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To: Mr. Albert Ramdin,

Minister of Foreign Affairs

From: Johan Tjang-A-Sjin, Consultant for Business Development and Promoter for Foreign Direct Investments in Suriname.

E-mail: [johan@tjang-a-sjin.com](mailto:johan@tjang-a-sjin.com) Mob./WhatsApp: +597-858 5500

Re:

**Proposal from the Government of Suriname (GoS) to the Government of Guyana (GoG) about the joint-gas exploitation (associated & non associated) from the Guyana Basin for Phase 1 and from the Suriname Basin for Phase 2.**

This proposal is based on the ambition that Suriname and Guyana will play an important role in the mitigation of the climate change by accelerating the development of its gas resources for the production of LNG, as a transition fuel for power generation, to be exported and the use of its indigenous gas for its own power generation instead of HFO.

According to the Joint-communique signed by President Dr. Mohamed Irfaan Ali and President Chandrikapersad Santokhi on August 19, 2021 in Georgetown, the following is mentioned on point 12:

**“Within two weeks a working group will be established to pursue concrete proposals for a Joint-gas strategy (inclusive of gas-to-shore infrastructure and establishment of a plant to generate electricity from natural gas) and a Sub-regional development strategy.”**

Since the discoveries of the Oil and Gas resources in 2015, Guyana tried to look for possibilities to reach a sustainable economic and social development of the country for the prosperity and the wellbeing of its people.

In this regard **Guyana** has already developed its Gas-to-Energy Project, with the aim of decreasing the costs of electricity by more than half of the current price, bringing associated gas from the FPSO DESTINY (Liza 1) and FPSO UNITY (Liza 2) through a sub-sea pipeline to onshore (total length 245 km and 12.5 inch width) on the Wales Economic Development Zone, where the Combined Cycle Gas Turbine Power Plant with an installed capacity of 300 MW will be established together with the Natural Gas Liquids facilities and a LPG plant. The power plant will be in operation in 2025.

Furthermore, GoG has instructed Exxon to carry out an assessment of the gas resources at all discovered fields, showing 17 tcf of natural gas.

Thereafter the study for Guyana Gas Monetization Strategy has been carried out in October 2023, resulting in sending out an Invitation for Request for Proposal for the Design, Finance, Construction and Operation of required Gas Infrastructure to Support Upstream Developments in February 2024. (REF.: GOG/MNR/2024/GTE-01)

It has been proven that there are abundant gas resources on both side of the borderline Guyana-Suriname, the Pluma and Haimara region close to block 58 of TotalEnergies, where hydrocarbons are discovered in Sapakara and Kraboedagoe fields containing much gas. To this end Guyana has already made the necessary amendments on its petroleum law allowing joint exploitation of the cross-border gas resources.

From the 17 responding parties on the Request for Proposal, Fulcrum LNG has been selected as no.1 by the GoG. ExxonMobil agrees with the choice for Fulcrum LNG.

This is the momentum for the GoS to take the initiative to start the discussions with the GoG for the joint development of the gas resources from the Guyana Basin as the first phase to be followed later by phase 2

with the natural gas from the Suriname Basin (Block 58 of TotalEnergies).

## **Proposal**

Therefore, Suriname is now proposing to Guyana to jointly develop the gas resources, in line with the signed joint communique, for the:

1. production of LNG (GUY-SUR LNG PROJECT) for the export,
2. production of electricity for supplying
  - a. the LNG Plant,
  - b. the planned Integrated Aluminum Industry in West Suriname which needs a power load of at least 800 MW,
  - c. the growing demand for energy from Guyana and Suriname.

There are 3 options for the production sites:

1. the Long Island, where the Corantijn bridge will be located,
2. the Papagaaien Island, both are in the Corantijn river and
3. the Port of Nickerie.

To be assessed which location is the most suitable site.

The LNG Project consists of the following components:

1. Building a sub-sea pipeline to bring the associated gas from the following 10 FPSO's:  
FPSO DESTINY (reservoirs Liza 1 in production in 2019),  
FPSO UNITY (reservoir Liza 2 in production in 2022),  
FPSO PROSPERITY (reservoir Payara in production 2nd 2023),

FPSO ONE GUYANA (reservoir Yellowtail in production 2025), FPSO ERREA WITTU (reservoir Uaru in production in 2026), all to be connected with the main pipeline, to the Long Island or the Papagaaien Island in the Corantijn river or on the Port of Nickerie.

An alternative plan is to start the initial phase with the standalone project Hammerhead, for which an EPA process will start. Thereafter to optimize the production for supplying the natural gas. an integration can be done with the other FPSO's

Project no 6 (Whiptail reservoir in production early 2028) and project no 7 (Fangtooth reservoir) are now in development. Project no 8, 9 and 10 are in planning

2. Construction of a liquefaction plant, including all necessary facilities, with a capacity of 20 MTPA LNG, to be carried out in phases of 5 MTPA on the production site Long Island or Papagaaien Island or on the Port of Nickerie. The proposed capacity depends on the availability of the gas resources.
3. Construction of the port facilities for the LNG project.
4. Construction of a large Combined Cycle Gas Turbine Power Plant for supplying energy to the LNG Plant and to the planned integrated Aluminum Industry which needs a power load of at least 800 MW and for the growing demand for energy of Guyana and Suriname.
5. Suriname will follow the Business Model used by Guyana. All the investments have to be done by private companies based on Design, Finance, Construction and Operation Business Model.

In the MOU to be signed by the three parties, GoG, Esso Exploration & Production Guyana Ltd. and GoS, the specific responsibilities of each party will be mentioned.

1. GoG and Esso Exploration & Production Guyana Ltd. will have to guarantee the delivery of the natural gas.
2. GoG, Esso Exploration & Production Guyana Ltd. and GoS will send out together a Request for Proposal for the Design, Finance, Construction and Operation for the total project. All investments will be done 100% by private companies, without any financial contributions from the 3 parties. The Request for Proposal will be sent within one month after the signing of this MOU.
3. GoS will lease all the necessary land on the Long Island, or on the Papagaaien Island or on the Port of Nickerie to the investors.