



## LANDSBESLUIT

van de SEP 16 2016 no. 16/2663

De Gouverneur van Curaçao

Op de voordracht van de Minister van Algemene Zaken, handelende in overeenstemming met het gevoelen van de Raad van Ministers,

Overwegende:

dat het huidige contract voor de verhuur van de Raffinaderij te Emmastad en de Oil Terminal te Bullenbaai met de huurder, de Venezolaanse staatsoliemaatschappij Petroleos de Venezuela S.A., per 31 december 2019 afloopt;

dat het van belang is voor de economie en de energie sector van Curaçao dat de toekomst en de modernisering van de Raffinaderij worden zeker gesteld;

dat een gemoderniseerde Raffinaderij met 11% à 13% bijdraagt aan het bruto nationaal product alsmede met 17% aan de instroom van deviezen;

dat het voor het Land Curaçao noodzakelijk is een strategische partner voor de energie sector te betrekken;

dat Guangdong Zhenrong Energy Co. Ltd., een Chinees energie staatsbedrijf zich bereid heeft verklaard middelen beschikbaar te stellen voor het moderniseren van de ISLA-raffinaderij,

dat Guangdong Zhenrong Energy Co. Ltd., geen garanties vraagt van het Land Curaçao hetgeen geen negatieve invloed heeft op de schuldelast;

dat het wenselijk is om tot overeenstemming te geraken over de principe uitgangspunten, vast te leggen in een Memorandum of Understanding (MoU) tussen het Land Curaçao en Guangdong Zhenrong Energy Co. Ltd.;

dat het Land Curaçao en Guangdong Zhenrong Energy Co. Ltd. voorts tot een overeenstemming zijn geraakt omtrent genoemde uitgangspunten en deze wensen vast te leggen in een MoU;

dat het derhalve wenselijk de Minister President te machtigen om genoemde MoU namens het Land Curaçao te ondertekenen;

Gelet op:

artikel 33, derde lid, tweede volzin, van de Staatsregeling van Curaçao (A.B. 2010, no. 86);

Heeft goedgevonden:

Artikel 1

De Minister President, dhr. B. Whiteman, wordt gemachtigd het Land Curaçao te vertegenwoordigen bij de ondertekening van het Memorandum of Understanding met Guangdong Zhenrong Energy Co. Ltd.

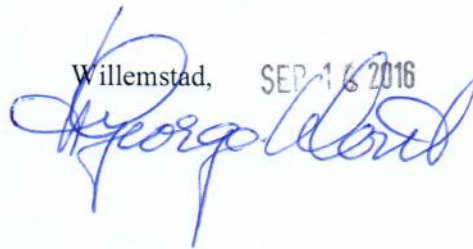
Artikel 2

Dit landsbesluit treedt in werking met ingang van de datum van dagtekening ervan en werkt terug tot en met 15 september 2016.

Afschrift van dit landsbesluit wordt gezonden aan:

- Refineria di Kòrsou N.V.;
- het Minister van Algemene Zaken;
- de voorzitter van het MDPT;
- Wetgeving en Juridische Zaken.

  
De Minister van Algemene Zaken,  
16-sept-2016

Willemstad, SEP 16 2016  


**COPY**

**MEMORANDUM OF UNDERSTANDING**

**THE COUNTRY OF CURAÇAO**, hereinafter referred to as the “Country”, with its seat at Fort Amsterdam, Curaçao, in this matter duly represented by the Prime Minister, Mr Bernhard D. Whiteman, by virtue of National Decree dated September 15<sup>th</sup>, 2016, thereby executing the decision of the Council of Ministers dated September 15<sup>th</sup>, 2016;

And

**GUANGDONG ZHENRONG ENERGY CO. LTD**, hereinafter referred to as “GZE”, with its principal place of business at 35F, Hejing International Finance Place, No. 8 Hua Xia Road, Zhujiang New Town, Guangzhou, China 510623, in this matter duly represented by its President Mr. Bingyan Chen,

Hereinafter jointly referred to as the “Parties”.

Considering the following:

- (a) That the Country owns all shares in the limited liability companies Curaçao Oil N.V. (“Curoil”), Integrated Utility Holding N.V. (“Aqualectra”) and Refineria Di Korsou N.V. (“RdK”), which are the primary entities in charge of the energy infrastructure and provisioning of Curaçao (the “Government Owned Companies”);
- (b) That RdK in particular is the owner of the Refinery at Emmastad (the “Refinery”), the Bullenbay Oil Storage Terminal (the “Terminal”) and the Curacao Refinery Utilities B.V. (CRU), the plant providing utilities to the Refinery (the “Power Plant”);
- (c) RdK is currently, through CRU, operating the Power Plant, and leases the Refinery and the Terminal to the State Oil Company Petróleos de Venezuela S. A. of the Bolivarian Republic of Venezuela who operates those assets via its subsidiary company Refinería Isla Curazao B.V. (“PDVSA”);
- (d) That the Country expressly wishes to obtain clarity on the future of the Refinery as of December 31, 2019, when the current lease of RdK with PDVSA is set to expire, so that the economy of Curaçao can continue to flourish;
- (e) Curaçao is therefore currently in the process of selecting a new operator for the Refinery as of January 1, 2020, including the modernization thereof, whereby in modernized state the Refinery should have minimum environmental impact and give financial benefits to Curaçao, while maintaining fair employment opportunities for the local work force (including equal pay and conditions for equal work for employees of contractors and subcontractors), which process is guided by the Multi-Disciplinary Project Team (the “MDPT”), established by national decree of the Country of November 29, 2013 (13/2899);
- (f) That the following main projects are being considered as part of the upgraded energy infrastructure of Curaçao:

- The Modernization of the Refinery, which includes replacing residual fuel currently used as fuel for the refining process by Natural Gas or Liquefied Natural Gas (NG or LNG)
  - The upgrading and modernization of the Power Plant, which includes switching to natural gas as the new fuel for power and steam generation, and the integration of the Power Plant as (integrated) part of the Refinery
  - Improving the product storage infrastructure of Curoil
  - Switching to natural gas for power generation at Aqualectra
  - Upgrading of the Terminal
  - Work Force Development initiative
- (g) GZE has expressed that it is fully supported by the Chinese central government and that it is willing and able to provide financing for the modernization, upgrading, leasing, joint operation and maintenance of the Refinery, the Terminal and the Power Plant, as well as other parts of the energy infrastructure of Curaçao, including the LNG Trans-Shipment Terminal at Bullenbay, and in particular that GZE does not and will not require from the Country any guarantee or financial contribution or assistance, which are key reasons for the Country to enter into this memorandum of understanding with GZE.

**Parties agree as follows:**

1. GZE will enter into negotiation for the following agreements in the area of the energy infrastructure of Curaçao as defined in (f) above of this Memorandum of Understanding. To that effect GZE will assign a team that will handle the negotiations with the MDPT and the respective Government Owned Companies. The considerations and other clauses of this memorandum of understanding shall be explicitly taken into account in negotiating such agreements.
2. Negotiations should lead to binding agreements, within a period not exceeding two (2) months of the date of this Memorandum of Understanding with the possibility of extension of additional two (2) months. These said binding agreements will be subjected to due diligence of the parties involved and subjected the approval of the respective governments at their own discretion. GZE will be granted exclusivity during this period of the said total of four (4) months concerning the projects referred to in Section (f) above. After this period, if the said binding agreements are not reached, this Memorandum of Understanding will be subject to termination unless otherwise agreed by Parties. Parties expressly acknowledge and agree, that if this Memorandum of Understanding is terminated in the manner as set forth in this Memorandum of Understanding or if parties do not enter into binding agreements, the country, MDPT and the respective Government Owned Companies are free to negotiate with any other party toward the execution of eventual agreements mentioned in this Memorandum of Understanding, without incurring any liability towards GZE in any way or form. These agreements contain terms containing terms and conditions for:


RNF

AK

- a. the lease from or the joint operation with RdK in regard to the Refinery, including the financing, design, engineering and construction of the modernization of the Refinery as per to be agreed upgrade plan, which should make the Refinery competitive for at least 20 years as of January 1, 2020;
  - b. the lease from or the joint operation with RdK in regard to the Terminal, including the upgrading of the Terminal's capacity with 5 to 18 million (MM) barrels, even higher as required, of crude and/or product storage;
  - c. the lease from or the joint operation with RdK in regard to the Power Plant (integrated into the Refinery), including the upgrading and modernization thereof;
  - d. Other projects related to Curoil and Aqualectra;
  - e. to use the Country owned bank PSB Bank N.V. (PSB) for all major transactions in connection with the above projects;
  - f. the financing of the Work Force Development initiative to train, using competency based training programs, the greatest amount of local personnel to support the above construction projects, whereby a goodwill deposit to be mutually agreed shall be made available in a designated account at PSB to enable the start of the Work Force Development initiative.
3. GZE will secure the necessary funds to execute the abovementioned agreements. MDPT and the respective Government Owned Companies shall provide all necessary information and support at request of GZE to enable the building of a suitable business case.
  4. GZE will arrange/is responsible for securing in advance the delivery of the necessary crude for the operation of the Refinery. GZE shall present a copy of this arrangement to the MDPT and RdK.
  5. GZE will be granted access to visit all installations and assets of the Refinery and Terminal for inspections/verifications provided that requests have been sent in writing to MDPT and RdK in advance and taking the existing rights thereto of RdK into account.
  6. GZE will allow Curoil to sell refined products coming from the Refinery in the markets of Curaçao, Aruba, Bonaire, other Caribbean countries at prices such that Curoil can stay competitive and profitable.
  7. GZE will be permitted to commence with the design and procurement of the Modernization of the Refinery and the Power Plant, and upgrading of the Terminal when respective agreements have been reached thereon. Preparatory work may be initiated at the time the financing arrangements are in place.

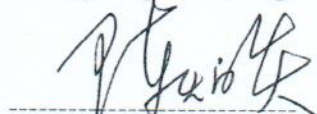
8. GZE will make its best efforts to work with PDVSA in matters regarding the operations of the Refinery and the Terminal prior to and after December 31, 2019. This is in view of the longstanding relationship between Curacao and Venezuela.
9. GZE shall be at liberty to continue its participation in the tender for the LNG Trans-shipment Terminal at Bullenbay.
10. Each Party shall appoint a person that will act as the focal point for all matters related to this MOU and will notify the other Party in writing of the name, address, e-mail, telephone number and fax of the person appointed as focal point.
11. Each Party shall bear the expenses of any person or entity that they elect to utilize for the activities and/or services to be provided in connection with this Memorandum of Understanding.
12. This Memorandum of Understanding shall be governed exclusively by the laws of Curaçao.
13. All disputes arising out of or in connection with this Memorandum of Understanding shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Stockholm, Sweden. The language of the arbitration shall be English.

The Country of Curaçao



The Prime Minister  
Mr. Bernard D. Whiteman

Guangdong Zhenrong Energy Co. Ltd.



President  
Mr. Chen Bingyan

## Besluit Raad van Ministers

Datum: 15 september 2016



Akkoord met de door de Minister van Algemene Zaken d.d. 15 september 2016 aangeboden concept Memorandum of Understanding met de Chinese maatschappij Guangdong Zhenrong Energy Ltd. met dien verstande dat het tweetal (2-tal) punten zoals voorgesteld door FCW legal in haar advies d.d. 14 september 2016, zijnde de toevoeging aan de MoU van de volgende zinnen:

- *"These said binding agreements will be subjected to due diligence of the parties involved and subjected to the approval of the respective governments at their own discretion"*
- *"Parties expressly acknowledge and agree, that if this Memorandum of Understanding is terminated in the manner as set forth in this Memorandum of Understanding or if parties do not enter into binding agreements, the country, MDPT and the respective Government Owned Companies are free to negotiate with any other party toward the execution of eventual agreements mentioned in this Memorandum of Understanding, without incurring any liability towards GZE in any way or form".*

Voorts dat onder punt f, voorlaatste bullet inhoudende "installation of a new LNG transshipment Terminal at Bullenbay" wordt verwijderd. De keuze van Guangdong Zhenrong Energy Ltd berust op de presentatie van de Voorzitter van de MDPT tijdens de Raad van Ministers d.d. 12 september 2016. Voorts dat conform het advies van FCW-legal zorg wordt gedragen voor de aanvullende onderliggende documenten, in die zin dat in ieder geval voor het opstarten van de daadwerkelijke onderhandelingen om tot een agreement te geraken alle leden van de Raad van Ministers over alle gegevens moeten beschikken. De Minister-president zal daartoe instructie verlenen aan MDPT. Voorts dat de verdere due diligence doorgang vindt. Tot slot wordt de Minister-president gemachtigd om namens de openbare rechtspersoon Curaçao bedoeld MoU te ondertekenen. In het verlengde daarvan: akkoord met aanbieding van bijgaand concept-machtigingsbesluit d.t.k.v. de Afdeling Document Management (DM) aan de Gouverneur ter ondertekening.

Cc. Alle Ministers.

  
De Minister-president,

Zaaknummer:

2016/035646

# Modernization of Energy Infrastructure Brightening Curacao's Future

Presentation to CoM



**Guangdong  
Zhenrong  
Energy Co.,  
Ltd.**

**广东振戎能源  
有限公司**

November 12, 2016



## Who We Are

- Directly under Chinese central government
- Yearly revenue > US\$ 60 billion
- Total asset > US\$ 60 billion
- 15,000 employee worldwide
- Titan Petrochemicals 100% owned by GDZR





## Our Business

- Energy Trading
- Refinery Investment
- Petrochemical Logistics
- Ship Building
- Offshore Heavy Industry
- Mining

## Our Partners for the Project

- All within Global Top 500
  - State-owned
  - Extensive financial resources
  - Strong execution capacity
  - Advanced technologies
  - Rich experiences
- CNPC – Oil Terminal  
SINOPEC - Refinery  
CNOOC - LNG Terminal



国家开发银行  
CHINA DEVELOPMENT BANK



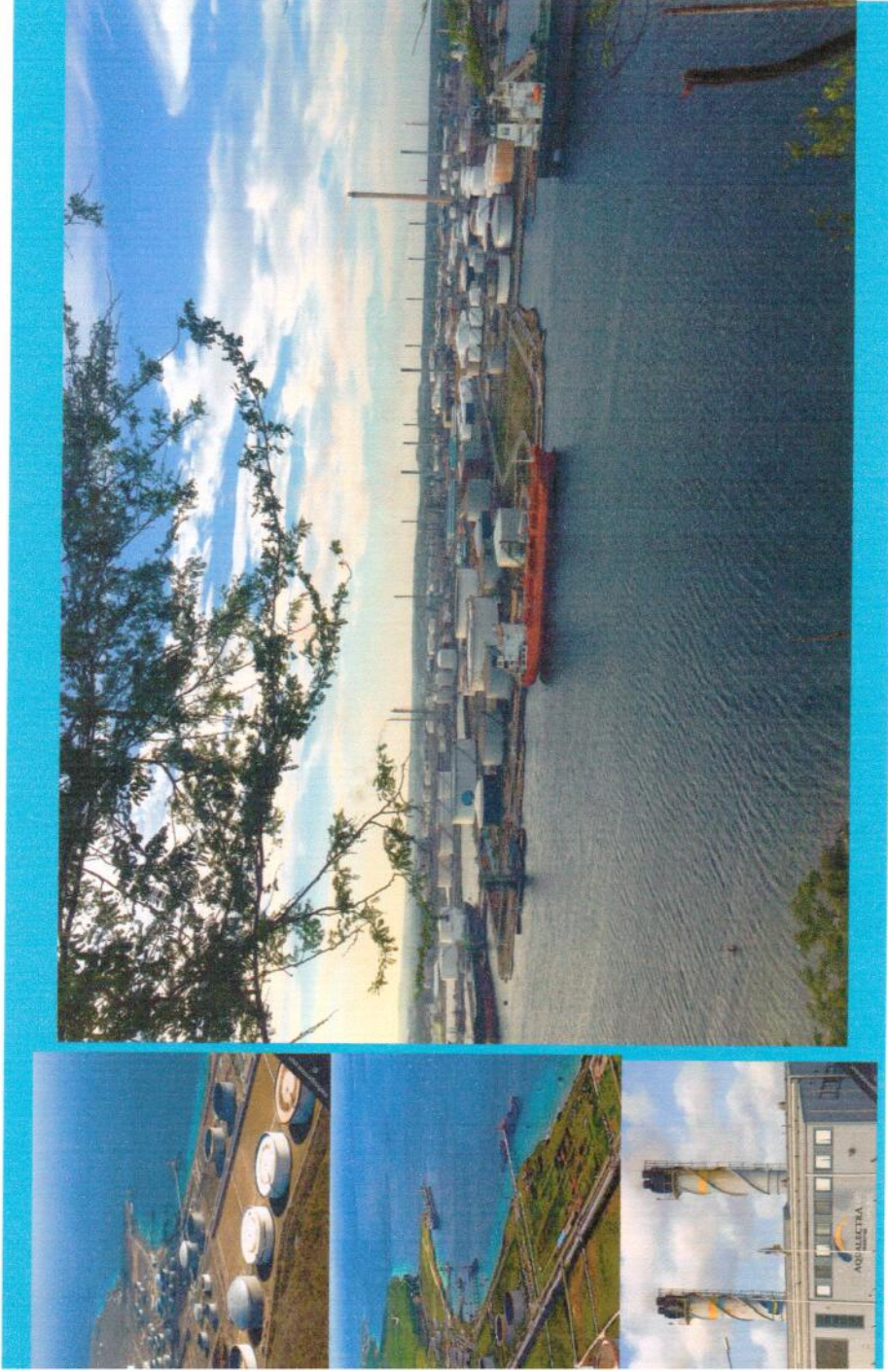
中國銀行  
BANK OF CHINA



MERCHANTS  
GROUP

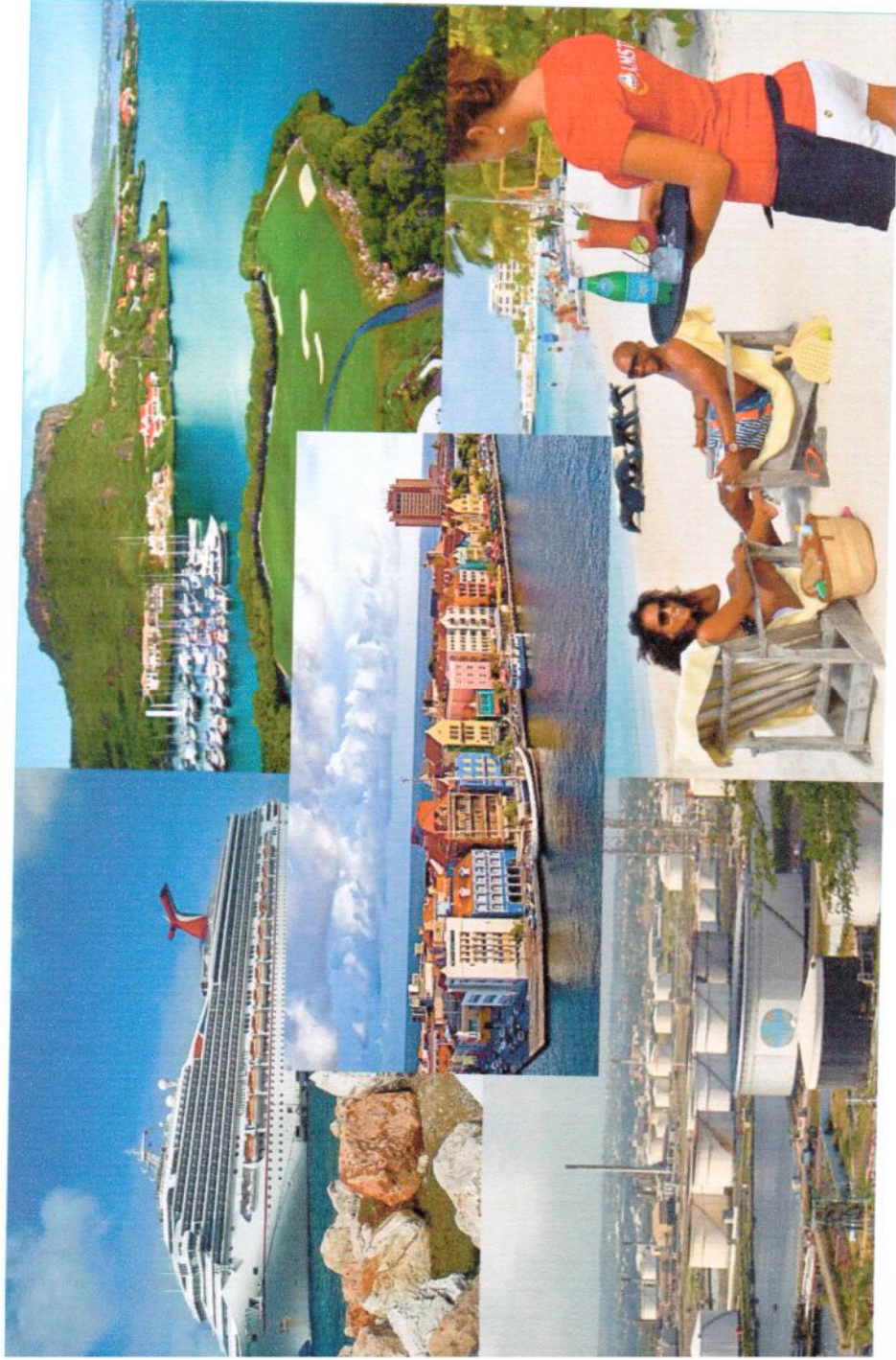
## Our Target

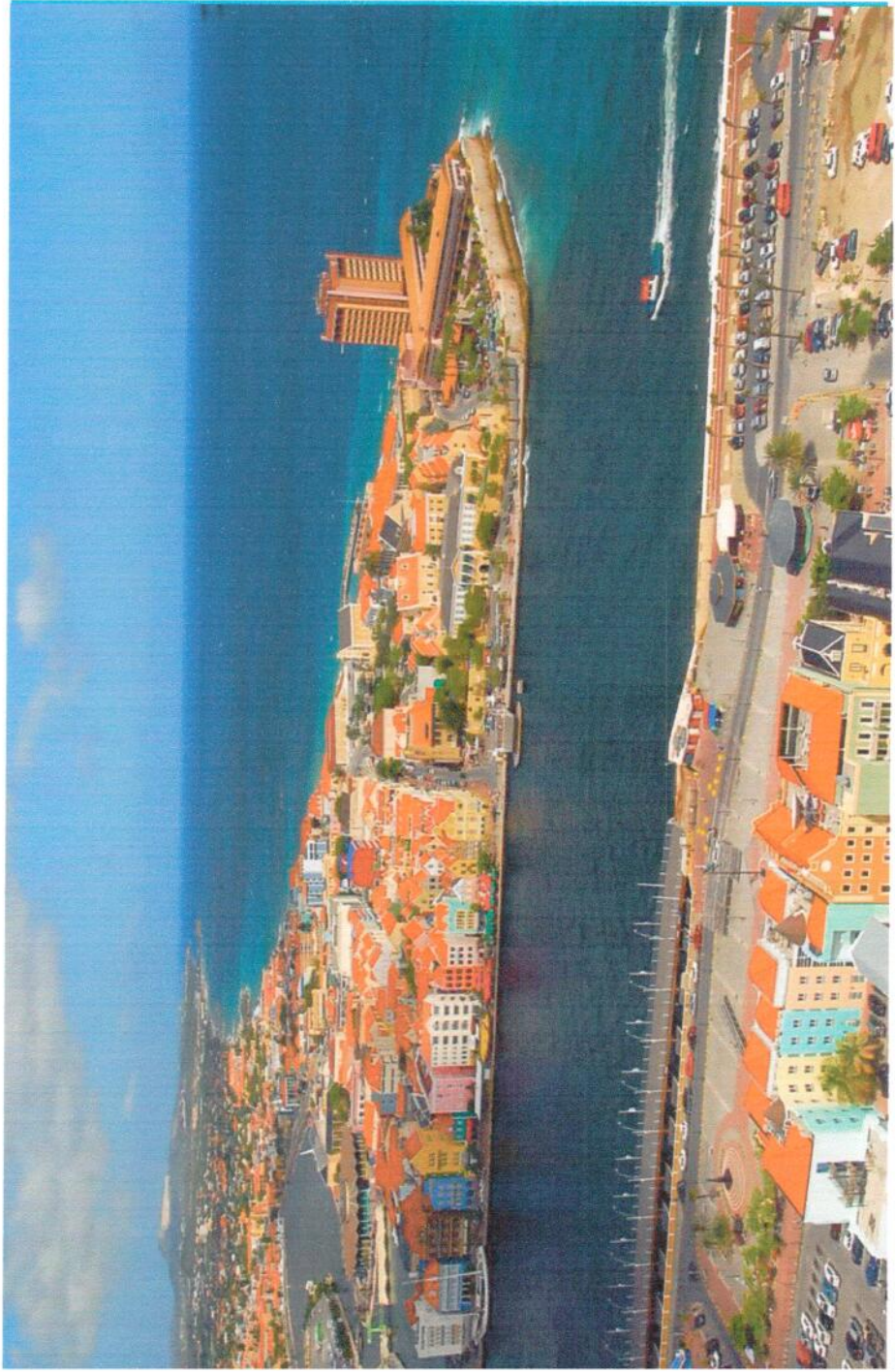
- Improvement of Curacao Energy Infrastructure
- Modernization of Refinery
- Expansion of Bullenbay Terminal
- Optimization/Upgrading of CRU Electrical and Water System
- Maximize Local Content – Potential Total Job Opportunity up to 10,000
- Comprehensive Training Institute – Cultivate as many as 1,000 Professionals Yearly (Workforce Development )



# Our Vision for Curacao

- Sustainable Economic Growth
- Enhanced Job Security
- Clean Environment
- Hub for Logistics
- Tourism Attraction





**THANK YOU  
FOR YOUR  
ATTENTION !**

**LET'S WORK  
TOGETHER  
FOR THE  
BRIGHT FUTURE  
OF CURACAO !**



2016/035646

## LANDSBESLUIT

van de no.

DE GOUVERNEUR VAN CURAÇAO

Op de voordracht van de Minister-president, tevens Minister Algemene Zaken, handelende in overeenstemming met het gevoelen van de Raad van Ministers;

Overwegende:

dat het wenselijk is om tot afspraken te komen met de Chinese staatsmaatschappij Guangdong Zhenrong Energy Co. Ltd., met betrekking tot de toekomst van de raffinaderij;

Gelet op:

Artikel 33, derde lid, tweede volzin van de Staatsregeling van Curaçao;

Heeft goedgevonden:

### Artikel 1

De Minister-president tevens Minister van Algemene Zaken wordt gemachtigd om de openbare rechtspersoon Curaçao te vertegenwoordigen bij de ondertekening van de aan dit landsbesluit gehechte MOU tussen het Land Curaçao en de Chinese staatsmaatschappij Guangdong Zhenrong Energy Co. Ltd.

### Artikel 2

Dit landsbesluit treedt in werking met ingang van de datum van dagtekening.

Afschrift van dit landsbesluit wordt gezonden aan:

- de leden van de Raad van Ministers;
- de Algemene Rekenkamer.

Willemstad,

De Minister-president,