows supplied by management. We tested the mathematical accuracy of the models and assessed the assumptions utilized through the following substantive procedures:

OIL AND PETROLEUM FUEL PRICES

• We assessed whether the assumptions used in the calculations were in line with the contracts;
• We agreed the relevant market price for each index to the reports directly from third party sources;
• We reviewed the mathematical accuracy of the formulas for each component of the model for all years in the calculation;
• We assessed whether the volumes allocated agreed to the contracted volumes and capacity of the Cash Generating Unit (CGU);
• We reassessed the reasonableness of the price margins utilized in the model relative to historical trends.

DISCOUNT RATE:

• We independently evaluated the company's discount rate used in the impairment tests with input from EY's valuation specialists;

RESERVES AND RESOURCE ESTIMATES:

With the assistance of EY's oil and gas reserve specialists we:
• Assessed the company's reserves estimation methods and policies;
• We compared total reserves included in the impairment assumptions model to the reserves as per the audited reserves report;
• We held discussions with the Technical Resources Lead to understand the production profile and evaluated whether it was consistent with our knowledge of the business activity.

CAPITAL EXPENDITURE FORECAST:

• Obtained management's development CAPEX plan to maintain 6 million barrels per year. The average annual CAPEX was also compared to the historical information of the company.

• We held discussions with the company's management to understand the plan for the company, source of funding, and types of Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) to be implemented to maintain production;

• We reviewed the historical costs of the turnaround project on the refinery, the budget and nonrecurring expenses;

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</table>

Key audit matter	How our audit addressed the key audit matter
ESTIMATION OF DECOMMISSIONING AND RESTORATION PROVISIONS Provisions associated with decommissioning and restoration are disclosed in Note 4.9 to the consolidated financial statements; a description of the accounting policy and key judgements and estimates is included in Note 2.4 The total decommissioning and restoration provisions reported as at 31 December 2020 was $88.3 million (2019: $132.1 million). The calculation of decommissioning and restoration provisions is conducted by specialist engineers and requires the use of significant judgement in the application of key assumptions in respect of asset lives, timing of restoration work being undertaken, environmental legislative requirements, the extent of restoration activities required and estimation of future costs. Changes in these assumptions may result in material changes to the decommissioning and restoration provisions recorded by the Group and as a result is considered a key audit matter.	Our audit procedures focused on the work ofthe Group's internal and external specialists. In obtaining sufficient audit evidence, we: • assessed the competence andobjectivity of both the Group's internal and external specialists involved inthe estimation process; • assessed the reasonableness of theassumptions utilized by the specialists in the determination of the provisions; • understood the Group'sdecommissioning and restoration estimation processes; • tested the consistency in theapplication of principles and assumptions to other areas of the audit such asreserves estimation and impairment testing; • tested the mathematical accuracyof the net present value calculations and discount rate applied; and • reconciled the calculations to thefinancial report prepared by internal and external specialists.

OTHER INFORMATION INCLUDED IN THE GROUP'S 2020 ANNUAL REPORT

Other information consists of the information included in the Group's 2020 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2020 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.
We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yours sincerely

Andrew Tom
Partner for and behalf of
Ernst & Young Suriname

Paramaribo 12 May, 2021

STAATSOLIE MAATSCHAPPIJ SURINAME N.V.

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED DECEMBER 31, 2020			
(X US$ 1,000)	**Notes**	**2020**	**2019**
Revenue	3.1	432,435	499,726
Cost of sales		(283,151)	(276,865)
Gross profit		**149,284**	**222,861**
Other income (net)	3.2	14,267	5,112
Expensed projects	3.2	(10,113)	(2,085)
Impairment of other non-current assets	4.11	(16,787)	-
Offshore expenses	3.2	(151)	-
Exploration expenses	3.2	-	(4,658)
Selling and distribution expenses	3.2	(18,936)	(15,036)
Other operating expenses	3.2	(2,841)	(3,113)
General and administrative expenses	3.2	(45,422)	(33,618)
Operating profit		**69,301**	**169,463**
Finance income	3.2	2,763	595
Finance costs	3.2	(59,471)	(63,990)
Share of profit of Suriname Gold Project CV	4.4	85,411	74,431
Profit before income tax		**98,004**	**180,499**
Income tax expense	3.3	(26,818)	(60,428)
Profit for the year		**71,186**	**120,071**
Attributable to:			
Equity holders of the parent		71,186	120,071
		71,186	120,071
Basic and diluted earnings per ordinary share (US$ per share)	3.4	14.24	24.01

Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2020			
(X US$ 1,000)	**Notes**	**2020**	**2019**
Profit for the year		**71,186**	**120,071**
Other comprehensive income/(loss) not to be reclassified to profit in subsequent periods			
Pensions and other postretirement benefits	4.10	2,325	(38,467)
Tax effect	3.3	(748)	12,418
		1,577	(26,049)
Unrealized gains short-term investments		(1,674)	(38)
Tax effect	3.3	542	12
		(1,132)	(26)
Net other comprehensive income/(loss) not to be reclassified to profit in subsequent periods		**445**	**(26,075)**
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Currency translation adjustment GOw2		(22,983)	656
Tax effect		-	-
		(22,983)	656
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods		**(22,983)**	**656**
Other comprehensive income for the year net of tax		**(22,538)**	**(25,419)**
Total comprehensive income for the year net of tax		**48,648**	**94,652**
Attributable to:			
Equity holders of the parent		48,648	94,652
		48,648	94,652

Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2020			
(X US$ 1,000)	**Notes**	**2020**	**2019**
Assets			
Non-current assets			
Oil, exploration and producing properties	4.1	705,850	751,000
Refining properties	4.2	884,319	914,907
Other property, plant and equipment	4.3	160,605	119,846
Investment properties	4.6	16,882	16,882
Goodwill	4.5	5,447	5,447
Other intangible assets	4.5	5,965	4,696
Right-of-use assets	4.7	4,324	4,913
Lease receivable (non-current)	4.8	15,682	-
Investments in Joint Ventures	4.4	260,877	263,960
Loan receivable long term	5.3	-	3,669
Restricted cash	6.1	14,983	4,362
Other long term assets		1,177	1,477
Deferred tax asset	3.3	12,712	10,344
Total non-current assets		2,088,823	2,101,503
Current assets			
Inventories	6.3	110,455	115,137
Trade receivables	6.2	102,414	104,815
Prepayments and other current assets	6.2	13,069	20,022
Loan receivable short-term	5.3	3,669	3,759
Short-term investments	5.3	1,952	3,602
Restricted cash	6.1	19,567	11,923
Cash and short-term deposits	6.1	18,681	24,515
Total current assets		269,807	283,773
Total Assets		**2,358,630**	**2,385,276**
Equity and liabilities			
Equity			
Common stock	5.1	12,104	12,104
Retained earnings		1,246,051	1,243,490
Other capital reserves		26,398	12,565
Total equity		1,284,553	1,268,159
Non-current liabilities			
Bond	5.3	192,839	-
Term loans	5.3	452,063	492,593
Revolver loan	5.3	6,000	-
Provisions	4.9	88,320	132,142
Employee defined benefit liabilities	4.10	71,714	73,709
Lease liabilities (non-current)	4.7	2,473	2,830
Other long term liabilities	5.3	30,145	27,968
Total non-current liabilities		843,554	729,242
Current liabilities			
Bank overdraft	6.1	3,420	3,420
Trade payables	6.4	82,392	141,697
Accruals and other liabilities	6.4	69,636	43,025
Lease liabilities (current)	4.7	2,219	2,036
Income tax payable		-	300
Current portion of loans and bonds	5.3	72,856	197,397
Total current liabilities		230,523	387,875
Total liabilities		**1,074,077**	**1,117,117**
Total equity and liabilities		**2,358,630**	**2,385,276**

These Financial statements have been authorized for issuance by the Supervisory Board members and the Executive Board members on May 06, 2021.

The Board of Executive Directors:

R. Elias
Managing Director

A. Moensi-Sokowikromo
Finance Director

R. Bissumbhar
Onshore Upstream Director

A. Jagesar
Downstream Director

The Supervisory Board:

L. Brunswijk
Chairman

M. Santokhi
Deputy Chairman

N. Nannan
Secretary

J. Bousaid
Member

H. Dorinnie
Member

G. Asadang
Member

D. Caffé
Member

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED DECEMBER 31, 2020								
(X US$ 1,000)	**Notes**		**Retained earnings**		**Other capital reserves**			
		Common Stock	Retained Earnings	Translation Adjustment GOw2	Non-Dis-tributable Reserve Hydro dam	Appropriated reserve for environmen-tal risk	Appropriated reserve for committee of sports facilities	Total Equity
Balance at January 1, 2019		**12,104**	**1,214,109**	**(16,319)**	**-**	**9,000**	**3,240**	**1,222,134**
Profit for the year		-	120,071	-	-	-	-	120,071
Other comprehensive income/(loss)		-	(26,075)	656	-	-	-	(25,419)
Total comprehensive income/(loss) 2019		**-**	**93,996**	**656**	**-**		**-**	**94,652**
Dividend 2018	3.5	-	(34,352)	-	-		-	(34,352)
Interim dividend prior to shareholder meeting	3.5	-	(14,100)	-	-		-	(14,100)
Allocation/(withdrawal)	5.1	-	(500)	-	-	500	(175)	(175)
Balance at December 31, 2019		**12,104**	**1,259,153**	**(15,663)**	**-**	**9,500**	**3,065**	**1,268,159**
Profit for the year		-	71,186	-	-		-	71,186
Other comprehensive income			445	(22,983)	-		-	(22,538)
Total comprehensive income/(loss) 2020		**-**	**71,631**	**(22,983)**	**-**		**-**	**48,648**
Non-Distributable Reserve Hydrodam	5.1	-	-	-	16,398		-	16,398
Equity Adjustment SOM Admin for Alignment GOw2		-	349	-	-		-	349
Dividend 2019 (Settled)	3.5	-	(45,136)	-	-		-	(45,136)
Allocation/ (Withdrawal) (WB 2019 Dividend for Sports reserve)	5.3	-	(800)	-	-		-	(800)
Allocation/ (Withdrawal) (WB 2019 Dividend for Environmental reserve)	5.1	-	(500)	-	-	500	-	-
Reclass “Reserve Sportfund” from Equity to Accruals & other liab.	5.3	-	-	-	-	-	(3,065)	(3,065)
Balance at December 31, 2020		**12,104**	**1,284,697**	**(38,646)**	**16,398**	**10,000**	**-**	**1,284,553**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2020			
(X US$ 1,000)	**Notes**	**2020**	**2019**
Operating activities			
Profit before income tax from operations	3.1	**98,004**	**180,499**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of Property, plant and equipment (PPE)	3.2	111,019	93,899
Depreciation of right-of-use assets	4.7	2,806	2,049
Impairment of non-current assets	4.11	16,787	-
Expensed projects	4.1-4.3	10,113	2,085
Amortization of intangible assets	4.5	1,072	1,093
Amortization of debt arrangement fee	5.3	2,051	1,914
Accretion expense	4.9	9,542	6,390
Accretion of lease liability	4.7	825	704
Currency translation adjustment		(16,146)	662
GOw2 PPE Regrouping due to SAP implementation	4.3	-	(242)
Disposal of PPE		(1,451)	(1,175)
Finance income	3.2	(2,619)	(596)
Finance costs (excluding accretion expenses and amortization of debt arrangement fees)		43,087	54,982
Share of profit in Suriname Gold Project CV	4.4	(85,411)	(74,431)
Movements employee defined benefit liabilities		330	(381)
Movement in Provisions		(784)	(545)
Cash from operations before working capital changes		**189,225**	**266,907**
Working capital adjustments:			
Change in Inventories		4,181	(39,549)
Change in Trade receivables		2,401	18,009
Change in Prepayments and other current assets		7,873	(1,730)
Change in Trade payables		(59,305)	34,740
Change in Accruals and other liabilities		37,670	6,995
Change in other long term assets		-	(1,477)
Cash generated from operations		**182,045**	**283,895**
Interest received		1,486	68
Interest paid		(46,221)	(56,033)
Income taxes paid/settled		(6,500)	(58,503)
Net cash flows from operating activities		**130,810**	**169,427**
Investing activities			
Expenditures on PPE (Purchase)		(162,979)	(226,595)
Expenditures on Other Intangible assets	4.5	(361)	(769)
Investment in joint ventures (Pikin Saramacca)		(34,000)	-
Cash distributions received from Suriname Gold Project CV		198,079	186,171
Cash calls paid to Suriname Gold Project CV		(109,585)	(92,703)
Investment in shares of local companies		(24)	-
Movement of loan receivables		3,759	3,669
Net cash flows used in investing activities		**(105,111)**	**(130,227)**

FOR THE YEAR ENDED DECEMBER 31, 2020			
(X US$ 1,000)	**Notes**	**2020**	**2019**
Financing activities			
Movement of Bonds		(2,515)	-
Issue of New Local Bond		195,067	-
Repayment of Local Bond (Exchange with new bonds)		(80,531)	-
Repayment of Local Bond (Paid back)		(16,550)	-
Repayment of Term loans	5.3	(62,500)	(25,000)
Refinancing of Term loans	5.3	(2,200)	-
Proceeds Revolver loan	5.3	6,000	-
Proceeds from Pension fund loan	5.3	-	26,508
Dividends settled/paid to equity holders of the parent	3.5	(45,136)	(48,452)
Addition to the Sports Fund		-	2,000
Payments from the Sports fund		-	(2,175)
Movements in Other long term liabilities	5.3	(1,687)	-
Payment of principal portion of lease liabilities		(3,216)	(2,799)
Movement in restricted cash		(18,265)	(7,547)
Net cash flows used in financing activities		**(31,533)**	**(57,465)**
Decrease in cash and cash equivalents		**(5,834)**	**(18,265)**
Cash and cash equivalents, beginning of year*	6.1	**21,095**	**39,360**
Cash and cash equivalents, end of year*	6.1	**15,261**	**21,095**


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Notes to the Consolidated Financial Statements

INDEX TO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 1. CORPORATE AND GROUP INFORMATION

1.1 CORPORATE INFORMATION

The consolidated financial statements of the Group, which comprise Staatsolie Maatschappij Suriname N.V. (Staatsolie, as the parent) and all its subsidiaries, for the year ended December 31, 2020, were authorized for issue in accordance with a resolution of the Supervisory Board on May 06, 2021.

Staatsolie is a limited liability company incorporated and domiciled in Suriname whose shares are solely owned by the Government of Suriname (GoS). The registered office is located at Dr. Ir. H. S. Adhinstraat 21, Paramaribo, Suriname.

Staatsolie (the Company) is an integrated oil company in the Republic of Suriname of which the integrated activities include exploration, production, refining, marketing and distribution of petroleum and retail products.

Through its subsidiary (SPCS), Staatsolie is engaged in thermal and hydro-electric power generation.

The Group's structure and other related party relationships is presented in section 7– Group information and related party disclosures.

Staatsolie's vision is:

- 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 sector.

Staatsolie's mission is:

- 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.

Its values are:

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 cooperative, and create a non-blaming environment.

1.2 GROUP INFORMATION

Staatsolie has four (4) subsidiaries of which three (3) are wholly owned: (1) Paradise Oil Company N.V. (POC) and (2) GOw2 Energy Suriname N.V. (GOw2), both companies incorporated in the Republic of Suriname, (3) Ventrin Petroleum Company Limited (Ventrin), a bunkering company incorporated in the Republic of Trinidad and Tobago and (4) Staatsolie Hydrocarbon Institute N.V. (SHI), a company mandated to perform the institutional role of Staatsolie.

Staatsolie holds 102,999 out of 103,000 shares of the Staatsolie Power Company Suriname N.V. (SPCS), incorporated in the Republic of Suriname, and the local electricity company Energie Bedrijven Suriname N.V. (N.V. EBS) holds one share.

POC is, now, a dormant company. In June 2015, POC's operations were put on hold and the company did not have any activity during the reporting period of 2020.

With regard to Staatsolie's gold participation interest, since November 2014, Staatsolie has a participating interest of 25% in the Suriname Gold Project CV ('Surgold'), a limited partnership between Newmont Suriname LLC and Staatsolie.

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

Information on other related party relationships of Staatsolie and its subsidiaries is further provided in Section 7.

SECTION 2. BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of Staatsolie as a group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and financial instruments that have been measured at fair value. The consolidated statements are presented in US dollars, and all values are rounded to the nearest thousand (US$ 1,000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Staatsolie and its controlled subsidiaries as at December 31, 2020 and 2019.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

1. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

2. Exposure or rights to variable returns from its involvement with the investee;

3. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;

- Rights arising from other contractual arrangements;

- The Group's voting rights and potential voting rights.

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to outside shareholders is reflected in non-controlling interest (NCI).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied in preparing its consolidated financial statements:

a. Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Indefinite lived intangibles, such as goodwill, are not amortized, instead they are tested for impairment annually as a minimum, or when there are indicators of impairment.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. 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. Currently, the Group carries goodwill on the books related to the acquisition of GOw2 which occurred in fiscal year 2011.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

b. Joint arrangements

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

The Group's joint arrangements are of two types:

(i) Joint operations

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interests in joint operations, the Group recognizes its:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.

• Expenses, including its share of any expenses incurred jointly.

(ii) Joint ventures

The Group has a 25% participation in the Suriname Gold Project CV (SurGold) Limited partnership, whereas the Group has joint control over the limited partnership. The Group invests monthly through cash calls to SurGold. The Group's investment in the limited partnership is considered a joint venture and is accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the limited partnership since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the limited partnership. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the limited partnership, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Group's share of profit or loss of the limited partnership is shown on the face of the statement of profit or loss outside operating profit and included in companies profit or loss before tax. The financial statements of the limited partnership are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss, if any, on its investment in the limited partnership. The Group determines at each reporting date whether there is any objective evidence that the investment in the limited partnership is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the loss as 'Share of profit of the participation in a JV' in the statement of profit or loss.

c. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs,and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

d. Lessor Accounting

IFRS 16 is determining whether an arrangement contains a lease deals with arrangements that do not take the legal form of leases but nevertheless convey the right to use a specific asset, such as an item of property, plant, or equipment for an agreed period of time.

A right of a purchaser to use a particular asset owned by a supplier could be conveyed in a wide range of arrangements for the supply of goods and services, including outsourcing arrangements, arrangements under which a purchaser obtains a right to capacity (e.g., the output of a particular power plant) and take-or-pay arrangements or similar contracts.

At inception of a contract, an entity should assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract gives the right to control the use of an identified asset ('underlying asset') for a period of time in exchange for consideration (IFRS 16.9). The right to control the use of an identified asset can be split into:

a. the right to obtain substantially all the economic benefits from use of an identified asset and

b. the right to direct the use of an identified asset.

(i) Right to obtain substantially all the economic benefits

To control the use of an identified asset, a customer is required to have the right to obtain substantially all the economic benefits from use of the asset during the period of use. The most obvious way of obtaining substantially all the economic benefits from use of the asset is having exclusive use of the asset during the period of its use (IFRS 16.B21-B23).

The lessee should focus on economic benefits arising from the use of the asset (e.g., obtaining products), not from the ownership of the asset (e.g., tax credits) (IFRS 16. BC118).

(ii) Right to direct the use

A customer has the right to direct the use of an identified asset during the period of use only if either (IFRS 16.B24): the customer has the right to direct how and for what purpose the asset is used during the period of use; or the relevant decisions about how and for what purpose the asset is used are predetermined.

- Under IFRS 16, lessors account for finance leases by initially derecognizing the asset and recognizing a receivable for the net investment in the lease which is the present value of the payments.
- The lessor must use the interest rate implicit in the lease to measure the net investment in the lease.
- Subsequent to initial recognition, a lessor must recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (i.e. it must use the amortized cost method).

e. Investment properties

Investment properties are measured at fair value, where applicable. Investment properties are de-recognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15 Revenue from contracts with customers.

Transfers are made to (or from) investment property only when there is a change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

f. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current distinction.

An asset is current when it is:

1. Expected to be realized or intended to be sold or consumed in the normal operating cycle;

2. Held primarily for the purpose of trading;

3. Expected to be realized within twelve months after the reporting period, or

4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g. Fair value measurement

The Group measures financial instruments and non-financial assets, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h. Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of oil products, thermal & hydro energy and gold

Revenue from the sale of oil products is recognized when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenues are recorded from the sales of thermal & hydro energy when the product is delivered at a fixed or determinable price, title has transferred, and collectability is reasonably assured.

Sales between group companies, as disclosed in section 3.1 segment information, are based on prices generally equivalent to commercially available prices.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

Sale of thermal & hydro energy generation products comprises of revenue earned from the provision of electricity and steam to Staatsolie Refinery Operations and electricity to the Government of Suriname (GoS) who is the only third-party customer. Revenues are generally recognized when SPCS fulfills its performance obligation by transferring the affirmed goods (electricity and steam) to the customer and once product has passed the meters the customers obtain control of the product.

Gold revenue is being recognized when the performance obligation of transferring gold inventory to the customer is satisfied, which generally occurs upon transfer of gold bullion credits to the customer, as this is the point at which the customer obtains the ability to direct the use and obtain substantially all of the remaining benefits of ownership of the asset. This can occur when gold doré is delivered to the buyer's refinery, upon delivery of the gold doré, or upon being loaded to air transport and flight departure in Suriname.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of oil products give rise to a consideration payable to customers.

Consideration payable to customers

Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The Group has some contracts for the sale of oil products that give rise to a penalty when failing to perform according to the agreed upon terms. The consideration payable to customers is accounted for as a reduction of the transaction price and, therefore, of revenue.

(ii) Significant financing component

Generally, the Group provides short-term advances to its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for the sale of oil products. However, if the timing of the transfer of these goods or services is at discretion of the customer, this is not considered as a significant financing component.

(iii) Warranty obligations

The Group typically provides warranties for guarantee of quality, providing the customer a timeframe of fifteen (15) days after delivery to raise a claim in regard to shortages and defect in quality/quantity of delivered goods. Under IFRS 15 this is not considered an additional good or service to the client and is therefore considered to be an assurance-type warranty. When material, these types of warranties are accounted for as warranty obligations and the estimated cost of satisfying them is accrued in accordance with the requirements in IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section t. Provisions.

(iv) Transportation services

In some cases, the Group provides transportation services as part of contracts with customers when providing oil products. Transportation services are not considered a distinct performance obligation since this service to the client is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

(v) Equipment rental

The Group makes equipment available to the customers as part of contracts with customers when providing oil products. Equipment rental is not considered a separate performance obligation since this service to the client is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

(vi) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

i. Other income

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate ("EIR"). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated statement of profit or loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

j. Foreign currencies

The consolidated financial statements are presented in United States dollars (US$), which is also the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity is measured using that functional currency. Within the Group, GOw2's functional currency changed from US$ to the Surinamese dollars (SRD) effective January 1, 2016. This change arose due to the change in major contracts previously denominated in US$ to SRD. Therefore, as it relates to GOw2, transactions are initially recorded in the functional currency (being SRD) at the rate of exchange ruling at the date of the transaction.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on settlement or translation of monetary items are recognized in the consolidated statement of profit or loss.

(ii) Foreign subsidiaries

As at the reporting date for consolidation purposes, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and, their statements of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign entity is recognized in the consolidated statement of profit or loss.

k. Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences subject to certain specific exceptions.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the temporary differences and carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss.

Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxation authority.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and or payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

I. Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to Significant accounting judgments, estimates and assumptions (Section 2.4) and Provisions (Section 4.9) for further information about the recognized decommissioning provision.

Land and buildings are measured at historical cost, less accumulated depreciation on buildings, and impairment losses if any, are recognized at the date of revaluation.

Exploration and evaluation assets

Exploration and evaluation activity involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation projects in progress until the drilling of the well is complete and the results have been evaluated.

These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognized in the consolidated statement of profit or loss, as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through the consolidated statement of profit or loss as a dry hole.

If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as projects in progress while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as projects in progress.

All such capitalized costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the consolidated statement of profit or loss.

When proved reserves of oil are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil properties.

Other than license costs, no amortization is charged during the exploration and evaluation phase.

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 Group's internal services. Capitalized costs for wells, equipment and production facilities are depreciated using the units of production (UOP) method.

All costs for development wells, related plant and equipment, and related Asset Retirement Obligation (ARO) are capitalized. Capitalized costs relating to investments in the oil field, including productive land properties, are depreciated based on the UOP method, generally by individual field, as the proved developed reserves are produced. The UOP factor is derived from the year oil production and the related proved developed oil reserves.

Oil properties – assets under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Assets under construction' which is a subcategory of 'Oil and gas properties' once the work completed to date supports the future development of the asset and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within 'oil properties.'

Development expenditure is net of proceeds from the sale of oil produced during the development phase to the extent that it is considered integral to the development of the asset. Any costs incurred in testing the assets to determine whether they are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statement of profit or loss.

When a development project moves into the production stage, all assets included in 'Assets under construction' are then transferred to 'Producing assets' which is also a sub-category of 'Oil properties'. The capitalization of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to 'Oil and gas properties' asset additions, improvements or new developments.

Oil properties – producing assets and other property, plant and equipment

(i) Initial recognition

'Oil and gas properties' and 'Other property, plant and equipment' are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost (if the asset was previously classified as assets in development), any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs.
The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

(ii) Depreciation/amortization

Oil properties are depreciated/amortized on a UOP basis over the total proved developed reserves of the field concerned. The UOP rate calculation for the depreciation/amortization of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, which is generally 25 years for the refinery, and major inspection costs are amortized over three to five years, which represents the estimated period before the next planned major inspection.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

(iii) Major maintenance, refits, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programs are capitalized and amortized over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

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 straight-line basis, taking into account the estimated useful lifetime of the significant components of the refinery.

Projects in progress

Projects in progress relates to work in progress, for which at the date of completion the cost is capitalized to the appropriate category of property plant and equipment. Project in progress is not depreciated.

Power plant assets

The power plant assets are depreciated on a straight-line basis and as follows:

Asset Category	Percentage
Building hall	5%
Production hall	10%
Furniture	33.33%
Tank battery	20%
Powerhouse equipment	5 - 50%
Other units	5 - 20%

Corporate & 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 percentages are as follows; Where applicable a residual value is taken into consideration.

Asset Category	Percentage
Building hall	10%
Telecommunication equipment	20%
Dock TLF	4%
Oil tanker	10%
Drilling machinery	20%
Heavy equipment	20%
Transportation equipment	33.33%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred on or after the date of transition for all eligible qualifying assets are capitalized.

n. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Except for trade receivables, for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.3 (h) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

The category concerning financial assets at fair value through OCI with recycling of cumulative gains and losses upon derecognition is not applicable for the Group.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables, cash and short-term deposits including restricted cash and loan receivables from the Government of Suriname.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity instruments as investment as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from the proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrecoverably its investment in locally listed equity securities under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures if applicable and relating to impairment of financial assets are discussed in the respective disclosures for significant assumptions and trade receivables, including contract assets.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates, that the Group is unlikely to receive the outstanding contractual amounts in full, before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o. Derivative Financial instruments

The Group enters forward currency contracts to manage its foreign currency exposures.

The related derivative instrument is initially recorded at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value. The derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The forward contract is not designated as hedge instruments.

p. Inventories

Petroleum products are valued at the lower of cost and net realizable value.

Raw materials:

- Cost is arrived at using the weighted average method.

Finished goods and work in progress:

- Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

The cost of crude oil and refined products is the purchase cost, the cost of refining, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal operating capacity, determined on a weighted average basis.

The net realizable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Materials and supplies are valued using the weighted average cost method.

Pipeline fill

Crude oil, which is necessary to bring a pipeline into working order, is treated as a part of the related pipeline. This is on the basis that it is not held for sale or consumed in a production process but is necessary to the operation of a facility during more than one operating cycle, and its cost cannot be recouped through sale (or is significantly impaired). This applies even if the part of inventory that is deemed to be an item of property, plant and equipment cannot be separated physically from the rest of inventory. It is valued at cost and is depreciated over the useful life of the related asset.

q. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognized in OCI up to the amount of any previous revaluation.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

r. Cash and short–term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Restricted Cash

Restricted cash is required for financing purposes as this has been the requirement of Staatsolie's financiers. The restricted accounts are the collection accounts; Debt Payment Account (DPA) and the Debt Payment Reserve Account (DSRA).

The collection account is used for international collections from all our international customers to deposit their payments. The DPA account contains three months' worth of debt service and is funded monthly. Every three months interest and principal, if any, is paid out.

The DSRA contains three months' worth of interest for the lifetime of the loan. After the necessary funding has taken place, Staatsolie can obtain the remaining cash for its operations.

s. Cash dividend

The Group recognizes a liability to make cash distributions to owners of equity when the distribution is authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

t. Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of profit or loss.

Warranty provisions

The Group typically provides warranties for guarantee of quality, providing the customer a timeframe of fifteen (15) days after delivery to raise a claim in regard to shortages and defect in quality/quantity of delivered goods. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

Decommissioning liability

The Group recognizes a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the field location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related oil assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognized in cost of goods sold. Additional disturbances which arise due to further development/construction at the oil and gas property are recognized as additions or charges to the corresponding assets and decommissioning liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in profit or loss as production continues.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to oil and gas properties. Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of profit or loss as a finance cost.

u. Pensions and other post–employment benefits

The Group operates defined benefit pension plans. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. In addition, the Group operates other long-term employee benefit plans, of which the re-measurements are recognized in the profit or loss. Furthermore, for both the defined benefit pension plans and the other long-term employee benefit plans past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment

And

- The date on which the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under ‘cost of sales,’ ‘general and administrative expenses’ and ‘selling and distribution expenses’ in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Judgments

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Investment in Joint Venture

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work program and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity’s joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries, as set out in Section 2.3b. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - The legal form of the separate vehicle
  - The terms of the contractual arrangement
  - Other facts and circumstances, considered on a case by case basis

This assessment often requires significant judgment. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting treatment.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a bundled sale of oil products and transportation services

In some cases, the Group provides transportation services as part of contracts with customers when providing oil products. The Group determined that transportation services are not considered a distinct performance obligation since this service to the customer is not considered to be separately identifiable from the sale of oil products to the customer, these are considered highly interrelated.

- Identifying performance obligations in a bundled sale of oil products and equipment rental

The Group makes equipment available to the customers as part of contracts with customers when providing oil products. The Group determined that the sale of oil products and equipment rental are not capable of being distinct. The sale of oil products and equipment rental are highly interrelated, because the Group would not be able to sell the oil products if the customer declined equipment rental.

- Determining the timing of satisfaction of sale of oil products

The Group determined that for contracts that are considered consignment arrangements, the obligation is to transfer the product to the consignee. The Group will not relinquish control of the consigned product until the product is sold to the end-customer. Consignees do not have any obligation to pay for the product, other than to pay the Group the agreed-upon portion of the sale price once the consignee sells the product to a third party. As a result, for consignment arrangements, revenue is recognized when the products are delivered to the end customer and the performance obligation has been satisfied.

- Consideration of significant financing component in a contract

Generally, the Group provides short -term advances to its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also receives long-term advances from customers for the sale of oil products. However, since the timing of the transfer of these goods or services is at discretion of the customer, this is not considered as a significant financing component.

- Determining method to estimate variable consideration

Some contracts for the sale of oil products give rise to a consideration payable to customers. In case the Group is not able to supply the customer with oil products in the timeframe as agreed in the contract and before its stock out date, the Group is liable for the difference between the price of a third party for the related oil products and the price as agreed in the contract. However, since the Group has no history of failing to deliver on contractual obligations, penalties are not considered upon determination of the transaction price.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Functional currency

The functional currency for the parent entity and each of its subsidiaries, is the currency of the primary economic environment in which the entity operates. The functional currency for GOw2 is Surinamese dollar (SRD). The functional currency of Staatsolie, SPCS and Ventrin is the US dollar (US$). Determination of functional currency may involve certain judgements to identify the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The default rate for the Group is determined as an average of the write-offs compared to the outstanding trade receivables balances using a window of a few years. This default rate is then determined per age bracket by adjusting the rate to align with the variation in the provision percentages per age bracket. For credit balances no ECL is considered.

The Group expects the same pattern for the future, therefore forward-looking estimates are not considered to have an impact on the default rate.

At every reporting date the historical observed default rate will be updated and changes in the forward-looking estimates will be analyzed.

Decommissioning liability

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, estimates of the extent and costs of decommissioning activities, the emergence of new restoration techniques or experience at other production sites, cost increases as compared to the inflation rates of 2.03% (2019: 2.34%), and changes in discount rates of 6.50% (2019: 7.82%). The expected timing, extent and amount of expenditure may also change, for example, in response to changes in oil and gas reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

Environmental risk liability

Liabilities for environmental costs are recognized when a clean-up is probable, and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required. If the effect of the time value of money is material, the amount recognized is the present value of the estimated future expenditure.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Recoverability of assets

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less cost of disposal (FVLCD) and value-in-use (VIU). The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Units of production (UOP) depreciation of oil assets

Oil properties are depreciated using UOP method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, relates to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortization will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Defined benefit plans (pension benefits)

The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about pension obligations are provided in Section 4.9.

Hydrocarbon reserve and resource estimates

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil properties. The Group estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves that are attributable to the host government under the terms of the production-sharing agreements (PSAs). Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

The economic tests for the December 31, 2020 reserve volumes were based on a future projection of crude oil prices using crude oil prices forecasted by PIRA Energy group as the reference price.

Average price of actual crude sales and the PIRA price premise for 2020 are the same requiring no adjustment for price differential. The same oil price premise was applied for all reserve categories less a transfer premium. An average shrinkage factor of 0.78% (2019: 0.44%) was applied to capture losses in delivery of crude to the refinery.

Average price differential between the PIRA crude price forecast and average posting price of the Groups crude oil in 2020 was US$ 0.71/bbl (PIRA US$ 43.15/bbl. versus actual US$ 43.86/bbl.).

(2019 was US$ 4.13/bbl: PIRA US$ 57.82/bbl. versus actual US$ 53.69/bbl.)

The long-term PIRA NYH No. 6 Fuel Oil 1.0% Sulphur crude oil prices (as per December 18, 2020) are used in the estimation of the commercial reserves are listed in the table below.

Year	US$/bbl
2021	49.30
2022	48.30
2023	52.24
2024	51.57
2025	48.29
2026	48.61
2027	49.33
2028	50.06
2029	50.82
2030	51.59
2031	52.51
2032	53.45
2033	54.41
2034	55.39
2035	56.05
2036	56.71
2037	57.38
2038	58.05

The carrying amount of oil properties at December 31, 2020 is shown in Section 4.1.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group’s reported financial position and results, which include:

- The carrying value of exploration and evaluation assets; oil properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortization charges in the consolidated statement of profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Section 4.1).
- Provisions for decommissioning may require revision — where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities (Section 4.9).
- The recognition and carrying value of deferred tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets (Section 3.3).

Deferred tax

Judgment is required to determine which arrangements are a tax on income as opposed to an operating cost. Judgment is also required to determine whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require the Group to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, to utilize recognized deferred tax assets. Judgment is also required in respect of the application of existing tax laws in each jurisdiction.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends, and other capital management transactions).
To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Oil properties

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalized amount is written off in the consolidated statement of profit or loss in the period when the new information becomes available.

2.4.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input, and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued *Covid-19-Related Rent Concessions — amendment to IFRS 16 Leases.*

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This standard is not applicable to the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement?
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not applicable to the Group.

SECTION 3.
RESULTS FOR THE YEAR

This section provides additional information that is most relevant in explaining the Group's consolidated performance during the year.

- Segment information (Section 3.1)
- Information about key items comprising operating profit/loss (Section 3.2)
- Income tax (Section 3.3)
- Earnings per share (Section 3.4)
- Dividends paid and proposed (Section 3.5)

3.1 SEGMENT INFORMATION

For management purposes, Staatsolie is organized into reportable segments that include three operating segments and a corporate segment.

The three operating segments are:

- Upstream: this segment is responsible for exploring, developing, producing and transporting crude oil to the refinery.
- Downstream: is responsible for refining the crude oil, marketing, selling, and distributing the related oil products. Furthermore, trading which is related to trading fuel products and selling these products to wholesale, retail, and bunkering customers. Lastly, part of this segment is also the 96-megawatt thermal power plant operation and a Hydro dam facility, which delivers the electric power to the single source customer, the national electricity company N.V. EBS.
- Gold Mining: (1) The Pikin Saramacca UJV: concerns a participating interest of 30% in an unincorporated joint operation between Rosebel Gold Mines N.V. (IAM Gold) and Staatsolie and (2) The Surgold Project: The Group has a 25% investment in a joint venture that is involved in the exploration, development and exploitation of the Merian Gold mine which is regularly reviewed by the Chief Operating Decision Maker ("CODM").

These functions have been defined as the operating segments of the Group 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.
3. For which discrete financial information is available.

The corporate segments are the functional departments of the Group that consists of Petroleum Contracts, offshore directorate, and all other corporate administrative functions.

The board of executive directors (which collectively is considered to be the Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

FOR THE YEAR ENDED DECEMBER 31, 2020							
(X US$ 1,000)	**Upstream**	**Downstream**	**Gold mining**	**Corporate**	**Total segments**	**Corporate - adjustments & eliminations**	**Consolidated**
Revenue							
External customers	-	387,867	44,568	-	432,435	-	432,435
Inter segment crude	180,541	(180,541)	-	-	-	-	-
Inter segment other	-	104,851	-	-	104,851	(104,851)	-
Total revenue	**180,541**	**312,177**	**44,568**	**-**	**537,286**	**(104,851)**	**432,435**
Income/(expenses)							
Depreciation of PPE	(45,137)	(60,042)	(4,779)	(1,061)	(111,019)	-	(111,019)
Depreciation of leases	(1,433)	(690)		(683)	(2,806)	-	(2,806)
Impairment of non-current assets	(7,348)	(9,233)	-	(206)	(16,787)	-	(16,787)
Amortization of Intangible assets	(193)	(137)	-	(742)	(1,072)	-	(1,072)
Accretion expense on provisions	(9,028)	(514)	-	-	(9,542)	-	(9,542)
Interest on lease liabilities	-	(65)	-	(760)	(825)	-	(825)
Finance income (expenses) (excluding Accretion)	-	5,787	-	(52,128)	(46,341)	-	(46,341)
Share of profit of Suriname Gold Project CV	-	-	85,411	-	85,411	-	85,411
EBITDA	**119,623**	**96,569**	**134,687**	**4,388**	**355,267**	**(39,072)**	**316,195**
Segment profit (loss) (before tax)	**56,486**	**31,676**	**100,105**	**(51,191)**	**137,076**	**(39,072)**	**98,004**
Income tax expense	-	(14,938)	(4,761)	(7,119)	(26,818)	-	(26,818)
Segment net profit (loss) for the year	**56,486**	**16,738**	**95,344**	**(58,310)**	**110,258**	**(39,072)**	**71,186**
Total assets	**756,950**	**1,093,924**	**327,577**	**487,948**	**2,666,399**	**(307,769)**	**2,358,630**
Other disclosures							
Investment properties	-	-	-	16,882	16,882	-	16,882
Investments in Suriname Gold Project CV	-	-	260,877	-	260,877	-	260,877
Capital expenditure	66,256	38,833	34,000	58,251	197,340	-	197,340

FOR THE YEAR ENDED DECEMBER 31, 2019							
(X US$ 1,000)	**Upstream**	**Downstream**	**Gold mining**	**Corporate**	**Total segments**	**Corporate - adjustments & eliminations**	**Consolidated**
Revenue							
External customers	-	499,726	-	-	499,726	-	499,726
Inter segment crude	291,325	(291,325)	-	-	-	-	-
Inter segment other	-	156,959	-	-	156,959	(156,959)	-
Total revenue	**291,325**	**365,360**	**-**	**-**	**656,685**	**(156,959)**	**499,726**
Income/(expenses)							
Depreciation of PPE	(43,030)	(50,325)	-	(544)	(93,899)	-	(93,899)
Depreciation of leases	(1,074)	(476)	-	(499)	(2,049)	-	(2,049)
Amortization of Intangible assets	-	(61)	-	(1,032)	(1,093)	-	(1,093)
Accretion expense on provisions	(5,635)	(755)	-	-	(6,390)	-	(6,390)
Interest on lease liabilities	(338)	(185)	-	(181)	(704)	-	(704)
Finance income (expenses) (excluding Accretion)	-	3,176	-	(59,477)	(56,301)	-	(56,301)
Share of profit of Suriname Gold Project CV	-	-	74,431	-	74,431	-	74,431
EBITDA	**228,808**	**59,500**	**101,273**	**(7,264)**	**382,317**	**(14,539)**	**367,778**
Segment profit (loss) (before tax)	**178,731**	**10,875**	**74,431**	**(68,999)**	**195,038**	**(14,539)**	**180,499**
Income tax expense	-	(8,816)	-	(51,612)	(60,428)	-	(60,428)
Segment net profit (loss) for the year	**178,731**	**2,060**	**74,431**	**(120,612)**	**134,610**	**(14,539)**	**120,071**
Total assets	**810,768**	**1,330,493**	**263,960**	**611,916**	**3,017,137**	**(631,861)**	**2,385,276**
Other disclosures							
Investment properties	-	-	-	16,882	16,882	-	16,882
Investments in Suriname Gold Project CV	-	-	263,960	-	263,960	-	263,960
Capital expenditure	199,052	23,662	-	3,881	226,595	-	226,595

Adjustments and eliminations

- Finance income and costs, and fair value gains and losses on financial assets are allocated to individual segments.
- Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.
- Inter-segment revenues are eliminated on consolidation.

Explanation of non-IFRS measures

The Group discloses one financial measure, namely earnings before interest, taxes, depreciation and amortization (EBITDA), that is not prepared in accordance with IFRS and is therefore considered a non-IFRS financial measure. The Group calculated EBITDA by taking the net income and adding back interest, taxes, depreciation, and amortization. As EBITDA is used by management as a key performance indicator, the Group believes that it is useful to be presented to the readers of the consolidated financial statements.

Geographic information

Revenues from external customers

(X US$ 1,000)	2020	2019
Suriname	232,384	302,868
Guyana	59,125	85,287
Other Caribbean Territories	59,314	75,574
Trinidad and Tobago	4,835	16,480
Europe	2,240	1,989
Middle East and Asia	1,130	2,648
United States	28,348	14,502
North American Territories	92	283
East Asia	324	95
Other South American Territories	74	-
Other*	44,569	-
Total revenue per consolidated statement of profit or loss	**432,435**	**499,726**

** Gold revenue Pikin Saramacca U.J.V is sold to various brokers*

The revenue information above is based on the location of the customers.

In 2020, revenue from three (3) (2019: three (3)) major customers exceeded 10% of Group consolidated revenue and accounted for approximately 48% (2019: 40%) of the Group's reported revenues. These transactions arose from sales in the downstream segment.

Non-current operating assets

(X US$ 1,000)	2020	2019
Suriname	1,780,774	1,809,374
Trinidad and Tobago	2,618	2,870
Total	**1,783,392**	**1,812,244**

Non-current assets for this purpose consist of property, plant and equipment, investment properties, right-of-use assets and other intangible assets. Only Ventrin, the subsidiary domiciled in Trinidad and Tobago, has non-current operating assets outside of Suriname.

Components of Revenue

(X US$ 1,000)	2020	2019
Own refined products (gross)	311,103	441,110
Intersegment sales	(81,503)	(132,097)
Local refined products (net)	229,600	309,013
Trading activities (gross)	114,049	135,951
Intersegment sales	(19,427)	(9,242)
Trading activities (net)	94,622	126,709
Electric energy (Thermal) (gross)	50,408	78,938
Intersegment sales	(3,921)	(15,620)
Electric energy (Thermal) (net)	46,487	63,318
Electric energy (Hydro) (net)	16,517	-
Gold (net)	44,568	-
Other revenues (net)	641	686
Total revenues	**432,435**	**499,726**

Revenues consist of the sales of petroleum products, electric energy, and trade activities of petroleum products. Petroleum products are generally being sold at prevailing market prices. Revenues are recognized when products are delivered, which occurs when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured.

Sales between group companies (intersegment sales) are based on prices generally equivalent to commercially available prices.

3.2 INFORMATION ABOUT KEY ITEMS COMPRISING OPERATING PROFIT OR LOSS

Exploration expenses

(X US$ 1,000)	2020	2019
Employee benefits expense	-	(2,545)
External services	-	(1,582)
Depreciation and amortization of PPE	-	(111)
Depreciation of leases	-	(45)
Other expenses	-	(375)
Total	**-**	**(4,658)**

Offshore expenses

(X US$ 1,000)	2020	2019
Expensed projects	(78)	-
Depreciation and amortization of PPE	(51)	-
Depreciation of leases	(59)	-
Other expenses	37	-
Total	**(151)**	**-**

Selling and distribution expenses

(X US$ 1,000)	2020	2019
Freight	(10,977)	(8,405)
Employee benefits expense*	(3,120)	(2,445)
Bad debt expense	624	(146)
External services	(3,306)	(2,885)
Depreciation and amortization of PPE	(130)	(133)
Depreciation of leases	(58)	(51)
Maintenance expense	(1,009)	(76)
Insurance costs	(145)	(111)
Utility expenses	(16)	(9)
Donations	(13)	(17)
Travel expenses	(3)	(10)
Other expenses	(783)	(748)
Total	**(18,936)**	**(15,036)**

Other operating expenses

(X US$ 1,000)	2020	2019
External services	(1,056)	(1,302)
Employee benefits expense	(645)	(635)
Vessel lease expenses	-	(137)
Maintenance expense	(510)	(104)
Insurance costs	(115)	(114)
Utility expenses	(58)	(52)
Depreciation and amortization of PPE	(285)	(257)
Depreciation of leases	(104)	(38)
Travel expenses	(3)	(7)
Freight	(8)	-
Other expenses	(57)	(467)
Total	**(2,841)**	**(3,113)**

General and administrative expenses

(X US$ 1,000)	2020	2019
Employee benefits expense*	(22,457)	(16,800)
External services	(9,878)	(10,820)
Depreciation and amortization of PPE	(2,163)	(230)
Depreciation of leases	(669)	(512)
Maintenance expense	(470)	(599)
Insurance costs	(1,262)	(919)
Utility expenses	(549)	(676)
Donations	(919)	(1,452)
Travel expenses	-	(8)
Other expenses	(7,055)	(1,602)
Total	**(45,422)**	**(33,618)**

**When compared with the “Employee benefits expense” disclosure, the amounts differ due to the additional presentation of “car lease benefit expense.”*

Employee benefits expense

(X US$ 1,000)	2020	2019
Included in cost of sales		
Wages, salaries, emoluments and other benefits	(39,389)	(36,827)
Employers contribution of employee pension benefits	(3,333)	(4,218)
Medical expenses	(1,376)	(1,399)
Safety and training expenses	(1,164)	(2,277)
Car lease benefit	(562)	(2,606)
Other personnel expenses	(2,317)	(2,243)
Sub total	**(48,141)**	**(49,570)**
Included in Exploration expenses		
Wages, salaries, emoluments and other benefits	-	(2,079)
Employers contribution of employee pension benefits	-	(261)
Medical expenses	-	(53)
Safety and training expenses	-	(77)
Car lease benefit	-	(136)
Other personnel expenses	-	(13)
Sub total	**-**	**(2,619)**
Included in Selling and distribution expenses		
Wages, salaries, emoluments and other benefits	(2,845)	(2,137)
Employers contribution of employee pension benefits	(186)	(168)
Medical expenses	(23)	(60)
Safety and training expenses	(61)	(78)
Car lease benefit	(12)	(71)
Other personnel expenses	(5)	(7)
Sub total	**(3,132)**	**(2,521)**
Included in Other operating expenses		
Wages, salaries, emoluments and other benefits	(524)	(587)
Medical expenses	-	(1)
Safety and training expenses	(19)	(24)
Car lease benefit	(24)	(6)
Other personnel expenses	(78)	(17)
Sub total	**(645)**	**(635)**
Included in General and administrative expenses		
Wages, salaries, emoluments and other benefits	(19,451)	(13,981)
Employers contribution of employee pension benefits	(1,210)	(1,031)
Medical expenses	(856)	(861)
Safety and training expenses	(509)	(561)
Car lease benefit	(147)	(602)
Other personnel expenses	(426)	(451)
Sub total	**(22,599)**	**(17,487)**
Grand total	**(74,517)**	**(72,832)**

Depreciation of property, plant and equipment, and amortization of intangible assets

(X US$ 1,000)	2020	2019
Included in cost of sales		
Depreciation upstream	(45,039)	(42,919)
Amortization upstream	(193)	-
Depreciation downstream	(59,425)	(51,343)
Amortization downstream	(26)	-
Depreciation Pikin Saramacca UJV	(4,779)	-
Sub total	**(109,462)**	**(94,262)**
Included in Offshore expenses		
Depreciation upstream offshore	(51)	(111)
Sub total	**(51)**	**(111)**
Included in Exploration expenses including dry holes		
Depreciation upstream-exploration	-	(111)
Sub total	**-**	**(111)**
Included in Selling and distribution expenses		
Depreciation downstream	(130)	(133)
Sub total	**(130)**	**(133)**
Included in Other operating expenses		
Depreciation downstream	(285)	(256)
Sub total	**(285)**	**(256)**
Included in General and administrative expenses		
Depreciation corporate	(1,010)	(544)
Amortization corporate	(741)	(1,032)
Depreciation downstream	(301)	1,407
Amortization downstream	(111)	(61)
Sub total	**(2,163)**	**(230)**
Grand total	**(112,091)**	**(94,992)**

Finance income

(X US$ 1,000)	2020	2019
Interest income on loans	1,300	591
Other interest income	1,463	4
Total finance income	**2,763**	**595**

Finance costs

(X US$ 1,000)	2019	2018
Interest on borrowings	(47,058)	(56,378)
Accretion expenses of provisions	(9,542)	(6,390)
Other finance charges	(2,046)	(518)
Accretion expenses of lease liabilities	(825)	(704)
Total finance costs	**(59,471)**	**(63,990)**

Other income (net)

(X US$ 1,000)	2020	2019
Sales tax	-	202
Third party claims	-	19
Gain on foreign currency transactions	14,507	133
Other (expense)/income (net)	(240)	3,730
Derecognition of PPE	-	1,178
Transfer costs -Pension Fund Loan	-	(150)
Total other expense (net)	**14,267**	**5,112**

Other income (net) as at December 31, 2020 comprises income / (expense) from several sources. The significant items in 2020 relate to the cost of a new pump (US$ 1,450), a claim receivable of US$ 1,462 and other expenses of (US$ 227).

The change in the gain on foreign currency transactions relates to GOw2.

GOw2's functional currency is the Surinamese dollars (SRD), but the reporting currency of the group is in United States dollars (US$). In September 2020, the government depreciated the Surinamese dollars (SRD).

Other income (net) as at December 31, 2019 comprises income / (expense) from several sources. The significant item in 2019 relates to other income (net) of US$ 3,730 which represents in the main the favorable impact of the goods received/invoices clean-up of US$ 2,555 and income of US$ 1,424 arising from the sale of data packages to potential bidders for oil exploration activities.

Expensed projects

(X US$ 1,000)	2020	2019
Expensed projects-Downstream	(6,738)	(407)
Expensed projects-Corporate	(1,566)	87
Expensed projects-Upstream	(1,809)	(1,765)
Total	**(10,113)**	**(2,085)**

The increase of US$ 8,027 in 2020 when compared to the previous year, mainly relates to the TNI project at the refinery (US$ 6,666) and the integrated Guiana Basin study (US$ 1,386).

3.3 INCOME TAX

The major components of income tax are as follows:

Consolidated statement of profit or loss

(X US$ 1,000)	2020	2019
Current income tax:		
Current tax expense	(28,516)	(57,631)
Deferred tax:		
Income relating to origination and reversal of temporary differences	1,698	(2,797)
Income tax expense reported in the consolidated statement of profit or loss (net)	**(26,818)**	**(60,428)**

A reconciliation between tax expense and the accounting profit multiplied by Staatsolie's domestic tax rate is as follows.

(X US$ 1,000)	2020	2019
Accounting profit before income tax	98,004	180,499
Tax at statutory rate	(28,457)	(64,980)
Reinvestment reserve	2,527	5,421
Ventrin investment	(237)	(867)
3.6% on temporary differences	(768)	-
Other movements	117	-
Total tax charge	**(26,818)**	**(60,426)**
Effective tax rate	27.4%	33.5%

Consolidated statement of other comprehensive income

(X US$ 1,000)	2020	2019
Deferred tax related to items recognized in other comprehensive income during the year:		
Net gain on unrealized gains from equity instruments	542	12
Net gain on remeasurement gains on defined benefit plans	(748)	12,418
Tax income/(expense) recognized in other comprehensive income (net)	**(206)**	**12,430**

Reconciliation of deferred tax asset / (liability)

(X US$ 1,000)	2020	2019
Opening balance as of January 1	10,344	711
Tax income/(expense) during the period recognized in profit or loss	1,698	(2,797)
Tax income during the period recognized in equity due to fair value results	876	-
Tax (expense) during the period recognized in other comprehensive income	(206)	12,430
Closing balance as at December 31	**12,712**	**10,344**

Deferred income tax at December 31 relates to the following:

Consolidated statement of financial position

(X US$ 1,000)	2020	2019
Deferred tax assets		
Short-term investments	(30)	(572)
Investment properties	285	-
Other property, plant and equipment	(236)	(7,758)
Fair value gains	(5,677)	-
Other intangible assets	(1,144)	(911)
Provisions	(1,350)	(1,717)
Employee defined benefit liabilities	20,708	21,320
Lease receivable	36	-
Net lease right of use /liability	120	(18)
Deferred tax asset (net)	**12,712**	**10,344**

Tax losses carry forward

Ventrin is subject to the fiscal regime of Trinidad and Tobago and has accumulated tax losses of approximately US$ 14,382 at December 31, 2020, (2019: US$ 13,188) available for offset against future taxable profits. These losses have no expiry date.

No deferred tax asset has been recorded on these tax losses as it is the belief of management that it is not probable that Ventrin will generate sufficient taxable profit in the foreseeable future to utilize these losses.

3.4 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

	2020	2019
Net profit attributable to ordinary shareholders (US$'000)	71,186	120,071
Weighted average number of ordinary shares (number of shares - million)	5,000	5,000
Basic earnings per ordinary share (US$ per share)	**14.24**	**24.01**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

3.5 DIVIDENDS PAID AND PROPOSED

(X US$ 1,000)	2020	2019
Declared and paid during the year:		
Cash dividends on ordinary shares:		
Final dividend for 2018: US$ 6.87 per share	-	34,352
Interim dividend for 2019: US$ 2.82 per share	-	14,100
Final dividend for 2019 (Settled): US$ 9.03 per share	45,136	-
	45,136	**48,452**
Proposed for approval at the annual general meeting:		
Note: below dividends have been recognized in the consolidated financial sstatements in line with the dividend policy with the shareholders		
Dividends on ordinary shares:		
Final dividend for 2019: US$ 12.01 per share	-	60,036
Final (proposed) dividend for 2020: US$ 7.12 per share (2019:US$ 0.0 per share)	35,593	-

Final dividends on ordinary shares for 2020 are subject to approval at the annual general shareholders' meeting and will be recognized in the 2021 appropriation of retained earnings.

SECTION 4.
INVESTED CAPITAL

4.1 OIL, EXPLORATION AND PRODUCING PROPERTIES

(X US$ 1,000)	Land & Lease hold improvement	Building and Structure	Machine & Equipment
Cost			
At January 1, 2019	**9,276**	**25,513**	**52,946**
Adjustment Abandonment Costs*	-	181	-
Additions	-	-	2,746
Capitalized from PIP to PPE in current Year	-	133	411
Expense to P&L	-	-	-
At December 31, 2019	**9,276**	**25,827**	**56,103**
Adjustment Abandonment Costs*	-	(173)	-
Adjustments	-	-	(91)
Additions	-	37	705
Capitalized from PIP to PPE in current Year	-	4,719	1,039
Capitalized from PIP to Intangible Asset current Year	-	-	-
Disposals /Disinvestment in current year	-	-	(97)
Internal transfers	-	650	-
Expense to P&L	-	-	-
At December 31, 2020	**9,276**	**31,060**	**57,659**
Depreciation			
At January 1, 2019	**-**	**(18,612)**	**(48,738)**
Depreciation Abandonment Costs*	-	(7)	-
Depreciation current year	-	(810)	(1,844)
At December 31, 2019	**-**	**(19,429)**	**(50,582)**
Adjustments	-	-	90
Depreciation Abandonment Costs*	-	(7)	-
Depreciation current year	-	(956)	(2,139)
Depreciation /disinvestment in current year	-	-	97
Provision for Impairment	-	-	-
Internal transfers	-	(650)	-
At December 31, 2020	**-**	**(21,042)**	**(52,534)**
Net book value:			
At December 31, 2019	**9,276**	**6,398**	**5,521**
At December 31, 2020	**9,276**	**10,018**	**5,125**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

Well & Equipment	Pipelines	Other Fixed Assets	Offshore & Onshore Exploration & Evaluation	Production Projects in Progress	Offshore & Onshore Exploration Projects in Progress	Grand Total
854,403	**11,264**	**3,563**	**701**	**36,508**	**73,069**	**1,067,243**
54,774	-	-	-	-	-	54,955
130	-	142	49	97,595	98,489	199,151
36,707	-	-	-	(37,340)	-	(89)
-	-	-	-	(1,764)	-	(1,764)
946,014	**11,264**	**3,705**	**750**	**94,999**	**171,558**	**1,319,496**
(55,508)	-	-	-	-	-	(55,681)
-	-	62	-	-	-	(29)
-	-	49	-	53,591	11,875	66,257
75,239	-	602	-	(81,599)	-	-
-	-	-	-	(967)	-	(967)
(167)	-	(343)	(20)	-	-	(627)
-	-	1,257	-	-	-	1,907
-	-	-	-	(1,819)	11	(1,808)
965,578	**11,264**	**5,332**	**730**	**64,205**	**183,444**	**1,328,548**
(443,769)	**(10,430)**	**(3,348)**	**(568)**	**-**	**-**	**(525,465)**
(168)	-	-	-	-	-	(175)
(39,706)	(167)	(207)	(122)	-	-	(42,856)
(483,643)	**(10,597)**	**(3,555)**	**(690)**	**-**	**-**	**(568,496)**
-	-	(74)	-	-	-	16
(4,472)	-	-	-	-	-	(4,479)
(37,308)	(134)	(515)	(51)	-	-	(41,103)
146	-	343	20	-	-	606
(7,348)	-	-	-	-	-	(7,348)
-	-	(1,244)	-	-	-	(1,894)
(532,625)	**(10,731)**	**(5,045)**	**(721)**	**-**	**-**	**(622,698)**
462,371	**667**	**150**	**60**	**94,999**	**171,558**	**751,000**
432,953	**533**	**287**	**9**	**64,205**	**183,444**	**705,850**

4.2 REFINING PROPERTIES

(X US$ 1,000)	Land & Lease hold Improvement	Building and Structure
Cost		
At January 1, 2019	**9,774**	**1,110,003**
Adjustment Abandonment Costs*	-	-
Additions	-	771
Adjustments	-	-
Capitalized from PIP to PPE	-	1,298
Expense to P&L in current year	-	-
At December 31, 2019	**9,774**	**1,112,072**
Adjustment Abandonment Costs*	-	-
Additions	-	435
Adjustments	-	-
Capitalized from PIP to PPE	-	51,491
Disposals /Disinvestment in current year	-	(1,809)
Internal transfer	-	-
Expense to P&L in current year	-	-
At December 31, 2020	**9,774**	**1,162,189**
Depreciation		
At January 1, 2019	**(1,666)**	**(219,572)**
Depreciation Abandonment Costs*	-	-
Depreciation current year	-	(42,729)
Depreciation /Disinvestment in current year	-	-
At December 31, 2019	**(1,666)**	**(262,301)**
Adjustments	-	-
Depreciation Abandonment Costs*	-	-
Depreciation current year	-	(50,676)
Depreciation /Disinvestment in current year	-	361
Provision for Impairment	-	(9,233)
At December 31, 2020	**(1,666)**	**(321,849)**
Net book value:		
At December 31, 2019	**8,108**	**849,771**
At December 31, 2020	**8,108**	**840,340**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

Machine & Equipment	Abandonment Costs	Pipelines	Other Fixed Assets	Projects in Progress	Grand Total
12,820	**4,303**	**33,249**	**2,673**	**5,019**	**1,177,841**
-	3,768	-	-	-	3,768
1,297	-	-	32	19,919	22,019
-	-	-	-	-	-
-	-	-	-	(1,298)	-
-	-	-	-	(407)	(407)
14,117	**8,071**	**33,249**	**2,705**	**23,233**	**1,203,221**
-	2,318	-	-	-	2,318
141	-	-	-	36,711	37,287
91	-	-	2	-	93
233	-	-	-	(51,724)	-
(5)	-	-	(133)	-	(1,947)
-	-	-	-	-	-
-	-	-	-	(6,695)	(6,695)
14,577	**10,389**	**33,249**	**2,574**	**1,525**	**1,234,277**
(11,093)	**(495)**	**(8,243)**	**(2,122)**	**-**	**(243,191)**
-	(173)	-	-	-	(173)
(874)	-	(1,239)	(108)	-	(44,950)
-	-	-	-	-	-
(11,967)	**(668)**	**(9,482)**	**(2,230)**	**-**	**(288,314)**
(90)	-	-	(4)	-	(94)
-	(337)	-	-	-	(337)
(482)	-	(1,240)	(81)	-	(52,479)
5	-	-	133	-	499
-	-	-	-	-	(9,233)
(12,534)	**(1,005)**	**(10,722)**	**(2,182)**	**-**	**(349,958)**
2,150	**7,403**	**23,767**	**475**	**23,233**	**914,907**
2,043	**9,384**	**22,527**	**392**	**1,525**	**884,319**

4.3 OTHER PROPERTY, PLANT AND EQUIPMENT

(X US$ 1,000)	Land & Lease hold Improvement	Building and Structure
Cost		
At January 1, 2019	**18,655**	**37,430**
Adjustment Abandonment Costs*	-	-
Additions	-	79
Capitalized from PIP to PPE	-	113
Internal transfers	-	354
Expense to P&L	-	-
Disposals /Disinvestment in current year	-	(2)
SAP/Hyperinflation	25	6,112
At December 31, 2019	**18,680**	**44,086**
Adjustment Abandonment Costs*	-	-
Adjustments	-	-
Additions	-	5
Capitalized from PIP to PPE/intangibles	-	2,099
Disposals /Disinvestment in current year	-	-
Translation adjustment on cost	(887)	(5,168)
Internal transfers	-	(650)
Expense to P&L	-	-
At December 31, 2020	**17,793**	**40,372**
Depreciation 1 January 2019	**(556)**	**(17,070)**
Depreciation Abandonment Costs*	-	-
Depreciation in current year	(50)	(1,506)
Depreciation tack back	35	1,489
Regrouping due to SAP implementation	(6)	(4,699)
Internal transfer	-	(138)
Depreciation/ Disinvestment/Internal transfer in current year	-	-
At December 31, 2019	**(577)**	**(21,924)**
Adjustments	-	-
Depreciation Abandonment Costs*	-	-
Depreciation in current year	(56)	(1,722)
Depreciation/ Disinvestment/Internal transfer in current year	-	-
Provision for Impairment	-	(206)
Internal transfer	-	650
Translation adjustment	227	3,601
At December 31, 2020	**(406)**	**(19,601)**
Net book value:		
At December 31, 2019	**18,103**	**22,162**
At December 31, 2020	**17,387**	**20,771**

**Adjustments to abandonment cost relates to changes in the decommissioning provision*

Machine & Equipment	Abandonment Costs	Well & Equipment	Other Fixed Assets	Projects in Progress	Grand Total
122,759	**72**	**912**	**12,096**	**2,027**	**193,951**
-	141	-	-	-	141
117	-	-	198	5,808	6,202
2,784	-	-	86	(925)	2,058
(354)	-	-	-	-	-
-	-	-	-	87	87
(2,739)	-	-	-	-	(2,741)
(8,887)	-	-	3,050	11	311
113,680	**213**	**912**	**15,430**	**7,008**	**200,009**
-	853	-	-	-	853
-	-	-	57,837	(202)	57,635
49	-	-	25	1,523	1,602
1,763	-	-	645	(5,690)	(1,183)
(52)	-	-	(104)	-	(156)
(2,492)	-	-	(2,193)	131	(10,609)
-	-	-	(1,257)	-	(1,907)
-	-	-	-	(1,609)	(1,609)
112,948	**1,066**	**912**	**70,383**	**1,161**	**244,635**
(45,441)	**(17)**	**(730)**	**(11,713)**	**-**	**(75,527)**
-	(3)	-	-	-	(3)
(5,455)	-	(15)	(522)	-	(7,548)
12	-	-	270	-	1,806
6,218	-	-	(1,582)	-	(69)
138	-	-	-	-	-
1,178	-	-	-	-	1,178
(43,350)	**(20)**	**(745)**	**(13,547)**	**-**	**(80,163)**
-	-	-	77	-	77
-	(10)	-	-	-	(10)
(5,483)	-	(12)	(5,338)	-	(12,611)
52	-	-	104	-	156
-	-	-	-	-	(206)
-	-	-	1,241	-	1,891
1,492	-	-	1,516	-	6,836
(47,289)	**(30)**	**(757)**	**(15,947)**	**-**	**(84,030)**
70,330	**193**	**167**	**1,883**	**7,008**	**119,846**
65,659	**1,036**	**155**	**54,436**	**1,161**	**160,605**

4.4 CAPITAL INVESTMENTS IN JOINT ARRANGEMENTS

Capital investment in joint ventures

Suriname Gold Project

On 14 November 2014, Staatsolie entered as a limited partner with an interest of 25% into the partnership 'Suriname Gold Project CV'. Newmont Suriname LLC, a subsidiary of Newmont Mining Corporation, is the managing partner with a 75% interest in this partnership. Newmont Suriname LLC is a limited liability company formed pursuant to the laws of the State of Delaware, United States of America.

The Suriname Gold Project CV encompasses the exploration, development, and exploitation of the gold mine 'Merian', and the Area of Interest as defined in the Limited Partnership Agreement, which is a gold deposit located in the eastern part of Suriname close to the French Guiana border. Suriname Gold Project CV commenced commercial gold production in 2016.

The Suriname Gold Project CV partnership is financed through monthly cash calls (operational and capital contributions) which is the mechanism to fund approved operating costs and capital expenditures. Each partner is responsible for funding the partnership for its portion based on its participating interest.

Monthly the partnership allocates revenues which totals the compensation received by the partnership in exchange for selling the partnership's gold production attributable to each partner in proportion to its respective participating interest. Staatsolie's maximum exposure to loss from its interest in the Suriname Gold Project CV partnership equals the annual capital contributions.

The Group's interest in the Suriname Gold Project CV is accounted for in the consolidated financial statements using the equity method. The summarized financial information of the joint venture (JV) and reconciliation with the carrying amount of the investment and share in the profit of the JV in the consolidated financial statements are set out below:

(X US$ 1,000)	2020	2019
Summarized statement of financial position of Suriname Gold Project CV:		
Current assets, including cash and cash equivalents $62,771 (2019: $30,366) and inventories $89,552 (2019: $79,546)	226,508	176,950
Non-current assets	971,563	1,009,211
Current liabilities, including accounts payable $13,895 (2019: $16,259) and due to related parties $38,772 (2019: $46,692)	(81,742)	(88,229)
Non-current liabilities	(72,820)	(42,089)
Partnership capital	**1,043,509**	**1,055,843**
Proportion of the Group's ownership	**25%**	**25%**
Carrying amount of the investment	**260,877**	**263,960**

(X US$ 1,000)	2020	2019
Summarised statement of profit or loss of Suriname Gold Project CV:		
Revenue	821,781	734,085
Cost of Sales	(343,302)	(296,903)
Administrative expenses, including depreciation $117,813 (2019: $107,987)	(123,928)	(126,936)
Other Income (expense)	159	844
Management Fee	(13,068)	(13,366)
Profit before tax	**341,643**	**297,724**
Group's share of the profit for the year	**85,411**	**74,431**

The cash distributions received from Suriname Gold Project CV amounted to US$ 198,079 in 2020 (2019: US$ 186,171). Further the cash calls paid amounted to US$ 109,585 in 2020 (2019: US$ 92,703).

The Group had no contingent liabilities or capital commitments relating to its interest in the Suriname Gold Project CV as at December 31, 2020 (2019: NIL). The joint venture had no contingent liabilities or capital commitments as at December 31, 2020 (2019: NIL) that may be considered to have a material adverse effect on its financial position or result of operations.

With the completion of the refinancing in May 2018, Staatsolie settled its liability with the Government of Suriname of US$ 63,087, effectively extinguishing the Government of Suriname's beneficial ownership of 4.8% share in the Suriname Gold Project CV.

The above summarized financial information of Suriname Gold Project CV as at December 31, 2020 and 2019 was based on the audited financial statements for the year ended December 31, 2020.

Capital investment in joint operations

Acquisition during the current year:

Pikin Saramacca

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

Staatsolie acquired this 30% participating interest for US$ 54 million (US$ 34 million cash and US$ 20 million to be paid within a year).

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

The UJV is organized as an operating joint venture in which the partners share the costs based on their respective participation percentage. The UJV has no equity, and all amounts are settled in cash by the respective partners. The total operating costs are allocated to each Party on a 30/70 percent basis.

(a) Acquisition date fair values

The provisional fair values of identifiable assets acquired assumed of the UJV as at the date of acquisition were:

(X US$ 1,000)	Provisional fair value
Assets	
Exploration and evaluation	9,872
Mine developtment costs	14,018
Other property, Plant and equipment	28,247
Inventories	2,688
	54,826
Liabilities	
Short-term debt	(20,826)
Total identifiable net assets at fair value/Total consideration	**34,000**

(b) Acquisition-date fair value of consideration transferred

(X US$ 1,000)	
Cash paid	34,000
Payable balance	20,826
Total participation	**54,826**
The cash outflow on acquisition is as follows:	
Cash paid	(34,000)
Net consolidated cash outflow	**(34,000)**

The fair values of the fixed assets of the UJV disclosed are provisional. This is because the acquisition occurred on April 1, 2020, and due to the complexity of the acquisition and the fact that the underlying calculations and the allocation of value to exploration assets, mineral assets and other property plant and equipment are still being finalized. As a result, the final fair values may differ.

The review of the fair value of the assets acquired will be completed within 12 months.

From the date of acquisition (April 1, 2020) to December 31, 2020, the UJV contributed US$ 44 million to Group revenue and US$ 10 million to Group profit.

4.5 GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets	
(X US$ 1,000)	**Goodwill**	**Software**	**Total**
Cost			
At 1 January 2019	5,447	14,086	19,533
Additions	-	769	769
At 31 December 2019	**5,447**	**14,855**	**20,302**
Additions	-	2,262	2,262
At 31 December 2020	**5,447**	**17,117**	**22,564**
Amortization and impairment			
At 1 January 2019	-	(9,066)	(9,066)
Amortization	-	(1,093)	(1,093)
At 31 December 2019	**-**	**(10,159)**	**(10,159)**
Amortization	-	(1,072)	(1,072)
Translation adjustment on Accumulated Depreciation	-	79	79
At 31 December 2020	**-**	**(11,152)**	**(11,152)**
Net book value			
At 31 December 2019	5,447	4,696	10,143
At 31 December 2020	5,447	5,965	11,412

Other intangible assets

The balance as at December 31, 2020 represents capitalized computer software.

In 2020 SAP Success Factors and SAP Project System were capitalized and are being amortized on a straight-line basis over the remaining useful life of 8 1/2 years and 4 1/2 years respectively.

Other software consists of: Process Hazard Analysis Software and Mechanical Integrity Software tool.

These were capitalized for the downstream and are amortized on a straight-line basis over a useful life of 5 years.

Impairment testing of goodwill

The Group performed the annual impairment test as at December 31, 2020.

Goodwill acquired through business combinations with indefinite life has been allocated to one CGU (GOw2). The carrying value (net assets including Goodwill) of this CGU is US$ 42,075 at December 31, 2020 (US$ 49,682 at December 31, 2019).

The recoverable amount of the GOw2 CGU of US$ 56,473 at December 31, 2020 (US$ 63,507 as at December 31, 2019) has been determined based on a value-in-use (VIU) calculation using cash flow projections from financial budgets approved by the responsible director covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for finished oil products.

The post-tax weighted average cost of capital (WACC) discount rate applied to the cash flow projections is 12.02% (2019: 12.10%), and cash flows beyond the five-year period are extrapolated using a 2% (2019: 2%) growth rate that is the same as the long-term average fuel consumption growth rate for the petroleum products sector.
As a result of the analysis, management did not identify impairment for this CGU. The GOw2 CGU forms part of the downstream reportable segment. Applying a pre-tax WACC discount rate 18.02% (2019: 17.71%) to the cash flow projections provides the same VIU for the CGU.

Key assumptions used in value-in-use calculations

The calculation of VIU for the GOw2 CGU is most sensitive to the following key assumptions:

- Gross margin
- Discount rates
- Oil prices
- Market share during the budget period
- Growth rate used to extrapolate cash flows beyond the budget period

Gross margins

Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated improvements in the efficiency of operations. An increase of 2% (2019: 2%) per annum was applied based on economic growth (quantities) of the CGU.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC, with appropriate adjustments made to reflect the risks specific to the CGU. The WACC considers both debt and equity, weighted 32.48% (2019: 36.86%) debt versus 67.52% (2019: 63.14%) equity, due to the debt-to-equity structure of the Group. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Oil prices

Long term forecasted oil prices are based on management's estimates and available market data.

Market share assumptions

These assumptions are important because as well as using industry data for growth rates (as noted below), management assesses how the CGU's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the oil retail products market to be stable over the forecast period.

Growth rate estimates

Rates are based on economic growth rates, growth domestic product and relevant published research.

Sensitivity to changes in assumptions

Regarding the assessment of VIU for the GOw2 CGU, management believes that there are no reasonably possible changes in any of the above key assumptions that would cause the carrying value of the CGU to materially exceed its recoverable amount.

4.6 INVESTMENT PROPERTIES

Staatsolie purchased the land situated in Wageningen, District Nickerie in 2009. The investment properties are carried at historical cost less accumulated impairment losses. Initially the land would accommodate the Ethanol Business of Staatsolie which was cancelled in 2015. A valuation of the investment properties was carried out by an external independent qualified assessor on July 26, 2019 and the impairment was processed accordingly in financial year 2018.

Given the current economic environment the fair value of the investment property will remain for the amount of US$ 16,882 in the books as at December 31, 2020.

One thousand two hundred and two (1,202) hectares of the investment property is leased out under operating lease, amounting to US$ 151 thousand annual income (2019: US$ 32 thousand annual income). There are no direct operating expenses arising from the rental agreement on account for Staatsolie.

(X US$ 1,000)	2020	2019
Reconciliation of carrying amount		
Balance at 1 January	16,882	16,882
Balance at 31 December	**16,882**	**16,882**

Staatsolie will have an independent valuer evaluate the investment properties once in three years. This means that the next independent evaluation will be performed with the Annual Report of 2021.

4.7 LEASES

Group as a lessee

The Group has lease contracts for motor vehicles in its operations and a leased piece of land through its subsidiary Ventrin. The motor vehicles generally have lease terms between 3 and 5 years while the piece of land was leased for an initial period of 15 years, with an option to renew for an additional term of 15 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Group is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below, are the carrying amounts of the Group's right-of-use assets and the movements during the period:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
As at January 1, 2019	**5,603**	**260**	**5,863**
Additions	1,109	-	1,109
Depreciation	(2,036)	(23)	(2,059)
As at January 1, 2020	**4,676**	**237**	**4,913**
Beginning balance adjustment	894	25	919
Additions	1,698	-	1,698
Disposal	(329)	-	(329)
Translation adjustment	(71)	-	(71)
Depreciation	(2,779)	(27)	(2,806)
As at December 31, 2020	**4,089**	**235**	**4,324**

Set out below, are the carrying amounts of the Group's lease liabilities and the movements during the period:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
As at January 1, 2019	**5,603**	**260**	**5,863**
Additions	1,109	-	1,109
Accretion of interest	682	22	704
Accretion of maintenance	575	-	575
Payments	(3,349)	(36)	(3,385)
As at January 1, 2020	**4,620**	**246**	**4,866**
Beginning balance adjustment	888	25	913
Additions	1,698	-	1,697
Disposals	(254)	-	(254)
Accretion of interest	800	25	825
Accretion of maintenance	654	-	654
Payments	(3,971)	(39)	(4,009)
As at December 31, 2020	**4,435**	**257**	**4,692**
Comprising:			
Current at December 31, 2019	2,000	36	2,036
Non-current at December 31, 2019	2,620	210	2,830
Current at December 31, 2020	2,219	-	2,219
Non-current at December 31, 2020	2,216	257	2,473

The following are amounts recognized in the 2020 consolidated statement of profit or loss:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
Depreciation expense of right-of-use assets	2,779	27	2,806
Accretion of Interest expenses on lease liabilities	800	25	825
Maintenance expense on lease liabilities	654	-	654
Expense relating to short-term leases	392	-	392
Expense to relating to leases of low-value assets	184	-	184
Total amount recognised in profit or loss	**4,809**	**52**	**4,861**

The following are amounts recognized in the 2019 consolidated statement of profit or loss:

(X US$ 1,000)	Motor Vehicles	Land Lease	Total
Depreciation expense of right-of-use assets	2,026	23	2,049
Accretion of Interest expenses on lease liabilities	682	22	704
Maintenance expense on lease liabilities	575	-	575
Expense relating to short-term leases	464	-	464
Expense to relating to leases of low-value assets	940	-	940
Total amount recognised in profit or loss	**4,687**	**45**	**4,732**

4.8 LEASE RECEIVABLE

As of January 01, 2020, the Government of Suriname (GoS) acquired the Afobaka Dam at no costs and transferred the ownership to SPCS. The produced electricity is sold and delivered to the GoS. The existing Power Purchase Agreement (PPA) between SPCS and the GoS has been amended and is still under review by the GoS.

Given the interpretation of the IFRS guidelines that the GoS is the sole shareholder of Staatsolie and ultimately the shareholder of SPCS, and the fact that more than a significant volume of the hydro-electricity is sold to GoS, the GoS is in the position to direct the use of the hydro dam.

The reconciliation between the total gross investment in the lease and the net investment in the lease at the statement of financial position date is as follows:

(X US$ 1,000)	2020	2019
Less than one year	1,571	-
Between 1 and 5 years	6,286	-
5 years and later	37,714	-
Total undiscounted lease payments receivable	**45,571**	**-**
Unearned finance income	**(29,889)**	**-**
Net investment in the lease	**15,682**	**-**

4.9 PROVISIONS

(X US$ 1,000)	Decommissioning production field & facilities	Decommissioning Refinery	Decommissioning Power Plant
At January 1, 2019	54,836	6,669	119
Arising during the year	-	-	-
Discount rate adjustment & imputed interest	54,956	3,768	141
Unwinding of discount	5,635	675	12
Translation adjustment	-	-	-
Utilisation	-	-	-
At December 31, 2019	**115,427**	**11,112**	**272**
Arising during the year	-	-	-
Discount rate adjustment & imputed interest	(55,681)	2,318	122
Unwinding of discount	9,026	853	21
Translation adjustment	-	-	-
Utilisation	-	-	-
At December 31, 2020	**68,772**	**14,283**	**415**
Comprising:			
Current at December 31, 2019	-	-	-
Non-current at December 31, 2019	115,427	11,112	272
	115,427	**11,112**	**272**
Comprising:			
Current at December 31, 2020	-	-	-
Non-current at December 31, 2020	68,772	14,283	415
	68,772	**14,283**	**415**

Decommissioning provision

The Group makes full provision for the future cost of decommissioning oil wells and production facilities on a discounted basis on the installation of those wells and facilities. The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2075, when the producing oil properties are expected to cease operations. These provisions have been created based on the Group's internal estimates.

In addition, the Group makes full provision for the future cost of decommissioning the refinery on a discounted basis on the installation of the refinery. The decommissioning provision represents the present value of decommissioning costs relating to the refinery, which are expected to be incurred up to 2040, when the refinery is expected to cease operations. This provision has been created based on the Group's internal estimates utilizing a third party estimating the dismantlement cost.

Lastly, the Group makes full provision for the future cost of decommissioning the power plant on a discounted basis on the installation of the power plant. The decommissioning provision represents the present value of decommissioning costs relating to the power plant, which are expected to be incurred up to 2055, when the power plant is expected to cease operations. This provision has been created based on the Group's internal estimates utilizing a third party estimating the dismantlement cost.

Assumptions based on the current economic environment have been made, which management believes form a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

Environmental Risk	Decommissioning Pikin Saramacca (30% share)	Other Provisions	Total
2,996	-	2,818	67,438
-	-	80	80
-	-	-	58,865
68	-	-	6,390
(6)	-	-	(6)
-	-	(625)	(625)
3,058	**-**	**2,273**	**132,142**
-	732	-	732
-	-	-	(53,241)
(358)	-	-	9,542
6	-	(39)	(33)
-	-	(822)	(822)
2,706	**732**	**1,412**	**88,320**
-	-	-	-
3,058	-	2,273	132,142
3,058	**-**	**2,273**	**132,142**
-	-	-	-
2,706	732	1,412	88,320
2,706	**732**	**1,412**	**88,320**

The discount rate used in the calculation of the provision as at December 31, 2020 is 6.50% (2019: 7.82%).

In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator.

Rosebel, established on May 8, 2002, is a subsidiary of IAMGOLD Corporation.

The UJV Pikin Saramacca encompasses the exploration, development, and exploitation of gold in the UJV area except for the Gross Rosebel Concession. Currently the UJV Pikin Saramacca comprises of 7 exploration rights and 1 exploitation right, namely Saramacca Concession.

The Saramacca Concession is located 25 kilometers southwest of its Rosebel Milling facility and 125 kilometers south of Paramaribo, Suriname.

Staatsolie accounted for its share of 30% of the decommissioning provision for the Pikin Saramacca UJV as at December 31, 2020.

Environmental risk provision

GOw2 purchased Chevron in 2011 which included their marketing activities in Suriname of 22 petrol stations and 3 oil terminals. These sites will be remediated in a nine-year timeframe. The present value of the estimated costs as at December 31, 2020 is US$ 2,706 (as at December 31, 2019 is US$ 3,058). The amount recognized is the best estimate calculated by management of the expenditure required.

Other provisions

A provision at fair value of US$ 1,412 at December 31, 2020 (US$ 2,273 as of December 31, 2019) mainly comprises provisions for litigation or contractual claims. The claims are subject to legal arbitration and are not expected to finalize during 2021.

4.10 EMPLOYEE DEFINED BENEFIT LIABILITIES

The Group has three types of employee benefit plans, namely pensions, post-employment benefits and other long-term employee benefit plans. A summary of the net employee benefit liabilities for the different benefits are shown in the table below.

(X US$ 1,000)	2020	2019
Pension Plans		
Employee pension plan Staatsolie	37,888	35,333
Employee pension plan SPCS	339	436
Employee pension plan GOw2	267	-
Executive pension plan	930	634
GOw2 retiree pension plan*	-	63
Post-employment benefit plans		
Retiree Medical Plan Staatsolie	11,276	17,177
Retiree Medical plan GOw2	531	772
Retiree Medical Plan SPCS	361	363
Pension gratuity Staatsolie	3,643	3,496
Pension gratuity SPCS	46	29
Pension gratuity GOw2	95	58
Funeral grant plan Staatsolie	1,335	1,232
Funeral grant plan SPCS	22	16
Funeral grant plan GOw2	25	-
Supplementary Provision Board members	745	758
Other long-term employee benefit plans		
Jubilee gratuity Staatsolie	10,528	9,928
Jubilee gratuity SPCS	224	168
Jubilee gratuity GOw2	172	75
Additional holiday allowance Staatsolie	3,137	3,095
Additional holiday allowance SPCS	117	76
Additional holiday allowance GOw2	33	-
Total	**71,714**	**73,709**

** GOw2 retiree pension plan*

GOw2 has a long-term pension obligation regarding eight former Chevron retirees and widowers. The payment to those retirees are made by GOw2 out of funds deposited by Chevron at the time of the acquisition in 2011. The remaining balance as at December 31, 2020 is US$ 24 (2019: US$ 63).

The balance as of December 31, 2020 was reclassified to Accruals and other liabilities.

Pensions and other post-employment benefit plans

The Group has two defined benefit pension plans (funded), one for the employees and one for the directors. The employee pension plan is a final salary plan and requires contributions to be made to a separately administered fund. The directors pension plan is an insured plan. In addition, the Group provides certain post-employment benefits to employees (unfunded) such as healthcare, excedent gratuity, funeral grants, pension gratuity, jubilee and additional holiday allowances.

Pensions

Employee pension plan

The employee pension plan provides entitlements to retirement and disability pension for the benefit of the participant and widow's, widower's and orphans' pension for the benefit of the survivors. The pension entitlements are accrued time-proportionately.

The pension entitlements are determined according to a formula based on the pensionable salary and an employee accrual rate of 2% per annum. The last pensionable salary also applies to past service. Hence, increase of pensionable salary in future years will lead to an increase of accrued pension entitlements. According to the formal terms of the plan, for every year the pensionable salary is determined by the Board of the pension fund according to a formula.

The pension base percentage for financial year 2020 has been set at 100% of the base salary. The pension base percentage for financial year 2021 has not yet been determined by the Board of the pension fund. The annual actuarial valuation, taking into account the funding as at December 31, 2020 and the salary increase as at January 1, 2020, has led to the conclusion that a pension base percentage of 100% is possible for financial year 2020. Therefore, it is assumed that pensionable salary for 2020 will be set at 100% of the salary as at January 1, 2020.

The retirement pension commences upon reaching the retirement age of 60. However, a retirement age of 55 applies to employees in certain special categories. The retirement pension amounts to a maximum of 70% of the pension base on the retirement date. The pension accrual rate is 2%.

Annually, the pensions in payment and deferred pensions are adjusted on the basis of excess interest, which is the difference between the return on the pension assets and the actuarial interest of 4%, which is used to determine the present value of the pension obligations of the fund.

The Staatsolie, SPCS and GOw2 employee pension plans are administered by the "Stichting Pensioenfonds voor Werknemers van Staatsolie Maatschappij Suriname N.V." (Pension Fund for Employees of Staatsolie Maatschappij Suriname N.V.), for which all their entities have entered into agreements with the fund.

The SPCS pension plan was established in January 2019. The SPCS employees joined the pension plan as at that date and pension benefits were awarded past service during their employment with SPCS.

The GOw2 pension plan was established in January 2020. The GOw2 employees joined the pension plan as at that date and pension benefits were awarded past service during their employment with GOw2.

The plans are financed by contributions and by the returns on the plan assets. The employer's and employee's contributions are limited to a maximum percentage of the participant's salary as set by the labor agreement.

Employee pension plan Staatsolie

2020 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2020 (Adjusted as per actuarial evaluation)	Pension cost charged to profit or loss: Service cost	Pension cost charged to profit or loss: Net Interest expense	Pension cost charged to profit or loss: Sub-total included in profit or loss	Benefits paid
Defined benefit obligation*	**(158,277)**	(6,487)	(5,503)	**(11,990)**	2,474
Fair value of plan assets	**129,700**	-	4,635	**4,635**	(2,474)
Benefit liability	**(28,577)**	**(6,487)**	**(868)**	**(7,355)**	**-**

** Defined benefit obligations beginning balance as of 1.1.2020 was adjusted as per actuarial evaluation 2020*

2019 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2019	Pension cost charged to profit or loss: Service cost	Pension cost charged to profit or loss: Net Interest expense	Pension cost charged to profit or loss: Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(122,709)**	(5,341)	(5,850)	**(11,191)**	1,710
Fair value of plan assets	**120,350**	-	5,944	**5,944**	(1,710)
Benefit liability	**(2,359)**	**(5,341)**	**94**	**(5,247)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2020
-	-	(5,948)	(2,674)	**(8,622)**	-	-	-	**(176,415)**
(1,269)	-	-	-	**(1,269)**	5,962		1,973	**138,527**
(1,269)	**-**	**(5,948)**	**(2,674)**	**(9,891)**	**5,962**	**-**	**1,973**	**(37,888)**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2019
-	-	(34,211)	1,368	**(32,843)**	-	-	-	**(165,033)**
(3,540)	-	-	-	**(3,540)**	5,677	1,088	1,891	**129,700**
(3,540)	**-**	**(34,211)**	**1,368**	**(36,383)**	**5,677**	**1,088**	**1,891**	**(35,333)**

Employee pension plan SPCS

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020 (Adjusted as per actuarial evaluation)**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation*	**(1,102)**	(128)	(40)	**(168)**	-
Fair value of plan assets	**699**	-	43	**43**	-
Benefit liability	**(403)**	**(128)**	**3**	**(125)**	**-**

** Defined benefit obligations beginning balance as of 1.1.2020 was adjusted as per actuarial evaluation 2020*

2019 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2019**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**-**	(751)	(32)	**(783)**	-
Fair value of plan assets	**-**	-	32	**32**	-
Benefit liability	**-**	**(751)**	**-**	**(751)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2020
-	-	(119)	(292)	**(411)**	-	-	-	**(1,681)**
(31)	-	-	-	**(31)**	550	-	81	**1,342**
(31)	**-**	**(119)**	**(292)**	**(442)**	**550**	**-**	**81**	**(339)**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total included in OCI	Contribution by employer	Contribution from provident fund	Contribution by employee	31.12.2019
-	-	(337)	(15)	**(352)**	-	-	-	**(1,135)**
(44)	-	-	-	**(44)**	675	-	36	**699**
(44)	**-**	**(337)**	**(15)**	**(396)**	**675**	**-**	**36**	**(436)**

Employee pension plan GOw2

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**-**	(790)	(23)	**(813)**	-
Fair value of plan assets	**-**	-	19	**19**	-
Benefit liability	**-**	**(790)**	**(4)**	**(794)**	**-**

Remeasurement gains/(losses) in other comprehensive income								
Return on plan assets (excluding amounts included in net interest expense)	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub total included in OCI**	**Contribution by employer**	**Contribution from provident fund**	**Contribution by employee**	**31.12.2020**
-	-	(12)	(43)	**(55)**	-	-	-	**(868)**
(3)	-	-	-	**(3)**	558	-	27	**601**
(3)	**-**	**(12)**	**(43)**	**(58)**	**558**	**-**	**27**	**(267)**

The major categories of the Staatsolie, SPCS and GOw2 employee pension plan assets at fair value are, as follows:

(X US$ 1,000)	2020	2019
Investments quoted in active markets:		
Securities in foreign mutual funds	14,175	10,709
Unquoted investments:		
Equity instruments (international)	15,847	4,452
Available-for-sale instruments	-	1,876
Property	38,486	43,750
Loans receivables	50,730	53,714
Term deposits	4,500	4,500
Net other receivables	13,967	5,214
Cash and cash equivalents	2,765	6,184
Fair value of assets	**140,470**	**130,399**

Executive pension plan

The executive pension plan is a final pay scheme; the pension base is equal to the salary. The pension plan provides entitlements to retirement and disability pension for the benefit of the participant and their widow's, widower's, and orphans' pension for the benefit of their spouse and children.

The retirement pension commences upon reaching the age of 60 and amounts to:

1. for Executive Board members designated by Staatsolie: at retirement 70% of the last salary;

2. for other Executive Board members: per year of service, up to a maximum of 28 years of service, 2.5% of the last salary.

The pension entitlements are accrued time-proportionately. The disability pension is equal to the potential retirement pension. The widow's/widower's pension is 70% of the (potential) retirement pension. Upon termination of employment of a participant who has participated in the scheme for less than 3 years, the contributions paid by the director shall be refunded. As soon as a participant who has participated in the plan for at least 3 years, the director shall be entitled to the pension entitlements accrued up to the date of termination of employment. It is noted that the 5-year period based on the "Wet Pensioenfondsen en Voorzieningsfondsen" should be reduced to one year or less.

Pensions in payment and deferred pensions may be increased in the event of a "general increase in the cost of living". This possibility has not been applied yet. Pensions in payment and deferred pensions shall, in any case, be adjusted annually based on profit sharing based on excess interest, arising from the agreement with the insurance company.

The pension entitlements arising from the plan are insured with Assuria Levensverzekeringen N.V. (Assuria), for which Staatsolie has entered into an agreement with, which provides for profit sharing based on excess interest on assets of Assuria.

The participants and Staatsolie contribute to the financing of this plan. The participants contribute a set percentage of their salary. Other costs of the plan are fully borne by Staatsolie.

The plan asset value for this insured executive pension plan consists of the insurance policy covering participants. As the insurance policy exactly matches the amount and timing of the accrued pension entitlements of the participants, the fair value of the insurance policy has been set at the present value of the related obligations excluding any effects of future salary increases.

(X US$ 1,000)	2020	2019
Fair value of assets	**3,544**	**4,500**

Executive pension plan

2020 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2020	Pension cost charged to profit or loss: Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(5,134)**	(137)	(175)	**(312)**	-
Fair value of plan assets	**4,500**	-	167	**167**	-
Benefit liability	**(634)**	**(137)**	**(8)**	**(145)**	**-**

2019 changes in the defined benefit obligation and fair value of the plan assets.

(X US$ 1,000)	1.1.2019	Pension cost charged to profit or loss: Service cost	Net Interest expense	Sub-total included in profit or loss	Benefits paid
Defined benefit obligation	**(4,848)**	(275)	(223)	**(498)**	-
Fair value of plan assets	**4,339**	-	222	**222**	-
Benefit liability	**(509)**	**(275)**	**(1)**	**(276)**	**-**

Post-employment benefits

Retiree medical plan

Retired employees of Staatsolie, GOw2 and SPCS whose employment was terminated due to reaching the retirement age after a specified number of years of service, as well as those who are part of their family, shall be entitled to medical care at the expense of the Group. Entitlements shall also be granted to retired employees of Staatsolie whose employment was terminated due to disability with the entitlement to a disability pension, as well as those who are part of their family at that time. There is no requirement for a minimum service.

Pension gratuity plan

Staatsolie, SPCS and GOw2 employees are eligible for a gratuity upon retirement. The amount of the gratuity depends on the years of service. Permanent employees whose service until the retirement date is at least 10 years, shall be eligible for the gratuity.

Remeasurement gains/(losses) in other comprehensive income							
Return on plan assets (excluding amounts included in net interest expense)	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub total included in OCI**	**Contribution by employer**	**Contribution by employee**	**31.12.2020**
-	-	(77)	1,049	**972**	-	-	**(4,474)**
(1,970)	-	-	-	**(1,970)**	824	23	**3,544**
(1,970)	**-**	**(77)**	**1,049**	**(998)**	**824**	**23**	**(930)**

Remeasurement gains/(losses) in other comprehensive income							
Return on plan assets (excluding amounts included in net interest expense)	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub total included in OCI**	**Contribution by employer**	**Contribution by employee**	**31.12.2019**
-	-	(824)	1,036	**212**	-	-	**(5,134)**
(1,014)	-	-	-	**(1,014)**	920	33	**4,500**
(1,014)	**-**	**(824)**	**1,036**	**(802)**	**920**	**33**	**(634)**

Funeral grants plan

In the event of death of a retired employee of Staatsolie, GOw2 and SPCS, whose employment was terminated due to reaching the retirement age after a specified number of service years and in the event of death of their spouse, a funeral grant shall be paid at the expense of the Group. Retired employees whose employment was terminated due to disability with the entitlement to a disability pension, as well as those who are part of their family at that time are also eligible to the funeral grant plan and there is no requirement for a minimum service.

Excedent gratuity plan
(Supplementary provision for board members)

Board members shall be eligible for an excedent gratuity upon retirement or earlier honorable termination of employment with Staatsolie. The amount of the excedent gratuity shall depend on the number of years of service, including years of service at Staatsolie before the date of appointment as board member, if applicable.

Retiree medical plan Staatsolie

2020 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2020**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(24,597)**	(953)	(840)	**(1,793)**	193
Fair value of plan assets	**7,420**	-	256	**256**	(193)
Benefit liability	**(17,177)**	**(953)**	**(584)**	**(1,537)**	**-**

2019 changes in the defined benefit obligation and fair value of the plan assets.

		Pension cost charged to profit or loss			
(X US$ 1,000)	**1.1.2019**	**Service cost**	**Net Interest expense**	**Sub-total included in profit or loss**	**Benefits paid**
Defined benefit obligation	**(22,288)**	(1,283)	(1,663)	**(2,946)**	161
Fair value of plan assets	**7,208**	-	545	**545**	(161)
Benefit liability	**(15,080)**	**(1,283)**	**(1,118)**	**(2,401)**	**-**

The plan asset value of the Staatsolie retiree medical plan is provided by the insurance company where the plan assets are incorporated in an annuity insurance policy. The fair value of plan assets is the sum of the surrender value and the estimated excess interest, as shown below:

(X US$ 1,000)	**2020**	**2019**
Surrender value	7,905	7,368
Excess interest	161	52
Fair value of assets	**8,066**	**7,420**

Remeasurement gains/(losses) in other comprehensive income						
Return on plan assets (excluding amounts included in net interest expense)	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Change in exchange rate**	**Sub total included in OCI**	**Contribution by employer**	**31.12.2020**
-	(4,839)	(149)	11,843	**6,855**	-	**(19,342)**
118	-	-	340	**458**	125	**8,066**
118	**(4,839)**	**(149)**	**12,183**	**7,313**	**125**	**(11,276)**

Remeasurement gains/(losses) in other comprehensive income						
Return on plan assets (excluding amounts included in net interest expense)	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Change in exchange rate**	**Sub total included in OCI**	**Contribution by employer**	**31.12.2019**
-	568	(231)	139	**476**	-	**(24,597)**
(412)	-	-	-	**(412)**	240	**7,420**
(412)	**568**	**(231)**	**139**	**64**	**240**	**(17,177)**

Retiree medical plan others

	2020		
(x US$1)	**GOw2**	**SPCS**	**Total**
Defined benefit obligation as at January 1	(771,653)	(363,175)	(1,134,828)
Interest cost	(26,251)	(12,455)	(38,706)
Current service cost	(22,676)	(23,872)	(46,548)
Net benefit expense (recognized in P&L)	(48,926)	(36,327)	(85,253)
Benefits paid	(9,854)	-	(9,854)
Currency translation	384,232	171,561	555,793
Experience different than assumed	(11,517)	(43,420)	(54,937)
Changes in assumptions	(73,112)	(90,036)	(163,148)
Sub total included in OCI	299,604	38,105	337,708
Defined benefit obligation as at December 31	**(530,830)**	**(361,397)**	**(892,227)**

Funeral grant benefits

	2020			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(1,232,400)	(16,035)	-	(1,248,435)
Interest cost	(45,457)	(577)	(671)	(46,705)
Current service cost	(56,090)	(1,937)	(1,453)	(59,480)
Past service cost			(24,926)	(24,926)
Net benefit expense (recognized in P&L)	(101,547)	(2,514)	(27,050)	(131,111)
Benefits paid	6,000	-	-	6,000
Experience different than assumed	(12,087)	(3,647)	1,954	(13,780)
Changes in assumptions	5,154	647	79	5,880
Sub total included in OCI	(6,933)	(3,000)	2,033	(7,900)
Defined benefit obligation as at December 31	**(1,334,880)**	**(21,549)**	**(25,017)**	**(1,381,446)**

2019		
GOw2	SPCS	Total
(582,489)	(303,064)	(885,553)
(44,017)	(22,730)	(66,747)
(55,812)	(49,404)	(105,216)
(99,829)	(72,134)	(171,963)
11,780	-	11,780
(9,765)	-	(9,765)
(77,234)	4,774	(72,460)
(14,116)	7,249	(6,867)
(101,115)	12,023	(89,092)
(771,653)	**(363,175)**	**(1,134,828)**

2019			
Staatsolie	SPCS	GOw2	Total
(859,522)	(8,557)	-	(868,079)
(41,957)	(419)	-	(42,376)
(37,079)	(1,388)	-	(38,467)
-	-	-	-
(79,036)	(1,807)	-	(80,843)
7,502	-	-	7,502
(8,658)	223	-	(8,435)
(292,686)	(5,894)	-	(298,580)
(301,344)	(5,671)	-	(307,015)
(1,232,400)	**(16,035)**	**-**	**(1,248,435)**

Pension gratuity benefits

	2020			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(3,496,186)	(28,725)	(57,688)	(3,582,599)
Interest cost	(90,253)	(919)	(4,863)	(96,035)
Past service cost	(209,650)	(3,047)	(4,570)	(217,267)
Current service cost	-	-	(24,613)	(24,613)
Net benefit expense (recognized in P&L)	(299,903)	(3,966)	(34,046)	(337,915)
Benefits paid	360,348	-	7,646	367,994
Experience different than assumed	(106,141)	(10,795)	(1,091)	(118,027)
Changes in assumptions	(101,129)	(2,993)	(9,369)	(113,491)
Sub total included in OCI	(207,270)	(13,788)	(10,460)	(231,518)
Defined benefit obligation as at December 31	**(3,643,011)**	**(46,479)**	**(94,548)**	**(3,784,038)**

Supplementary provision board members

(x US$1)	**2020**	**2019**
Defined benefit obligation as at January 1	(758,313)	(818,618)
Interest cost	(14,504)	(27,833)
Current service cost	(23,604)	(43,647)
Net benefit expense (recognized in P&L)	(38,108)	(71,480)
Benefits paid	496,402	270,795
Experience different than assumed	(459,841)	(99,256)
Changes in assumptions	16,351	(39,754)
Sub total included in OCI	(443,490)	(139,010)
Defined benefit obligation as at December 31	**(743,509)**	**(758,313)**

2019			
Staatsolie	**SPCS**	**GOw2**	**Total**
(2,987,963)	(19,694)	-	(3,007,657)
(111,280)	(847)	-	(112,127)
-	-	(55,899)	(55,899)
(172,417)	(3,006)	-	(175,423)
(283,697)	(3,853)	(55,899)	(343,449)
149,218	-	-	149,218
(7,007)	920	-	(6,087)
(366,737)	(6,098)	(1,789)	(374,624)
(373,744)	(5,178)	(1,789)	(380,711)
(3,496,186)	**(28,725)**	**(57,688)**	**(3,582,599)**

Other long-term employee benefits

Jubilee gratuity plan

Staatsolie, SPCS and GOw2 employees are eligible to receive a jubilee gratuity based on a specified number of service years. The amount of the gratuity depends on the jubilee and varies with the numbers of service years as stated in the labor agreement.

Jubilee benefits	**2020**			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(9,928,004)	(168,141)	(74,186)	(10,170,331)
Adjustment of Defined benefit obligation	-	-	-	-
Interest cost	(250,793)	(5,329)	(7,519)	(263,641)
Current service cost	(827,733)	(18,143)	(11,216)	(857,092)
Past service cost	-	-	(50,297)	(50,297)
Net benefit expense (recognized in P&L)	(1,078,526)	(23,472)	(69,032)	(1,171,030)
Benefits paid	1,385,369	3,217	-	1,388,586
Currency translation	-	-	-	-
Experience different than assumed	(577,106)	(23,605)	(7,930)	(608,641)
Changes in assumptions	(329,329)	(12,400)	(21,066)	(362,795)
Sub total included in the P&L	(906,435)	(36,005)	(28,996)	(971,436)
Defined benefit obligation as at December 31	**(10,527,596)**	**(224,401)**	**(172,214)**	**(10,924,211)**

Additional holiday allowances

Staatsolie, SPCS and GOw2 employees are eligible for an additional holiday allowance for a set number of months of salary based on their years of service as stated in the labor agreement.

	2020			
(x US$1)	**Staatsolie**	**SPCS**	**GOw2**	**Total**
Defined benefit obligation as at January 1	(3,094,605)	(76,160)	-	(3,170,765)
Interest cost	(44,357)	(1,228)	-	(45,585)
Current service cost	(1,446,040)	(18,429)	(30,678)	(1,495,147)
Net benefit expense (recognized in P&L)	(1,490,397)	(19,657)	(30,678)	(1,540,732)
Benefits paid	1,793,272	48,725	-	1,841,997
Experience different than assumed	(294,068)	(66,967)	(1,809)	(362,844)
Changes in assumptions	(51,236)	(2,772)	(990)	(54,998)
Sub total included in the P&L	(345,304)	(69,739)	(2,799)	(417,842)
Defined benefit obligation as at December 31	**(3,137,034)**	**(116,831)**	**(33,477)**	**(3,287,342)**

2019			
Staatsolie	SPCS	GOw2	Total
(8,918,765)	(145,531)	(101,786)	(9,166,082)
-	-	-	-
(322,373)	(5,743)	(6,067)	(334,183)
(728,660)	(15,625)	(8,969)	(753,254)
-	-	-	-
(1,051,033)	(21,368)	(15,036)	(1,087,437)
866,758	24,316	45,856	936,930
-	-	(18,243)	(18,243)
(68,134)	(5,356)	16,026	(57,464)
(756,830)	(20,202)	(1,003)	(778,035)
(824,964)	(25,558)	(3,220)	(853,742)
(9,928,004)	**(168,141)**	**(74,186)**	**(10,170,331)**

2019			
Staatsolie	SPCS	GOw2	Total
(2,796,044)	(53,159)	-	(2,849,203)
(62,454)	(1,701)	-	(64,155)
(1,242,842)	(25,832)	-	(1,268,674)
(1,305,296)	(27,533)	-	(1,332,829)
1,637,572	-	-	1,637,572
(590,017)	4,239	-	(585,778)
(40,820)	293	-	(40,527)
(630,837)	4,532	-	(626,305)
(3,094,605)	**(76,160)**	**-**	**(3,170,765)**

The significant assumptions used in determining pension, post-employment healthcare and other long-term employee benefit obligations for the Group's plans are shown below:

	2020	2019	2020	2019
	%	%	Plan currency type	
Discount rate:				
Staatsolie employee pension plan	3.3%	3.5%	USD	USD
Staatsolie retiree medical plan	9.5%	7.5%	SRD	SRD
Staatsolie funeral grant plan for retirees	3.6%	3.7%	USD	USD
Staatsolie pension gratuity	2.5%	2.8%	USD	USD
Staatsolie jubilee benefits	2.3%	2.7%	USD	USD
Staatsolie periodic additional holiday allowance	0.7%	2.0%	USD	USD
Executive pension plan	3.3%	3.4%	USD	USD
Supplementary Provision Board members	2.1%	2.3%	USD	USD
GOw2 employee pension plan	3.5%	3.6%	USD	USD
GOw2 retiree medical plan	9.5%	6.5%	SRD	SRD
GOw2 funeral grant plan for retirees	3.6%	3.7%	USD	USD
GOw2 jubilee benefits	2.2%	7.5%	USD	SRD
GOw2 Pension gratuity	2.1%	7.5%	USD	SRD
GOw2 periodic additional holiday allowance	1.0%	2.1%	USD	USD
SPCS employee pension plan	3.6%	3.7%	USD	USD
SPCS retiree medical plan	9.5%	7.5%	SRD	SRD
SPCS funeral grant plan for retirees	3.6%	3.6%	USD	USD
SPCS pension gratuity	3.2%	3.6%	USD	USD
SPCS jubilee benefits	2.7%	3.1%	USD	USD
SPCS periodic additional holiday allowance	0.8%	2.0%	USD	USD
Future consumer price index increases:				
Staatsolie employee pension plan & Executive pension plan	3.0%	3.0%	USD	USD
Staatsolie Executive pension plan	3.0%	3.0%	USD	USD
SPCS employee pension plan	3.0%	3.0%	USD	USD
GOw2 employee pension plan	3.0%	n/a	USD	n/a
Staatsolie, SPCS & GOw2 retiree medical plan	16.0%	6.0%	SRD	SRD
Staatsolie & SPCS funeral grant plan for retirees	3.0%	3.0%	USD	USD
GOw2 funeral grant plan for retirees	3.0%	n/a	USD	n/a
Staatsolie & SPCS jubilee benefits	3.0%	3.0%	USD	USD
GOw2 jubilee benefits	3.0%	6.0%	USD	SRD
Staatsolie & SPCS pension gratuity	3.0%	3.0%	USD	USD
GOw2 Pension gratuity	3.0%	6.0%	USD	SRD
Staatsolie, SPCS & GOw2 periodic additional holiday allowance	3.0%	3.0%	USD	USD
Supplementary Provision Board members	3.0%	3.0%	USD	USD
Future salary increases:				
Staatsolie employee pension plan & Executive pension plan	3.0% + age related merit		USD	USD
Staatsolie SPCS & GOw2 jubilee benefits*	3.0% + age related merit		USD	USD
Staatsolie, SPCS & GOw2 pension gratuity*	3.0% + age related merit		USD	USD
Staatsolie, SPCS & GOw2 periodic additional holiday allowance*	3.0% + age related merit		USD	USD
Supplementary Provision Board members	3.0% + age related merit		USD	USD
GOw2 jubilee benefits (SRD based)	3.0% + age related merit		SRD	SRD
GOw2 jubilee benefits	n/a	6.0% - 13 % (+ merit)		
Healthcare cost increase rate:				
Staatsolie & SPCS retiree medical plan	18.0%	8.0%	SRD	SRD
GOw2 retiree medical plan	18.0%	7.0% - 12.0%	SRD	SRD
Life expectation for retirees at the age of 60:	**Years**	**Years**		
Staatsolie, SPCS & GOw2 employee pension plan & Executive pension plan	18.4	18.4		
Male	21.0	21.0		
Female				
Post-employment healthcare & other long-term benefit plans:				
Male	18.4	18.4		
Female	21.0	21.0		

** For GOw2 applicable only in 2020*

The average duration of the various employee benefit obligations at the end of the reporting periods is presented below:

	2020	2019
Weighted average life of the plans:		
Staatsolie employee pension plan	18	19
Staatsolie retiree medical plan	21	22
Staatsolie funeral grant plan for retirees	27	27
Staatsolie pension gratuity	10	10
Staatsolie jubilee benefits	9	8
Staatsolie periodic additional holiday allowance	2	2
Executive pension plan	18	16
Supplementary Provision Board members	8	6
GOw2 employee pension plan	23	23
GOw2 retiree medical plan	18	19
GOw2 funeral grant plan for retirees	28	0
GOw2 pension gratuity	8	8
GOw2 jubilee benefits	9	7
GOw2 periodic additional holiday allowance	4	0
SPCS employee pension plan	29	30
SPCS retiree medical plan	32	33
SPCS funeral grant plan for retirees	39	40
SPCS pension gratuity	18	20
SPCS jubilee benefits	13	13
SPCS periodic additional holiday allowance	3	2

A quantitative sensitivity analysis for significant assumptions on the pension, post-employment healthcare and other long-term employee benefits as at December 31, 2020 and 2019 is shown below. The sensitivity analyses are presented in US$.

Staatsolie employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	23,975,837	(20,061,253)	(28,565,895)	37,145,007	12,622,880	(10,964,294)
2019 adjusted	20,895,077	(17,514,808)	(25,552,595)	33,135,443	10,138,960	(8,875,665)
2019	21,655,471	(18,169,612)	(26,561,340)	34,397,026	10,560,961	(9,258,476)

SPCS employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	232,937	(193,493)	(399,675)	554,524	293,401	(245,815)
2019 adjusted	154,761	(128,145)	(275,484)	387,238	199,220	(166,094)
2019	157,951	(130,953)	(283,207)	397,776	205,693	(171,459)

GOw2 employee pension plan

The effect of a 1 percentage point change in the assumed discount rate, the assumed salary increases and the pension adjustment on the defined benefit obligation are:

Assumptions	Pension adjustment		Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	110,705	(93,378)	(168,511)	225,535	106,617	(90,985)
2019	-	-	-	-	-	-

Executive pension plan

The effect of a 1 percentage point change in the assumed discount rate and the assumed salary increases on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(703,193)	878,933	343,801	(319,071)
2019	(699,814)	862,696	206,719	(194,793)

Staatsolie medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(3,231,350)	4,217,498	4,017,634	(3,151,653)
2019	(4,213,226)	5,521,665	5,280,625	(4,125,144)

GOw2 medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(76,941)	98,124	93,048	(74,654)
2019	(114,303)	146,245	139,297	(111,396)

SPCS medical retiree plan

The effect of a 1 percentage point change in the assumed discount rate and assumed medical cost inflation on the defined benefit obligation are:

Assumptions	Discount rate		Medical cost inflation	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(88,245)	122,989	118,246	(87,012)
2019	(93,116)	131,708	(939,255)	(92,078)

Staatsolie funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(294,444)	408,460	389,865	(288,202)
2019	(274,788)	381,778	364,973	(269,320)

SPCS funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(6,567)	9,944	9,595	(6,503)
2019	(5,043)	7,737	7,472	(5,000)

GOw2 funeral grant plan

The effect of a 1 percentage point change in the assumed discount rate and assumed funeral grant increase on the defined benefit obligation are:

Assumptions	Discount rate		Funeral grant increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(5,666)	7,855	7,533	(5,553)
2019	-	-	-	-

Staatsolie pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(318,880)	376,159	387,291	(334,870)
2019	(288,462)	338,257	313,757	(273,642)

SPCS pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(7,063)	8,618	8,741	(7,283)
2019	(4,834)	5,975	5,736	(4,754)

GOw2 pension gratuity plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(6,469)	7,465	7,773	(6,877)
2019	(3,233)	3,622	3,314	(3,016)

Staatsolie jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(789,754)	912,186	940,914	(831,230)
2019	(692,592)	796,630	726,480	(645,843)

SPCS jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(23,899)	27,865	28,368	(24,765)
2019	(18,504)	21,667	20,326	(17,785)

GOw2 jubilee plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(12,447)	14,230	14,719	(13,133)
2019	(4,962)	(5,565)	5,155	(4,693)

Staatsolie periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(39,584)	n/a	54,171	(53,514)
2019	(37,161)	38,244	22,132	(21,944)

SPCS periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(2,319)	n/a	2,882	(2,819)
2019	(939)	963	564	(562)

GOw2 periodic additional holiday allowance plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(902)	937	1,067	(1,043)
2019	-	-	-	-

Supplementary provision board members plan

The effect of a 1 percentage point change in the assumed discount rate and assumed salary increase on the defined benefit obligation are:

Assumptions	Discount rate		Future salary increases	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
2020	(51,350)	56,336	58,987	(54,651)
2019	(36,286)	39,407	34,848	(32,816)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following payments are expected contributions to the defined benefit plan (Staatsolie employee pension plan) in future years:

(X US$ 1,000)	2020	2019
Within the next 12 months (next annual reporting period)	6,322	6,039
Between 2 and 5 years	28,701	20,414
Between 5 and 10 years	41,281	39,430
Beyond 10 years	69,069	76,561
Total expected payments	**145,373**	**142,444**

The following payments are expected contributions to the defined benefit plan (SPCS employee pension plan) in future years:

(X US$ 1,000)	2020	2019
Within the next 12 months (next annual reporting period)	567	235
Between 2 and 5 years	2,445	749
Between 5 and 10 years	3,492	1,406
Beyond 10 years	20,486	8,803
Total expected payments	**26,990**	**11,193**

The following payments are expected contributions to the defined benefit plan (GOw2 employee pension plan) in future years:

(X US$ 1,000)	2020	2019
Within the next 12 months (next annual reporting period)	107	-
Between 2 and 5 years	461	-
Between 5 and 10 years	658	-
Beyond 10 years	4,122	-
Total expected payments	**5,348**	**-**

The following payments are expected contributions to the defined benefit plan (GOw2 employee pension plan) in future years:

(X US$ 1,000)	2020	2019
Within the next 12 months (next annual reporting period)	848	413
Between 2 and 5 years	3,654	1,313
Between 5 and 10 years	5,220	1,942
Beyond 10 years	3,523	2,774
Total expected payments	**13,245**	**6,442**

4.11 IMPAIRMENT TESTING OF OTHER NON-CURRENT ASSETS

The Group has assessed the recoverable amount of its cash-generating unit as per the methodology described in the summary of significant accounting policies (section 2.3) and the scenario consistent with its view of developing the oil reserves in the current fields in the coming years, investment strategy and future prices. The main assumptions are described below:

a) Future price development

In 2020, in view of the situation in the commodity markets, the social and economic consequences of the COVID-19 pandemic, the Group reviewed its expectations of future oil prices. It should be noted that these estimates were made in an environment of high uncertainty, marked by the scenarios emerging from the COVID-19 crisis.

For the impairment assessment of the long-lived assets from the Group, the long term Pira reference price NYH 1% was used for the product basket:

US$/bbl	2021-2044	2021	2022	2023	2024	2025	2026	2027-2044
Crude:	54.5	67.28	53.6	51.01	49.68	46.86	47.35	55.12
Gasoline:	81.22	81.2	72.4	74.6	74.2	71.2	73.3	86.1
USLD:	82.13	79.69	72.09	71.94	71.9	70.04	71.41	85.22

b) Discount rates

The post-tax discount rate of 10.17% used by Staatsolie is the weighted average cost of capital (WACC) after tax. This rate seeks to reflect current market assessments regarding the time value of money and the specific risks of the business. Therefore, the discount rate used, considers the risk-free rate, the country risk, the currency in which the cash flows are generated and the market, credit, and business risk. The WACC considers both debt and equity (weighted 50%). Applying a pre-tax WACC discount rate 15.19% to the cash flow projections provides the same result.

c) Impairment recognized

In 2020 impairment charges have been recognized for the Group's assets in the statement of financial position:

(X US$ 1,000)	
Oil, Exploration and producing properties	7,348
Refining properties	9,233
Other property plant and equipment	206
	16,787

Oil, Exploration and producing properties

Total impairment losses of US$ 7,348 were recognized in respect of Oil, exploration and producing properties. The triggers for the impairment tests of the oil producing properties were primarily the effect of the fall in oil price. In addition, triggers arose from reduced estimates of the quantities of hydrocarbons recoverable from the oil fields. The recoverable amount was based on management's estimate of Value in Use (VIU).

Refining properties

Total impairment losses of US$ 9,233 were recognized in respect of refinery properties. The triggers for the impairment tests of the refinery properties were primarily the effect of the reduction in oil price, capital investments and the oil supply from upstream. The recoverable amount was based on management's estimate of Value in Use (VIU).

Other property plant and equipment

Total impairment losses of US$ 206 were recognized in respect of other property plant and equipment. The triggers for the impairment tests of these properties were primarily the effect of the fall in oil price. The recoverable amount was based on management's estimate of Fair value less costs to dispose.

4.12 CAPITAL COMMITMENTS AND OTHER CONTINGENCIES

Other contractual obligations / commitments

(X US$ 1,000)	2020	2019
Within one year	8,729	50,295
After one year but not more than five years	14,059	12,224
More than five years	110	201
	22,898	**62,720**

Sales contractual obligations

The Group has the following obligations as at December 31:

(X US$ 1,000)	2020	2019
Within one year	5,113	6,331
After one year but not more than five years	24,455	29,939
	29,568	**36,270**

Legal claim contingency

The Group currently has legal claims amounting to US$ 5,018 (2019: US$ 4,000) (inclusive of interest and judicially imposed penalties) relating to restoration and repair of the water management system in Saramacca. Based on legal advice obtained, management is of the view that the Group is in a strong and defendable position and that no further provision is required.

Lastly, Ventrin has contingent liabilities in respect of customs bonds of US$ 252,826 (2019: US$ 147). These are of a continuing nature, subject to cancellation of the Comptroller of Customs and Excise.

Staatsolie, the parent company has a Letter of Guarantee with RBC Royal Bank with regards to one of the Company's customs bond (C67) for US$ 3.6 million. This is a requirement of the Customs and Excise office. These are of a continuing nature, subject to cancellation of the Comptroller of Customs and Excise.

SECTION 5.
CAPITAL AND DEBT STRUCTURE

5.1 ISSUED CAPITAL AND RESERVES

The authorized share capital of Staatsolie as the parent of the Group amounts to US$ 12,104 as at December 31, 2020 and is divided into 5 million shares. The earnings per share were US$ 14.24 (2019: US$ 24.01). During the year, the authorized share capital remained unchanged.

Issued capital is as follows:

(X US$ 1,000)	2020	2019
Ordinary share capital		
5,000,000 ordinary shares	12,104	12,104

Reserve for environment risk

The environmental risk reserve is a reserve taken against environmental risk claims based on damages which may result from an environmental disaster in the execution of ocean freight cargo deliveries. In addition, damages to the environment due to onshore well operations are also appropriated for in this reserve. Based on historical information and experience, the Group believes that an annual addition of US$ 500 is sufficient, which is decided by the board of directors.

Non-Distributable Reserve Hydro dam

The Non-Distributable Reserve Hydro dam represents equity arising from the transfer of the Afobaka Hydro-dam to SPCS from the Government of Suriname (GoS).

As of January 01, 2020, the GoS acquired the Afobaka Dam at no cost and transferred the ownership to SPCS. The produced electricity is sold and delivered to the GoS. The existing Power Purchase Agreement (PPA) between SPCS and the GoS has been amended and is still under review by the GoS.

Since the hydro dam was transferred at no cost from the GoS, this transfer was ultimately treated as a Capital contribution for the amount US$ 16,389.

5.2 CAPITAL MANAGEMENT

For the purpose of the Staatsolie' s capital management, capital includes issued capital and all other equity reserves attributable to the equity holders. The main objective of the capital management of Staatsolie is to ensure a financial structure that optimizes the cost of capital, maximizes the performance of its shareholder and allows access to financial markets at a competitive cost to cover its financing needs that supports sustainable growth and ensuring healthy capital ratios to be in compliance with the financial covenants to support the business.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the lenders to immediately call interest-bearing loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

The main financial covenants monitored by the Group are:

- The interest coverage ratio which is calculated by dividing the adjusted consolidated EBITDA by the financial expenses and income. For 2020 this ratio was 5.17 (2019: 6.06); the minimum permitted is 3.50.
- The PV 10 ratio and the Petroleum PV 10 ratio were introduced with the refinancing in May 2018. "PV10" means the Net Present Value of the future net revenues and the calculated ratio (including Gold participations) for 2020 was 1.55 (2019:1.76); the minimum permitted is 1.30.

"Petroleum PV10" means the Net Present Value of the future net revenues with respect to the hydrocarbon IP reserves only, as evidenced in the most recent petroleum reserve report. The calculated ratio for 2020 was 1.10 (2019:1.37); the minimum permitted is 1.00.

- A new ratio was introduced in 2020, the leverage ratio. This ratio is calculated by dividing the total debt by the adjusted consolidated EBITDA. For 2020 this ratio is 2.83; the maximum permitted is 3.50 for 2020.

5.3 FINANCIAL INSTRUMENTS

Interest-bearing loans and borrowings

Bond 2015 - 2020

(X US$ 1,000)	Maturity	2020	2019
Local Bond	May-20	-	99,086
Current portion of the Bond		-	99,086

Bond 2020 - 2025

(X US$ 1,000)	Maturity	2020	2019
Local Bond	Sep-25	60,013	-
Non-current portion of the loan		60,013	-

Bond 2020 - 2027

(X US$ 1,000)	Maturity	2020	2019
Local Bond	Mar-27	132,826	-
Non-current portion of the loan		132,826	-

Revolver

(X US$ 1,000)	Maturity	2020	2019
Revolver Loan	May-25	6,000	-
Non-current portion of the loan		6,000	-

Term Loan

(X US$ 1,000)	Maturity	2020	2019
Corporate term loan	May-25	524,919	590,904
Current portion of the loan		72,856	98,311
Non-current portion of the loan		452,063	492,593

Other Long Term Liabilities

(X US$ 1,000)	Maturity	2020	2019
Loan-stitching Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.	Nov-23	26,508	26,508

Local bond

On May 14, 2020 the second five-year unsecured coupon bond which had raised US$ 99,142, matured.

The applicable annual interest rate was 7.75% and a coupon was sold for US$ 100 each.

Two months prior, on March 23, 2020, Staatsolie issued its third bond which allowed bond holders of the second bond to participate in the new issuance.

The third issued bond consists of bonds for the period 2020 – 2025 with an annual interest rate of 7% and bonds for the period 2020 – 2027 for an annual interest rate of 7.5%.

More than 83% of those bondholders re-invested and renewed their commitment to the Company.

The total amount raised was US$ 195,067, an oversubscription of US$ 45,067.

As at December 31, 2020, unamortized debt arrangement fees for the third issued bond is included in the carrying value. The amortization of debt arrangement fees for 2020 is presented under finance cost in the consolidated statement of profit or loss.

Term loan

Corporate term loan

In 2018, Staatsolie closed on a US$ 625,000 term loan, an uncommitted revolving loan of US$ 35,000 and the option for an accordion of US$ 50,000 given certain conditions. Repayment of the term loan was planned for 23 quarterly installments, to commence in the fourth quarter of 2019.

In July 2020 Staatsolie obtained a deferral of US$ 62,500 in amortization from the banks. This deferral entails that the payment of the amortization was reduced for a period of 4 consecutive quarters starting in August 2020.

These delayed payments will be incorporated in the amortization schedule where the amortization will be increased from US$ 25,000 to US$ 37,500 starting in May 2023.

The outstanding amount as of December 31, 2020 amounted to US$ 537,500 (2019: US$ 600,000).

As at December 31, 2020, unamortized debt arrangement fees are included in the carrying value.

The amortization of debt arrangement fees for 2020 is presented under finance cost in the consolidated statement of profit or loss.

Revolver

In March 2020, Staatsolie obtained a revolver loan of USD 6,000. This was used for working capital purposes.

Other Long Term Liabilities

(X US$ 1,000)	2020	2019
Financial liability - Loan from Pension Fund	26,508	26,508
Reserve for committee of sports facilities	2,029	-
Other Long term liability - provision for wage tax	1,608	1,460
	30,145	**27,968**

Loan from Pension Fund

In November 2019, Staatsolie entered in a private agreement with the Staatsolie Pension fund (Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.) for the sale of a plot of land known as “Bruynzeel terrein,” including the option to buy back within 5 years from the date of sale at an agreed amount of US$ 26,508. On an annual basis Staatsolie will pay the pension fund a fixed fee as a guarantee for the right to repurchase the land. The fee will be paid bi-annually.

If Staatsolie does not exercise the right to repurchase, the legal transfer to the Pension fund will become effective.

Reserve for committee of sports facilities

As decided by the shareholder, a portion of the profit attributable to the shareholder is retained in a Sport Fund to support corporate social responsibility in sports. On behalf of the sole shareholder, the GoS, a committee "Sport Development Fund" was established in April 2013 to conform to governance principles. The committee, comprised of representatives from the GoS and Staatsolie, provides guidelines for submission of proposals, approves, and monitors the allocation of funds. Every year, the shareholder decides how much to withdraw from this reserve.

As of 2020 this reserve is presented in the other long-term liabilities of the statement of financial position and not as in prior year as part of Staatsolie's equity.

In 2020 the reserved amount out of dividend related to 2019 was US$ 800.

Loan receivables

In accordance with the Power Purchase Agreement dated March 1, 2013 (with latest amendment in April 2016) by and between SPCS and the GoS, SPCS constructed a transmission line to the grid of N.V. EBS. The aggregated cost of US$ 27,293 was divested in favor of GoS in 2016, and accordingly derecognized in the books of SPCS. As at December 2018, US$ 16,196 of the principal balance was repaid by GoS. The remaining balance is to be considered as long-term loan payable in quarterly installment with maturity date of November 2021. As at December 31, 2020, the short-term portion of this loan amounts to US$ 3,669 (2019: US$ 3,759) and the long-term portion amounts to US$ nil (2019: US$ 3,669). The loan receivable is disclosed in section 7, related party disclosures.

Fair value

The initial recognition of the loans and bonds is at fair value while the subsequent measurement is at amortized cost, assuming the contractual interest rate equals the effective interest rate. The local financial market consists of traditional bank loans for business and is not capable to provide for the capital needed for Staatsolie' s growth strategy. Staatsolie' s finance structure comprises financing by a consortium of international banks.

Staatsolie uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the uses of relevant inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, Staatsolie determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial risk management objectives and policies

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables and accrued liabilities.

Market risks due to interest rate (LIBOR) risk have been accepted and is evaluated and managed as part of the portfolio risk management policies. In addition, Staatsolie monitors a desired ratio for its available cash in US$ to fulfill its foreign currency business obligations. Furthermore, Staatsolie accepts the risks of price fluctuations of oil products, while takes into account a conservative low price for its work program and budget.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(x US$ 1)	Increase / decrease in basis points	Effect on profit before tax Corporate term loan
2020		
US dollar	+60	(3,225)
	-60	3,225
2019		
US dollar	+60	(3,600)
	-60	3,600

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities of subsidiary GOw2 (as revenues and expenses are denominated in a foreign currency) and the foreign currency swap agreement (refer to Section 6.4).

The Group manages trade transactions by offsetting local payments and local receivables in SRD creating a natural hedge for the SRD transactions.

The following table demonstrates the sensitivity to a reasonably possible change in US$ and SRD exchange rates with other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of the non – designated foreign currency derivatives.

Sensitivity analysis:

(x US$ 1,000)	Change in US$ rate	Effect on profit before tax
2020	5%	153
	-5%	(153)
2019	5%	458
	-5%	(458)

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil products it produces. The Group's policy is to manage these risks through the use of contract-based prices with customers. As mentioned in the market risk section above, Staatsolie takes a conservative low-price approach for its work program and budget.

The analysis is based on the assumption that changes in the crude oil price result in a change of 10% in the sale prices of the oil products, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices and economic forecasters' expectations.

(x US$ 1,000)		
Increase / decrease in crude oil prices	**Effect on profit before tax for the year ended 31 December 2020 (increase/decrease)**	**Effect on profit before tax for the year ended 31 December 2019 (increase/decrease)**
+10%	31,096	44,116
-10%	(31,096)	(44,116)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity risk based on reporting covenants, encompassing sensitivity analysis for production and conservative price assumptions, and restrained capital expenditures. Furthermore, optional debt is available within the credit agreement in accordance with the debt basket. Cash in excess is being managed by the corporate treasury department through "intercompany cash pooling" agreements between Staatsolie and its subsidiaries.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31:

(X US$ 1,000)	1 year	2 to 4 years	> 4 years	Total
2020				
Bond and term loans	111,452	459,421	288,559	859,432
Loan from Pension Fund (Stichting Pensioenfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.)	1,325	3,976	27,833	33,134
Trade payable	82,392	-	-	82,392
Accruals and other liabilities	69,636	-	-	69,636
Lease liabilities	2,219	2,473	-	4,692
2019				
Bond and term loans	241,906	374,625	211,998	828,529
Loan from Pension Fund (Stichting Pensioenfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.)	1,325	3,976	29,158	34,459
Trade payable	141,697	-	-	141,697
Accruals and other liabilities	43,025	-	-	43,025
Lease liabilities	2,036	2,830	-	4,866

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument leading to a financial loss.

The Group trades with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. In addition, receivable balances are monitored on an on-going basis and GoS receivables are settled with GoS payables. Section 6.2 shows an analysis of the trade receivable ageing.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash, short-term investments and short-term deposits including restricted cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Cash, short-term investments and short-term deposits, investments and restricted cash are placed with reputable Financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of the financial assets disclosed in section 6.2 as shown below:

(X US$ 1,000)	2020	2019
Trade receivables	102,414	104,815
Prepayments and other current assets	13,069	20,022
Loan receivables	3,669	7,428
Short-term investments	1,952	3,602
Cash and short-term deposits	18,681	24,515
Restricted cash	34,550	16,285
	174,335	**176,667**

Fair values

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(X US$ 1,000)	Carrying amount		Fair value	
	2020	2019	2020	2019
Financial Liabilities				
Local Bond 2015-2020	-	99,086	-	100,629
Local Bond 2020-2025	60,013	-	60,781	-
Local Bond 2020-2027	132,826	-	134,287	-
Revolver	6,000	-	6,000	-
Corporate term loan	524,919	590,904	524,919	590,904
Loan from Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.	26,508	26,508	26,508	26,508
Total	**750,266**	**716,498**	**752,494**	**718,041**

The fair values of the financial liabilities are included at the amount of which the instrument could be exchanged at the reporting date between willing parties, other than in a forced or liquidation sale. The fair values of the financial liabilities are determined based on price quotations at the respective reporting dates. The financial assets of the Group approximate fair value and are therefore excluded from the table above.

- Local Bond: The fair value at each reporting date was obtained from the officially published numbers from the Dutch Caribbean Stock Exchange (DCSX).
- Revolver: The fair value of the Revolver equals the carrying value.
- Corporate term loan: IFRS 9 Recognition modification was applied for the fair value of the term Loan.
- Loan from Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V.: The fair value of the Pension fund loan equals the carrying value.

Financial assets

Financial assets at fair value through OCI

The Group has short-term investments in locally listed equity securities of local companies. The fair value of the quoted equity shares is determined by reference to published price quotations in an active market.

(X US$ 1,000)	2020	2019
Financial assets at fair value through OCI		
Quoted equity shares	1,952	3,602
Total	**1,952**	**3,602**

SECTION 6.
WORKING CAPITAL

This section provides additional information that the directors consider is most relevant in understanding the composition and management of the Group's working capital:

- Cash and short-term deposits (Section 6.1)
- Trade and other receivables (Section 6.2)
- Inventories (Section 6.3)
- Trade payables, accruals and other liabilities (Section 6.4)

6.1 CASH AND SHORT-TERM DEPOSITS

(X US$ 1,000)	2020	2019
Cash at banks and on hand	14,921	20,766
Short-term deposits	3,760	3,749
	18,681	**24,515**

Cash at banks earns interest at floating rates based on daily interest rates. Short-term deposits are made for varying periods of three months, which are rolled over, and earn interest at the respective short-term deposit rates.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

(X US$ 1,000)	2020	2019
Cash at banks and on hand	14,921	20,766
Short-term deposits	3,760	3,749
Cash and short-term deposits	18,681	24,515
Bank overdrafts	(3,420)	(3,420)
Cash and cash equivalents	**15,261**	**21,095**

Bank overdrafts represents a working capital financing line of credit facility of Ventrin from First Caribbean International Bank with a limit of US$ 5,000 which is subject to annual review. The limit was reduced to US$ 3,720 from July 9, 2015. The Company draws down loans against the facility with a 90-day tenure.

Ventrin began making monthly payments of US$ 20 against the principal amount from July 2018.

The above bank facility is 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 (US$ 399), over the following:

   a) Deed of Transfer/Assignment dated 23-Oct-2002, registered as #DE200202665770D001 between Scotiabank Trinidad and Tobago Limited and RBTT Bank Limited, over the First Legal Demand Debenture #DE200102146410D001.

b) First Legal Demand Debenture in the amount of TT$ 30,939 dated 22-Aug-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 (US$ 4,575).

2) Corporate Parent Guarantee of Staatsolie Maatschappij Suriname N.V. supported by a US$ 7,500 Stand-By Letter of Credit issued by their bankers, First Caribbean Curacao, in favour of First Caribbean Trinidad & Tobago to be held for the duration of the facility. The guarantee was reduced to US$ 5,500 from July 9, 2015 and further reduced to US$ 3,700 from August 8th, 2017.

3) Assignment of Terminal Operators Package Insurance All Risks and Business Interruption Policy#WM02869A19 and Marine Cargo Insurance Policy# #MACCD2003183 in favour of the Bank.

Restricted cash is US$ 34,550 as at December 31, 2020 (December 31, 2019: US$ 16,285) of which US$19,567 (December 31, 2019: US$ 11,923) is current. Further, restricted cash relates to:

- DPA - The amount of US$ 13,600 per December 31, 2020 was 2/3 of the total amount of debt service (amortization and interest) due to the banks, as of February 2021.
- Collateral with reference to Staatsolie' s long term loans and funding for interest and loan (re) payment amounting to US$ 8,255 (2019: US$ 11,923).
- Balance to be collected bondholders 2015-2020 US$ 2,365 (2019: US$ 487).
- DSRA account held for new bond launched in March 2020 US$ 3,581.
- Corporate parent guarantees of Staatsolie to secure Ventrin' s operational activities is US$ 3,875 (2019: US$ 3,875).
- Cash collateral for Staatsolie' s 25% share of the Letter of Credit for reclamation cost for Newmont Suriname US$ 2,854.
- Bank guarantee required for Staatsolie' s participation in a tender to sell products to Guyana Power and Light LLC. deposit for GPL US$ 20.

6.2 TRADE AND OTHER RECEIVABLES

(X US$ 1,000)	**2020**	**2019**
Trade receivables	102,414	104,815
Prepayments and other current assets	13,069	20,022
	115,483	**124,837**

For terms and conditions relating to related party receivables, refer to Section 7. Trade receivables are non-interest bearing and are generally on terms of 30–90 days net of allowance for expected credit losses.

Movements in the allowance for expected credit losses of trade receivables:

(X US$ 1,000)	**2020**	**2019**
As at January 1	7,936	7,830
Addition	3,499	256
Amounts written off	(3,951)	(175)
Currency adjustment	(282)	25
Unused amounts reversed	(18)	-
As at December 31	**7,184**	**7,936**

The ageing analysis of the trade receivables (net of allowance for expected credit losses) is, as follows:

				Past due but not impaired			
(X US$ 1,000)	**Total**	**Neither past due nor impaired**	**< 30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**>120 days**
2020	102,414	7,849	3,454	6,324	6,010	17,295	61,482
2019	104,815	13,253	14,916	4,629	3,977	1,990	66,050

The total trade receivable balance of US$ 102,414 as at December 31, 2020 (2019: US$ 104,815) consists of a balance of US$ 14,640 (2019: US$ 34,172) which is related to other third-party trade receivables.

Further, a GoS receivable balance of US$ 87,774 as of December 31, 2020 (2019: US$ 70,643) for:

- delivery of oil and electricity to GoS and oil deliveries to N.V. EBS including a receivable for transmission line phase 4: US$ 38,630 (2019:US$ 21,499)
- and an outstanding payable to PDVSA Petróleo, S.A. ("PDVSA") amounting to US$ 49,144 which has been used as a settlement with the GoS Receivables, based on the written confirmation from GoS that all payment obligations of Staatsolie due to PDVSA pursuant to the contract will be assigned to GoS.

After settlement of the GoS receivable balance with dividend payable of US$ 59,529 the net payable balance due to GoS will be US$ 20,900 (2019: Payable US$ 23,937).

The Group made a dividend payment of US$ 10,000 to the shareholder in the first quarter of 2021.

In determining the recoverability of a trade or other receivable, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparties.

The Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Prepaid expenses and other current assets consisted of the following:

(X US$ 1,000)	**2020**	**2019**
Receivable from personnel	145	119
Prepaid insurance costs	2,385	1,459
Current Account Surgold	289	-
Downpayment to vendors	6,255	12,403
Prepaid purchased goods, services and other	2,634	4,381
Net sales tax receivable	1,298	1,660
Current Account GoS	63	-
	13,069	**20,022**

6.3 INVENTORIES

(X US$ 1,000)	2020	2019
Petroleum products	20,800	24,934
Materials and supplies	83,112	87,306
Ordered goods	4,911	2,897
Unfinished goods	1,632	-
	110,455	**115,137**

In 2020, US$ 916 (2019: NIL) was added to the provision for obsolete inventories.

During 2020, US$ 298 (2019: US$ 366) was recognized as an expense for inventories carried at cost. This is recognized in cost of sales.

The decrease in inventory relates to Petroleum products and Material & Supplies. Petroleum products decreases because of the oil prices (petroleum products are valued at the lower of cost and net realizable value).

6.4 TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

(X US$ 1,000)	2020	2019
Trade payables	82,392	141,697
Accrued and other liabilities	69,636	43,025
	152,028	**184,722**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Accrued and other liabilities are non-interest bearing.

Accrued and other liabilities consisted of the following:

(X US$ 1,000)	2020	2019
Dividend Payable	23,937	-
Allowances payable to Management and Personnel	5,376	7,266
Interest payable - loans	9,358	6,526
Down Payments - Customers	1,311	1,390
Current account Surgold	-	2,820
Current account IAM Gold	6,259	-
Payroll taxes	1,284	2,458
Sales taxes and other duties	1,316	1,353
Current account Pension fund	7,318	4,754
Accrued expenses	5,251	5,230
Foreign currency SWAP USD*	1,325	386
Staatsolie Bond (2015-2020)	2,042	-
Other	4,859	10,842
	69,636	**43,025**

**Foreign currency SWAP USD*

On December 10, 2019 Staatsolie entered into an agreement with Hakrinbank N.V. to purchase US$ 9,000 (at the exchange rate of SRD 7.52 per US$ 1.00) with the obligation to sell back the same amount of US dollars to Hakrinbank N.V. on June 10, 2020 at the same exchange rate. On July 6, 2020 Staatsolie extended the agreement with Hakrinbank N.V. for the balance of US$ 3,000 for six months under the same conditions. The fee for this is 2.15% per annum. The resulting loss in the SRD devaluation (occurred in September 22, 2020) is for the account of Staatsolie.

The balance of the foreign currency SWAP account at December 31, 2020 reflects the negative change in the fair value of the forward contract.

SECTION 7.
GROUP INFORMATION AND RELATED PARTY DISCLOSURES

Information about subsidiaries

The consolidated financial statements of the Group with Staatsolie N.V. as the main shareholder includes the following subsidiaries:

Subsidiaries	Activities	Country of Incorporation	% Equity Interest	
			2020	2019
GOw2	Distributions and Trading	Suriname	100	100
Ventrin	Distributions and Trading	Trinidad and Tobago	100	100
POC	Exploration activities	Suriname	100	100
SHI	Regulator role	Suriname	100	-
SPCS	Electricity Generator	Suriname	99.99	99.99

POC is at this moment a dormant company and activities were put on hold since 2015. The non-controlling interest in SPCS is not material to the Group.

Joint arrangement in which the Group is a joint venture

- The Group has a 25% interest in Suriname Gold Project CV (2019: 25%) with Newmont Suriname LLC.

Joint arrangement in which the Group has joint operations

- In April 2020, Staatsolie entered into an Unincorporated Joint Venture (UJV) with Rosebel Gold Mines N.V. ("Rosebel") named Pikin Saramacca.

The UJV is governed by the Mineral Agreement dated April 7, 1994, as amended, the UJV agreement and the Accounting manual both signed on April 22, 2020. In this UJV, the participating interest is 30% for Staatsolie and 70% for Rosebel and the latter has been appointed as the UJV operator. Staatsolie acquired this 30% participating interest for US$ 54 million (US$ 34 million cash and US$ 20 million to be paid within a year).

Transactions with related parties

During the year, the Group entered the following transactions, in the ordinary course of business with related parties. Examples of these transactions include sale and delivery of petroleum products and electricity, purchase of electricity, and rendering of maritime services. The following companies are all state-owned enterprises and therefore are related parties due to the common ownership:

Government of Suriname (GoS)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	65,750	3	30,997	-
2019	89,582	-	25,550	-

N.V. Energie Bedrijven Suriname (N.V.EBS)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	40,662	16	2,373	1,696
2019	15,583	9,796	11,629	9,291

Suriname American Industries Limited (SAIL)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	63	-	-	-
2019	-	-	-	-

Melkcentrale Paramaribo N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	68	-	-	-
2019	77	-	-	-

Maritieme Autoriteit Suriname (MAS)

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	-	-	-	-
2019	-	13,005	-	13,479

N.V. Surinaamse Waterleiding Maatschappij

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	278	3	25	-
2019	413	12	14	9

Grassalco N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	22	-	-	-
2019	170	-	-	-

Telesur

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	-	19	-	3
2019	-	1,325	-	-

Stichting Bosbeheer Suriname

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	58	-	6	-
2019	68	-	1	-

N.V. Havenbeheer Suriname

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	1	3	-	-
2019	1	3	-	-

Airport management N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	-	306	-	-
2019	-	239	-	-

Surinaamse Dok & Scheepsbouw N.V.

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	243	-	-	-
2019	-	-	-	-

Waspar

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	15	-	-	-
2019	-	-	-	-

sLands Hospitaal

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	10	-	-	-
2019	-	-	-	-

Surinam Airways

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	1,881	-	147	-
2019	-	-	-	-

Suriname Coast Guard

(X US$ 1,000)	Sales of goods	Purchases of goods	Trade receivables	Trade payables
2020	46	-	11	-
2019	-	-	-	-

Loans from/to related parties

(X US$ 1,000)				
From:	**To:**		**Interest charges/ (income)**	**Amounts owed by/ (to) related parties**
SPCS	Government of Suriname	2020	(315)	3,669
		2019	(528)	7,428
Stichting Pensionfonds voor werknemers van Staatsolie Maatschappij Suriname N.V	Staatsolie	2020	1,324	(26,508)
		2019	114	(26,508)

Dividend to related parties

The Group did not make any interim payment, subject to approval, regarding dividend to its shareholder, (GoS) in 2020 regarding fiscal year 2020.

Trade receivables from / trade payables to shareholder (GoS)

The total trade receivable balance of US$ 102,414 as at December 31, 2020 (2019: US$ 104,815) consists of a balance of US$ 14,640 (2019: US$ 34,172) which is related to other third-party trade receivables

Further, a GoS receivable balance of US$ 87,774 as of December 31, 2020 (2019: US$ 70,643) for:

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After settlement of the GoS receivable balance with dividend payable of US$ 59,529 the net payable balance due to GoS will be US$ 20,900 (2019: Payable US$ 23,937).

The Group made a dividend payment of US$ 10,000 to the shareholder in the first quarter of 2021.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made in the ordinary course of business. There is an arrangement with GoS for the settlement of the trade receivables from N.V. EBS and the outstanding payables to GoS.

Compensation of key management personnel of the Group:

(X US$ 1,000)	2020	2019
Short term employee benefits	3,497	2,403
Post-employment pension and medical benefits	348	985
Total Compensation paid to key management personnel	**3,845**	**3,388**

There are no other related party transactions.

SECTION 8.
OTHER

8.1 EVENTS AFTER THE REPORTING PERIOD

Oil discovery

On January 14, 2021, Total and Apache Corporation made a new significant oil and gas discovery at the Keskesi East-1 well, in Block 58 off the coast of Suriname. This follows previous discoveries at Maka Central, Sapakara West and Kwaskwasi.

The well was drilled at a water depth of about 725 meters and encountered a total of 63 meters net pay of hydrocarbons, comprised of 58 meters net black oil, volatile oil, and gas pay in good quality Campano-Maastrichtian reservoirs, along with 5 meters of net volatile oil pay in Santonian reservoirs

Total assumed operatorship of Block 58 on January 1st, 2021, with a 50% working interest.

New Suriname Tax Measures

Due to the very precarious state of the financial affairs of Suriname, the government has taken fiscal measures to deal with the problems related to the financing of the national budget. The government has introduced the solidarity levy, as part of the measures to increase tax revenues. Income above SRD 150,000 will be taxed with 10% extra as of February 1, 2021. This solidarity levy is temporary and expires on January 1, 2022. Because of this levy the Corporate income tax and Wages tax rate will increase.

Other measures are increase of the Turnover tax rate from 10 to 12% for import of goods. This increase will also enter into force on February 1, 2021 and appears to be a temporary measure as it has been announced that the entire Turnover Tax will most likely be replaced by the Valued Added Tax in 2022.

Exchange rate

On March 1, 2021, the Government of Suriname introduced a range for the exchange rate of SRD 14.29 – SRD 16.30 for one (1) USD dollar. This in an attempt to influence the volatility and to stabilize the exchange rate. This will have an impact on the Group.

The Group uses the official exchange rate published by the Central bank of Suriname for payments and processing transactions.

Downgrade of Suriname’s Long-Term Foreign Currency Issuer Default Rating

Fitch Ratings has downgraded Suriname’s Long-Term Foreign Currency Issuer Default Rating (IDR) to ‘RD’ from ‘C’. Suriname’s Short-Term Foreign Currency IDR is affirmed at ‘C’ in April 2021

The two issue ratings on Suriname’s US$ 550 million notes due 2026 and US$ 125 million notes due 2023 on which the government has defaulted were downgraded to ‘D’ from ‘C.’

The government of Suriname continues to negotiate with creditors for a comprehensive restructuring of its external bonds, which has been a protracted process. The national authorities are concurrently pursuing a funded IMF program.

Impact of COVID-19 Pandemic

Looking ahead, following the outbreak of the COVID-19 pandemic, the Group sees increased uncertainties and economic disruption because of the outbreak. In the event of a prolonged pandemic there may be a negative effect on our customers and overall business activity which may negatively impact the financial performance of the Group. The Group has taken measures to ensure that its employees and partners continue to be safe while interacting together. Measures have been taken to minimize the impact of the pandemic and to continue operations.

Given the evolving nature of COVID-19, uncertainties will remain and currently it is not possible to accurately estimate the future impact of the pandemic on the future financial performance of the Group. We continue to monitor this situation and its potential impact on our operations and will take further action as necessary in response to the economic disruption.

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Contact Information

HEAD OFFICE

Dr. Ir. H.S. Adhinstraat 21
PO Box 4069
T +597 499649
F +597 491195
www.staatsolie.com
E info@staatsolie.com

DOWNSTREAM OPERATIONS

Sir Winston Churchillweg 309
T +597 480501
F +597 480811

UPSTREAM OPERATIONS

Gangaram Pandayweg km 5½
T +597 375222
F +597 491105

SUBSIDIARIES

GOw2 ENERGY SURINAME N.V.

Van ‘t Hogerhuysstraat 27A
T +597 403111
F +597 402116
E info@gow2.com

STAATSOLIE POWER COMPANY SURINAME N.V.

Sir Winston Churchillweg 309D
T +597 485163
F +597 485178

VENTRIN PETROLEUM COMPANY LTD.

(Trinidad and Tobago)
Atlantic Plaza
Port Point Lisas
Couva
Trinidad and Tobago
T +1 868 6792962
F +1 868 679 2622