

4. State Decree Royalty Offshore

(Unofficial Translation)

OFFICIAL GAZETTE of the REPUBLIC OF SURINAME (2005 no. 52)

STATE DECREE of 4 May 2005 in execution of Article 65 paragraph 2 of the “Mining Decree” (Official Gazette 1986 No. 28) and Article 9 paragraphs 2, 5, 6 and 7 of the “1990 Petroleum Law” (Official Gazette 1991 No. 7, as amended by Official Gazette 2001 No. 58) (Decree on Offshore Royalty)

THE PRESIDENT OF THE REPUBLIC OF SURINAME

Upon considering that, for the execution of Article 65 paragraph 2 of the “Mining Decree” (Official Gazette 1986 No. 28) and Article 9 paragraphs 2, 5, 6 and 7 of the “1990 Petroleum Law” (Official Gazette 1991 No. 7, as amended by Official Gazette 2001 No. 5828), the following must be laid down;

Has heard the Council of Ministers, and determined the State Decree hereunder, which was prepared by the Council of Ministers:

General Provisions

Article 1

The following definitions will apply in the execution of this State Decree:

- a. State Enterprise: the State Enterprise as defined in the “1990 Petroleum Law”, which has been granted mining rights to offshore Suriname, hereafter referred to as “STAATSOLIE MAATSCHAPPIJ SURINAME N.V.”.
- b. Contractor: the Contractor as defined in the “1990 Petroleum Law”, with whom STAATSOLIE MAATSCHAPPIJ SURINAME N.V. enters into a petroleum agreement within the meaning of the “1990 Petroleum Law”.

Royalty

Article 2

The royalties payable by STAATSOLIE MAATSCHAPPIJ SURINAME N.V. as envisaged in Article 65 paragraph 2 of the “Mining Decree”, amount to **6.25%** of gross production, with regard to offshore Suriname. Gross production is defined as the total petroleum production in offshore Suriname, excluding water, sediments and all petroleum used during petroleum operations.

Surface Charges

Article 3

In accordance with Article 9 paragraph 2 of the “1990 Petroleum Law”, STAATSOLIE MAATSCHAPPIJ SURINAME N.V. will be granted full exemption from surface charges as intended in Article 63 of the “Mining Decree”.

Statistical and Export Consent Levies

Article 4

1. For the execution of Article 9 paragraph 6 of the “1990 Petroleum Law”, statistical and export consent levies payable by STAATSOLIE MAATSCHAPPIJ SURINAME N.V. with regard to the import and export of goods for the benefit of or as the result of operations in the concession under a petroleum agreement, will not exceed the equivalent of 300,000 (THREE HUNDRED THOUSAND) United States dollars in any calendar year.
2. The provisions of paragraph 1 apply to the Contractor *mutatis mutandis*. If multiple petroleum agreements have been signed with one Contractor, payable statistical and export consent levies will be determined for each petroleum agreement separately.

Article 5

1. In accordance with Article 9 paragraph 7 of the “1990 Petroleum Law”, STAATSOLIE MAATSCHAPPIJ SURINAME N.V. will be granted full exemption from statistical and export consent levies relating to the export of petroleum in the context of reimbursement of loans and other funds for the implementation of the petroleum agreement referred to in Article 1 sub b.
2. The provisions of paragraph 1 apply to the Contractor *mutatis mutandis*.

Import and Export Duties

Article 6

The goods listed in the appendix to this State Decree are not exempt from import and export duties as intended in Article 9 paragraphs 3 and 4 of the “1990 Petroleum Law”.

Final Provisions

Article 7

1. This State Decree will be published in the Official Gazette of the Republic of Suriname.
2. It enters into force from the day following on the day of its publication.
3. The Ministers of Finance and of Natural Resources are charged with execution of this State Decree.

Given in Paramaribo, on May 4, 2005

R.R. Venetiaan
(Signed and dated May 4, 2005)

APPENDIX to DECREE of 4 May 2005 in execution of Article 65 paragraph 2 of the “Mining Decree” (Official Gazette 1986 No. 28) and Article 9 paragraphs 2, 5, 6 and 7 of the “1990 Petroleum Act” (Official Gazette 1991 No. 7, as amended by Official Gazette 2001 No. 5828) (Decree on Offshore Royalty)

1. Foodstuffs and beverages, alcoholic or otherwise, intended for human consumption.
2. Fuels and lubricants.
3. Wood and wood products.
4. Textiles, textile products, garments and footwear, not including those used in petroleum operations.
5. Firearms and their ammunition.
6. Office furniture.
7. Unused air conditioners not intended for company rooms.
8. Gunpowder and explosives, not including those used in petroleum operations.
9. Sports and pleasure craft and their motors.
10. Unused furniture and devices and appliances, mechanical or otherwise.