



**MAATSCHAPPIJ  
SURINAME N.V.**

STATE OIL COMPANY SURINAME N.V.

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## **PRESS RELEASE**

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### **Staatsolie signs Production Sharing Agreement with Murphy Oil**

Staatsolie Maatschappij Suriname N.V. signed a production-sharing agreement with Murphy Oil Exploration & Production Company on Thursday, June 7<sup>th</sup>, 2007. The contract involves the exploration, development and production of petroleum from offshore block 37.

Managing Director, Marc Waaldijk, signed on behalf of Staatsolie. Bruce Laws, Vice President for Exploration & Production Latin America/Africa/Europe, signed on behalf of Murphy Oil. The government of Suriname had already given their consent to this agreement.

Block 37 is located in the eastern part of Suriname's offshore basin and encompasses an area of approximately 8,700 square kilometers in waters varying in depth from 50 to 250 meters. The total duration of the contract is set at 25 years from the end of the year in which the development plan of the first commercial field is approved. The contract acknowledges an exploration, development and production phase. The first part of the exploration program has a duration of four years consisting of geological analysis, a seismic survey and drilling of two exploration wells. If Murphy Oil decides to continue to phase 2 of the exploration program two more wells will be drilled in this phase. Approximately US\$ 40 million will be invested during the exploration period. The development program will only start after a commercial discovery that can be brought into production.

In 2004/2005 Staatsolie collected seismic data in the offshore blocks 15, 36 and 37. During 2006 the 3<sup>rd</sup> International Bidding Round was organized offering these three blocks. Three companies bid on block 37. Murphy Oil passed the criteria and negotiations started in August 2006.

In the framework of this agreement all exploration, development and production expenses made by Murphy Oil shall be their responsibility and are to be repaid if the company makes a commercial discovery, which they are able to bring into production. Income for Suriname shall include royalties, income taxes and the profit oil of Staatsolie. Further, Staatsolie holds the option to participate in the commercial phase for a maximum of 20 percent in the development and production phase. The income for the government shall be increased through this participation.

Similar to the production-sharing contracts with other companies for offshore activities in Suriname, conditions concerning safety and environment are emphasized in this agreement. Studies have been carried out to determine the initial environmental risks in this block. In the

agreement, other provisions are included with reference to job opportunities for the local work force, training, social responsibility projects, and how dismantling of facilities will take place after ending petroleum activities in this area.

Murphy Oil was established in 1907 as a family owned company. In 1956 the company started activities in other parts of the world and grew into one of the most successful independents with operations in Canada, USA, Ecuador, Malaysia and Congo. Murphy Oil is listed on the New York Stock Exchange. Murphy Oil has a daily production of 130,000 barrels (87% crude and 15% gas), owns three large refineries, and markets its own pump stations in the central and southern part of the USA.

