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STREI! Suriname
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Suriname

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Concerning: Alleged Bridge Loan Agreement with the Government of Suriname

Dear Sirs,

We, members of the Suriname political party STREI! have taken note of your intention to provide the Suriname government with a new Bridge Loan Agreement. Under this agreement Suriname will take out a Bridge Loan Note with the collaboration of Oppenheimer Funds for US \$150 million, with the revenues of our State Oil company (Staatsolie), royalty payments of lamgold and the future income of the Afobakka Hydro dam, used as collateral. The loan is allegedly contracted for 18 months with Oppenheimer & Co and Republic Bank Limited at a fixed rate of 10%.

The conditions also include an additional penalty interest rate of 3% if the security interests in the supplementary collateral (the dividend payments of the State Oil company, the royalty payments of lamgold and future state revenues from the Afobakka Hydro Dam) are not awarded and 'perfected' within 180 days of the issuance of the loan. The additional interest penalty rate would then apply until the situation has been corrected. Furthermore, this Bridge Loan Agreement is intended to be a short-term loan until a 'take out' occurs, using another longer-dated debt instrument. This will allegedly allow Suriname to meet its current obligations by providing a direct cash flow to the government.

We, members of the political party STREI! would like to point out -and at the same time caution Oppenheimer- that these lending conditions are irresponsible, are not legitimate because of the lack of a 2/3 majority vote in the National Assemblée, and should be put under the umbrella of profiteering. This usurious type of loan with its corresponding lending conditions, means that revenues from Suriname's main income generating capacity from natural resources -which are currently already insufficient to pay our outstanding debts- , are now being put under more pressure with this Bridge Loan Agreement.

As you might already know, Suriname has no major income sources other than mining revenues. The current bond loan of US \$550 million puts a big strain on the mining revenues of Suriname every half year. On top of these, Oppenheimer intends to collaborate to send Suriname towards bankruptcy with

this racketeering type of loan. The future revenues belong only to the Suriname population and the following generations, and not to the current Suriname government.

Is it possible for Oppenheimer to uphold its reputation as an ethical and sustainable financial party, while collaborating six months before the elections with the current Suriname government at the expense of and over the backs of the people of Suriname? We at Strei! do wonder whether Oppenheimer, as a financial institution, should not comply with required ethical duty of care when doing business? To knowingly lead an economically fragile country towards bankruptcy is despicable and arbitrary. We from STREI! therefore urgently warn Oppenheimer not to burden our population with a profiteering loan just before the elections and agree to an unfair deal, under this for Oppenheimer investors highly profiteering conditions.

Once again, we would like to remind you of your duty of social responsibility and the consequences that may arise if you decide to burden the Republic of Suriname with this profiteering loan. If our party wins the election on 25 May 2020, STREI! will use all its legal means to condemn this loan as unlawful and to nullify these irresponsible lending conditions. You and your customers are then likely to see the payouts of this profiteering loan frozen. Suriname has a Fitch B-rating with a negative outlook. In their analysis reports, Fitch and the IMF clearly state that tax revenues and production need to increase significantly in Suriname for the country to become more credit worthy. However, Oppenheimer chooses to further harm our already stagnant earning capacity with this bridge loan agreement instead. We find this is unacceptable.

The bridging loan market is very competitive, and this is leading to a reduction in interest rates around the world. With rates starting from as little as 0.37% per month, bridging finance has never been cheaper. Even though it is evident that Suriname is a risky country to invest in, we think that an interest rate of 10% is far too high compared to the global averages, and is by far not proportional to what Oppenheimer is offering Suriname for this loan.

Your Sincerely

Maisha E Neus / Peter M Wolff

#STREI!#