

March 31, 2025



Natural Resource Fund
Quarterly Report
January 1 – March 31, 2025

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1.0 INTRODUCTION

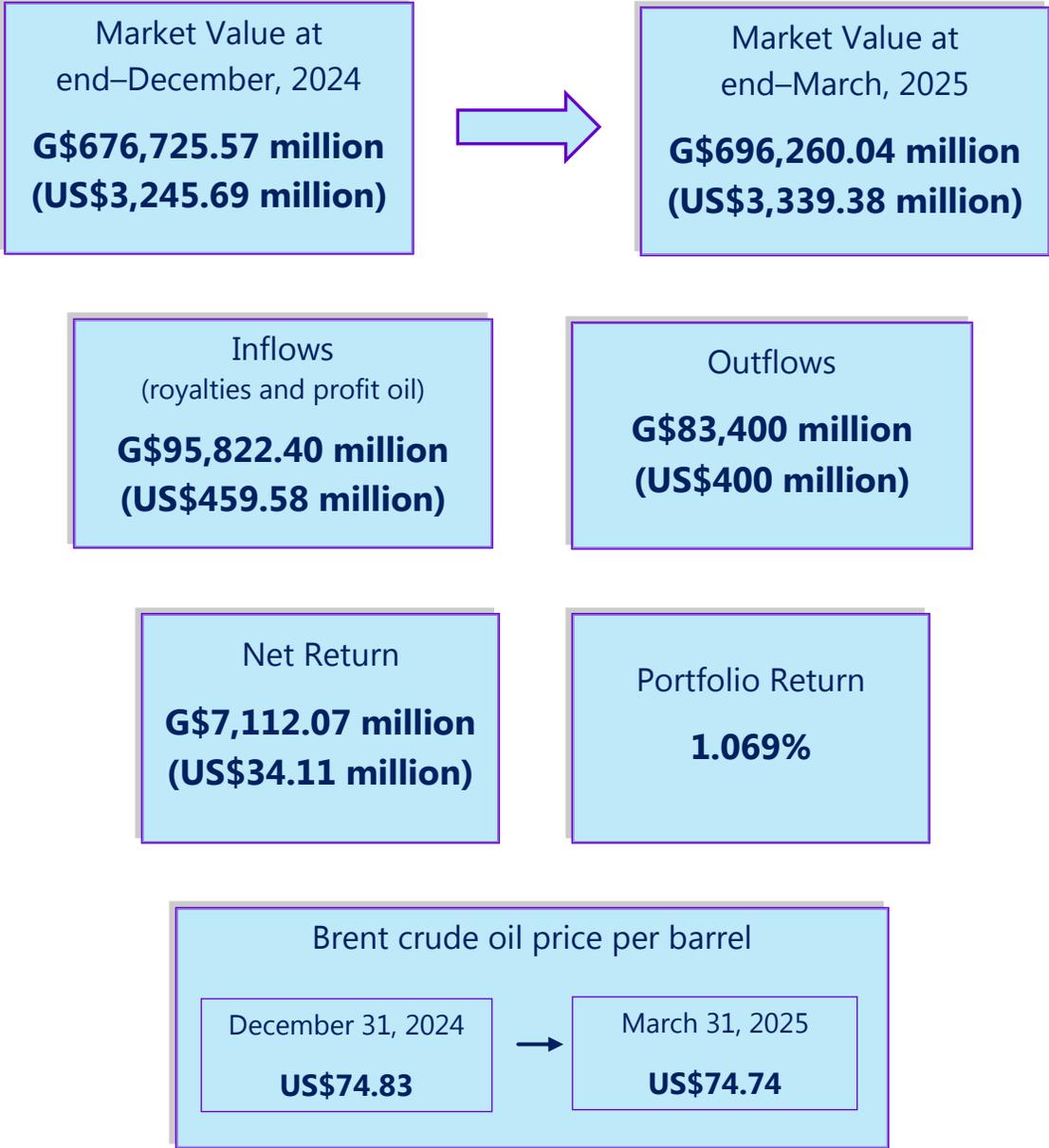
The Natural Resource Fund was established by the enactment of the Natural Resource Fund Act 2019 which was passed in the National Assembly on January 3, 2019 and assented to by the President on January 23, 2019. This act was subsequently replaced with the Natural Resource Fund Act 2021 which was passed in the National Assembly on December 29, 2021 and assented to by the President on December 30, 2021. The Act gives the Bank of Guyana the responsibility for the operational management of the Fund.

This report is produced in fulfilment of the requirements set out in section 29 (2) of the Natural Resource Fund Act 2021 which requires the Bank of Guyana to report on the activities and financial performance of the Natural Resource Fund (referred to hereinafter as “the Fund”).

The financial statements in this report have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). Foreign currency transactions have been translated to G\$ at the rate of exchange prevailing at the dates of the transactions. The rate of exchange at March 31, 2025 was GYD 208.50 = USD 1.

2.0 EXECUTIVE SUMMARY

This report covers the period January 1, 2025 – March 31, 2025



3.0 MARKET TRENDS DURING THE QUARTER

3.1 Global Market Conditions

Global growth expectations continue to be pegged at 2.7% for 2025 and 2026 by the World Bank. The IMF on the other hand forecasts a 3.3% global growth rate throughout 2025 and 2026. The Global Economic Prospects Report published by the World Bank in January 2025 indicated that emerging market & developing economies are expected to grow by 4.1% while advanced economies are expected to grow by 1.7% in 2025. The IMF had slightly higher forecasts for 2025 as emerging market & developing economies and advanced economies are projected to grow by 4.2% and 1.9% respectively. The World Bank added that the current projected global growth rate might be insufficient to foster and sustain economic development with the addition of further headwinds from increased policy uncertainty, adverse trade policy shifts, geopolitical tensions, and persistent inflation.

Global headline inflation is projected to decline to 4.2% in 2025 from its previous level of 5.7% in 2024 with advanced economies expected to reach their inflation targets sooner than emerging market & developing economies. Global disinflation continues, but there are signs that progress is stalling in some countries while elevated inflation continues to persist in a few others. Although core goods price inflation has subsided, services price inflation is still above pre-pandemic levels in many economies such as the USA and Europe area.

Based on the most recent US CPI data release (February 2025), U.S. consumer prices increased by 2.8% over a 12-month period. Market commentators anticipate that this moderation in US consumer prices could be temporary as the data did not fully capture the potential adverse impacts of President Donald Trump's foreign and domestic trade policies and the uncertainty therein.

During the first quarter of 2025, the US Federal Reserve Bank held off on further monetary policy easing measures indicating that the Fed is in no rush to cut interest rates due to

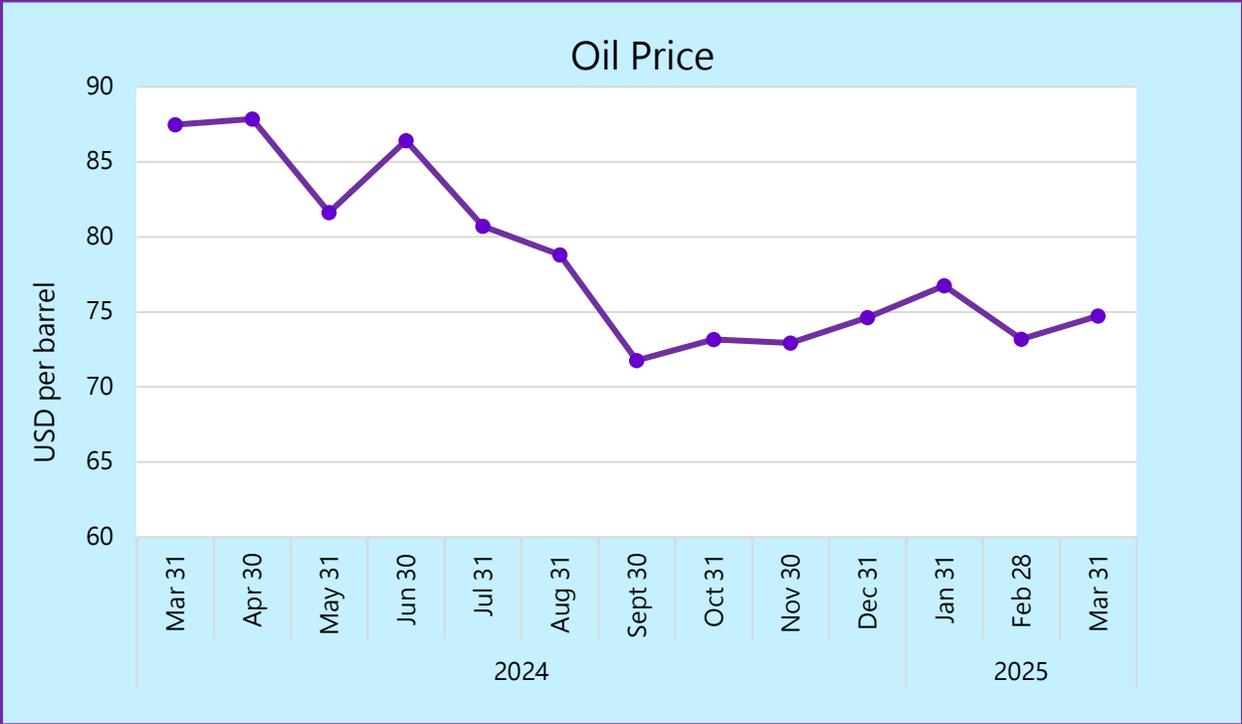
the elevated level of uncertainty surrounding the US economic outlook. The federal funds target range remained at 4.25%-4.5% as at end-March 2025. The Bank of England approved a 25 bps rate cut in early February reducing its policy rate to 4.5% to close the first quarter. The Bank of Canada and the European Central bank both followed a similar easing monetary policy approach, reducing their respective interest rates by 50 bps during the first quarter of the year. The Canadian and European Central Banks' policy interest rates stood at 2.75% and 2.65% respectively as at the quarter end.

Oil

During the first half of January 2025, oil prices rallied to reach a quarterly high of \$82.03/bbl. after opening the quarter at \$74.83/bbl. This increase was mostly attributed to rising geopolitical tensions after new sanctions were imposed on Russian oil by the United States. Oil prices then retreated throughout late January and early March to reach a low of \$69.28/bbl. amid several bearish catalysts. Expectations of increased US oil production under the Trump administration, easing geopolitical concerns in Gaza, uncertainty surrounding the impacts of US tariffs and OPEC's expected production increase for April were some bearish factors contributing to the oil price selloff during the period. Notwithstanding, oil prices rebounded towards the end of March as supply concerns emerged after the American Petroleum Institute reported a larger-than-expected drop in U.S. oil inventories while additional sanctions were imposed on Venezuelan and Iranian crude. Oil traded at \$74.74/bbl. to close the first quarter.

The following graph shows the movement of oil prices over the period March 2024 to March 2025.

Graph 1



Gold

Throughout the quarter, gold prices rallied after opening at \$2,624.50 per ounce with geopolitical conflicts, heightened economic uncertainty and increased safe haven sentiment being the main drivers pushing prices upward. A weaker dollar coupled with central banks' increased demand for the safe haven asset also added to gold's price increase. Gold prices closed the quarter after posting steep gains to reach a quarterly high of \$3,123.57 per ounce.

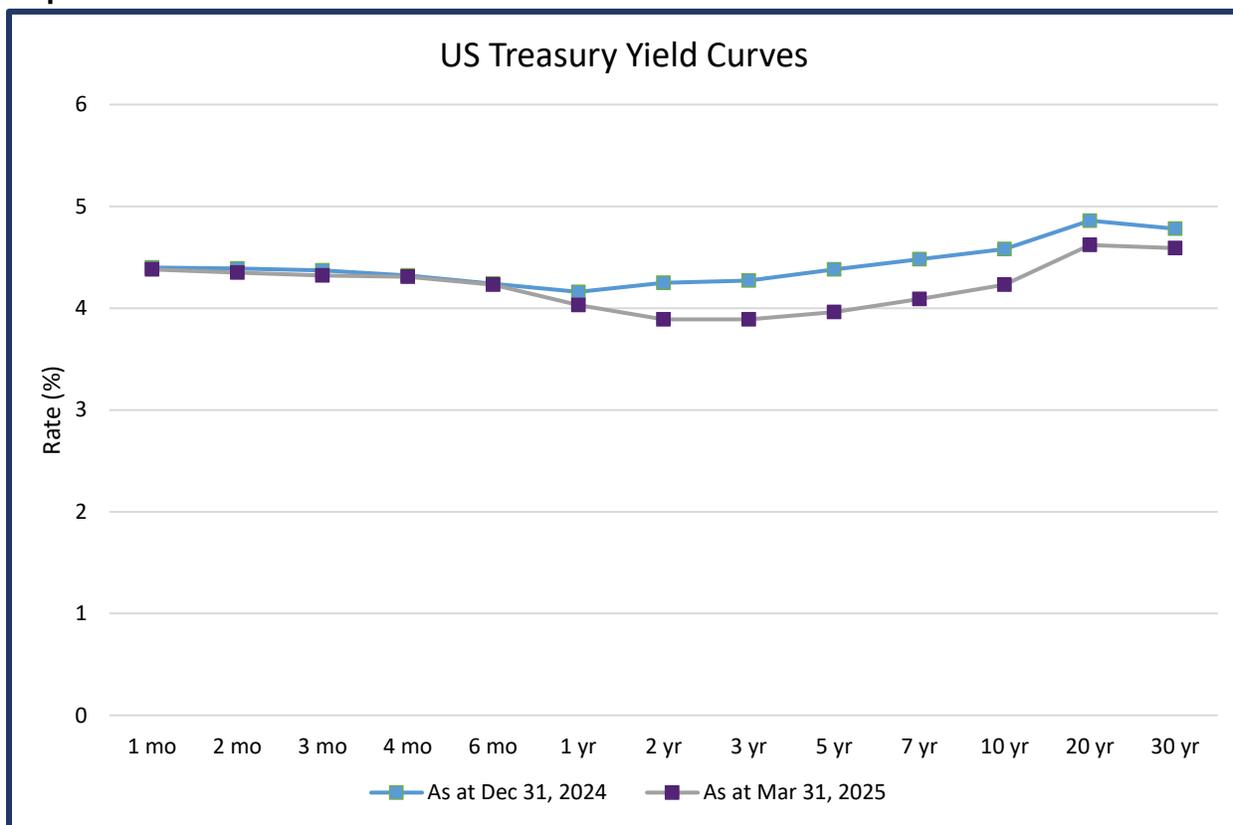
3.2 Global Fixed Income Bonds

During the first quarter of 2025, US bonds acted as a safe haven to investors amid broader market turmoil stemming from low economic activity data. President Trump's decision to announce Tariffs on some of its trade partners, coupled with planned public sector job cuts, could negatively impact US consumers as the Fed lowered its US growth forecast for 2025 to 1.7% from 2.1%. US bond yields fell throughout the quarter, while other global fixed income markets, specifically in the Euro-zone area, saw yields rising due to easing fiscal policy implementation. However, moving towards the end of the first quarter there was a partial reversal of this market weakness as investors turned their focus to the impact of tariffs ahead of US "Liberation Day" as dubbed by President Trump.

The yields of 10-year government bonds generally rose during the quarter with the exception of US bonds. Recessionary concerns and heightened policy uncertainty in the US caused bonds prices to rally over the quarter as yields fell. The US 10-year bond yield moved from 4.57% to 4.16%, the UK's from 4.57% to 4.63%, Spain's from 3.06% to 3.31%, France's from 3.19% to 3.40% and Germany's from 2.36% to 2.68%.

The graph below shows the US Treasury yield curve as at December 31, 2024 and March 31, 2025. Yields across medium to long term maturities have reduced while yields of short term maturities have remained relatively stable. This has resulted in a flattening of the yield curve, almost reverting to its previously corrected inversion.

Graph 2



Corporate bonds

During the quarter, a similar divergence occurred in the corporate bonds market where US dollar denominated bonds outperformed euro bonds in both investment grade and high yield markets. The spreads between US corporate bonds and US treasuries widened to reflect growing investors' concern over economic uncertainty. According to the Bloomberg Global Aggregate Corporate Total Return Index, corporate bonds grew from 274.04 to 283.30.

3.3 Global Equities

US shares fell during the quarter with the information technology and consumer discretionary sectors posting steep losses. Economic uncertainty and fears of a global trade war were key drivers influencing a drop in US equities. Eurozone shares gained to start the quarter but fell towards the end of March as Trump's "Liberation Day"

approached. Gains were capped as markets started pulling back amid worries over the impact of US tariffs. The S&P 500 index went down by 4% while the NASDAQ index fell by 10%.

4.0 LOCAL UPDATES

Since 2015, 47 discoveries have been made offshore Guyana. Forty-one (41) of those discoveries were made at the Stabroek block, 1 at the Kaieteur block, 2 at the Orinduik block, 1 at the Kanuku block and 2 at the Corentyne block. No new discoveries were made during the quarter.

In the Stabroek block, the Liza Phase 1 Development began production in late 2019 and reached its peak capacity of 120,000 barrels per day (bpd) in December 2020. Production from Liza Phase 2 began in February 2022 and the project reached its full production capacity of 220,000 barrels per day (bpd) in December 2022.

The Government of Guyana announced their approval of the Payara Offshore Development Project on 30th September, 2020, which holds an estimated resource base of approximately 600 million oil-equivalent barrels. Production began in Mid-November 2023 and the Prosperity FPSO reached its peak capacity of 220,000 bpd in the first quarter of 2024. Currently, the Liza Destiny FPSO is reportedly producing above its expected production capacity of 120,000 barrels per day (bpd) while both the Liza Unity and Prosperity FPSOs are also producing above their expected production capacity of 220,000 barrels per day (bpd).

Guyana's fourth Stabroek Block development, the Yellowtail Development project, is approximately 95% complete and should be in Guyana's waters by the second quarter of 2025, according to a recent update from Hess's Chief Executive Officer, John Hess. The FPSO is expected to start production of 250,000 bpd in 2025 taking Guyana's daily production level to approximately 810,000 bpd.

During April 2023, the Government of Guyana approved the Uaru project – Guyana's 5th project approved for development offshore Guyana which is slated for start-up in 2026. The project will add approximately 250,000 bpd to Guyana's daily oil production when operations begin. A sixth development, Project Whiptail, was approved by the

Government of Guyana in mid-April 2024. This project is expected to have a production capacity of 250,000 bpd and is scheduled to be operational by the end of 2027. It is projected that by the end of the decade, Guyana's oil production will increase to more than 1 million bpd.

The Stabroek Block is estimated to contain resources of approximately 11 billion oil-equivalent barrels and is operated by ExxonMobil affiliate Esso Exploration and Production Guyana Limited. They hold a 45% interest in the block, CNOOC Petroleum Guyana Limited holds 25% while Chevron which had acquired Hess Guyana Exploration Ltd. in October 2023 holds the remaining 30%.

In December 2022, the Government of Guyana had launched its first competitive bidding round for 14 of its existing offshore oil blocks; 11 being located in shallow water and 3 in ultra-deepwater. The first bidding round which was expected to conclude in April, 2023, was delayed as the government decided to extend its offshore licensing round beyond its July 2023 deadline to facilitate a review of the country's oil and gas regulatory framework. On September 12, 2023, Guyana's first offshore licensing round was concluded and the country received bids for 8 of its 14 existing oil blocks from 6 groups. To date, a TotalEnergies consortium, including Qatar Energy, and Petronas, are the only group that have been approved for a block by the government.

During the quarter, Guyana lifted five (5) 1-million-barrel (approximate) oil cargoes as its share of profit oil in comparison with nine (9) lifts for the previous quarter. The country is expected to benefit from a total thirty-one (31) lifts for 2025. To date, Guyana has obtained seventy-two (72) lifts of profit oil since the inception of the Fund.

5.0 INVESTMENT MANDATE

The Board of Directors of the Natural Resource Fund at its meeting held on March 28, 2025, conferred its approval to continue with the existing investment mandate for the Fund. It remains mandated that the funds be maintained in the deposit account held at the Federal Reserve Bank of New York earning overnight deposit interest. The Bank of Guyana will continue to monitor the overnight interest rate and related market developments, and inform the Chairman of any key changes to consider the feasibility of redeploying cash. During the quarter, no changes were made to the federal funds target range.

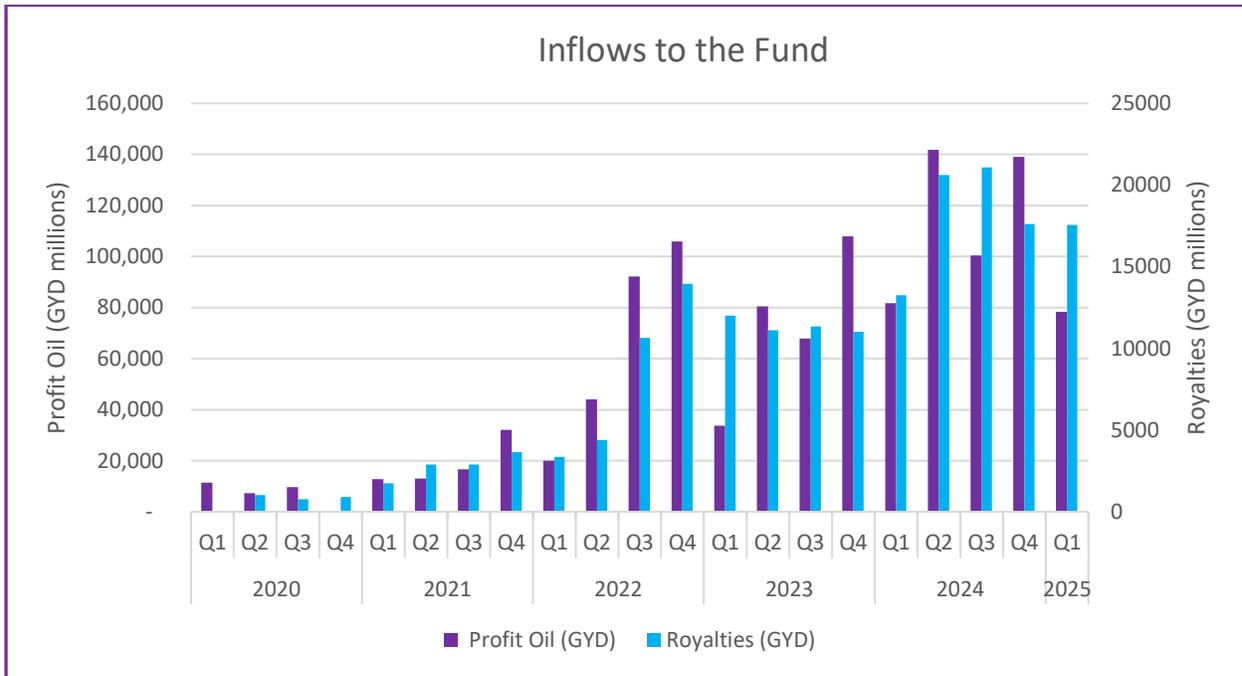
6.0 ACTIVITIES OF THE FUND

6.1 Receipts to the Fund

During the quarter, the Fund accounted for inflows amounting to G\$95,822.40 million (US\$459.58 million) comprising of profit oil - G\$78,273.38 million (US\$375.41 million) and royalties - G\$17,549.02 million (US\$84.17 million) in comparison to G\$138,977.57 million (US\$666.56 million) and G\$17,621.79 million (US\$84.52 million) respectively for the previous quarter. These funds were deposited into the Natural Resource Fund account held at the Federal Reserve Bank of New York.

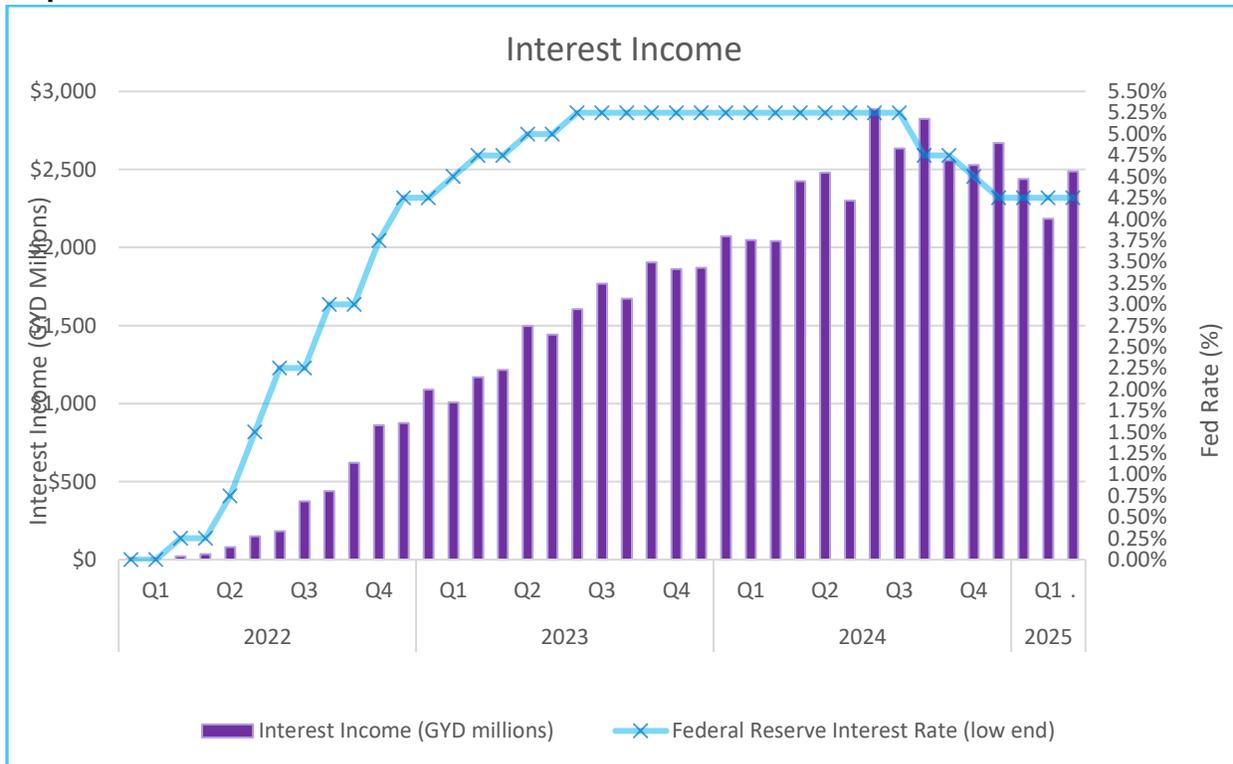
Since its inception, the Fund has accounted for inflows of G\$1,206,144.18 million (US\$5,784.86 million) from 72 lifts of profit oil and G\$181,469.67 million (US\$870.36 million) from royalties (see appendix).

Graph 3



During the quarter, the Federal Reserve maintained its federal funds target range at 4.25% - 4.5%. The Fund earned G\$7,112.07 million (US\$34.11 million) in interest income over the quarter compared to G\$7,756.90 million (US\$37.20 million) the previous quarter. Despite no changes to the interest rate during the quarter, a lower level of interest income was earned due to a reduced account balance compared to the previous quarter.

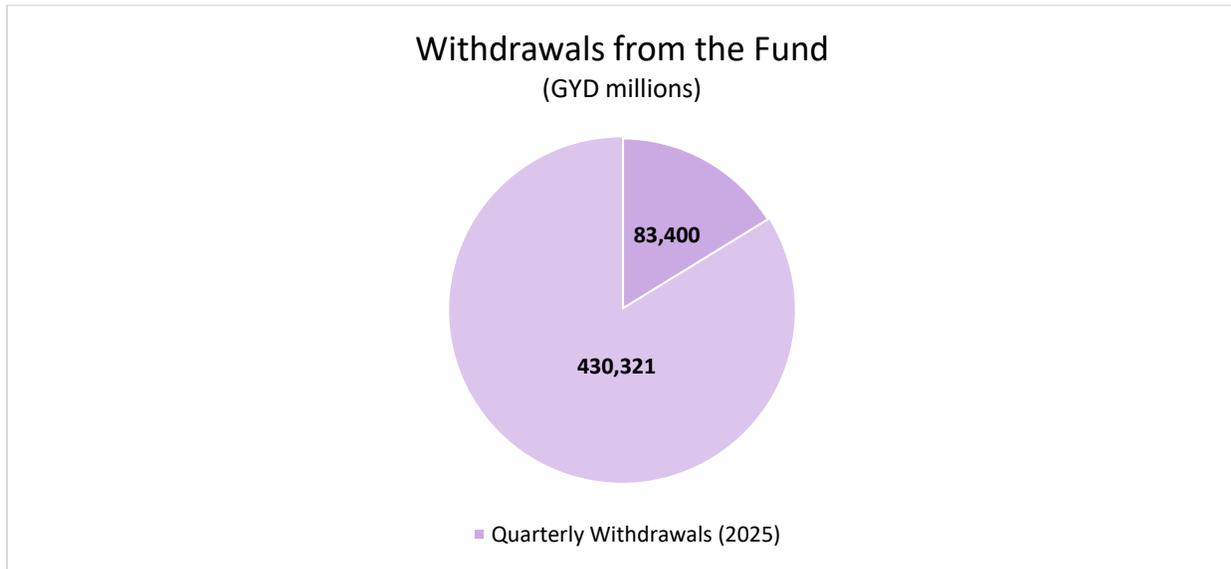
Graph 4



6.2 Transfers to the Consolidated Fund

According to section 16 of the Natural Resource Fund Act 2021, all withdrawals from the Fund shall be deposited into the Consolidated Fund. During the quarter, transfers to the Government of Guyana’s Consolidated Fund account amounted to G\$83,400 million (US\$400 million). To date, a total of G\$83,400 million (US\$400 million) has been transferred from the Fund, accounting for 16.23% of the estimated amount budgeted to be withdrawn in 2025. Since the inception of the Fund, transfers to the Consolidated Fund totalled G\$749,719.47 million (US\$3,595.78 million). (see appendix)

Graph 5



7.0 PORTFOLIO PERFORMANCE

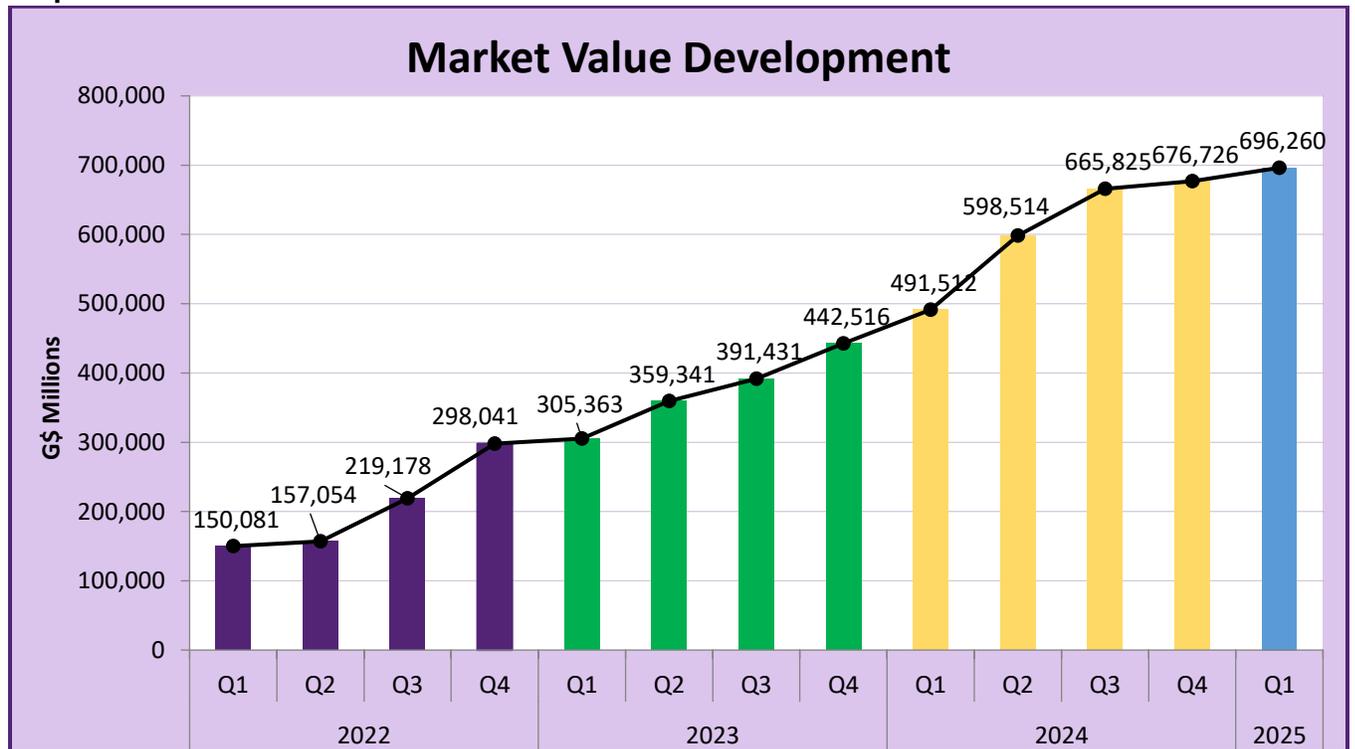
7.1 Market Value of the Fund

The value of the Fund amounted to G\$696,260.04 million (US\$3,339.38 million), a net increase of 2.89% (G\$19,534.47 million or US\$93.69 million) from the previous quarter's level of G\$676,725.57 million (US\$3,245.69 million).

Table 1

Changes in Market Value						G\$'000
	2024			2025		Since Inception
	Q2	Q3	Q4	Q1	YTD	
Starting Market Value	491,511,916	598,513,662	665,825,311	676,725,568	676,725,568	0
Inflows	162,345,933	121,517,574	156,599,360	95,822,402	95,822,402	1,387,613,850
Withdrawals	-62,550,000	-62,550,000	-153,456,000	-83,400,000	-83,400,000	-749,719,467
Interest Income	7,205,813	8,344,075	7,756,897	7,112,071	7,112,071	58,364,665
Capital Gains (Losses)	0	0	0	0	0	993
Admin., management and other costs	0	0	0	0	0	0
Final Market Value	598,513,662	665,825,311	676,725,568	696,260,041	696,260,041	696,260,041

Graph 6



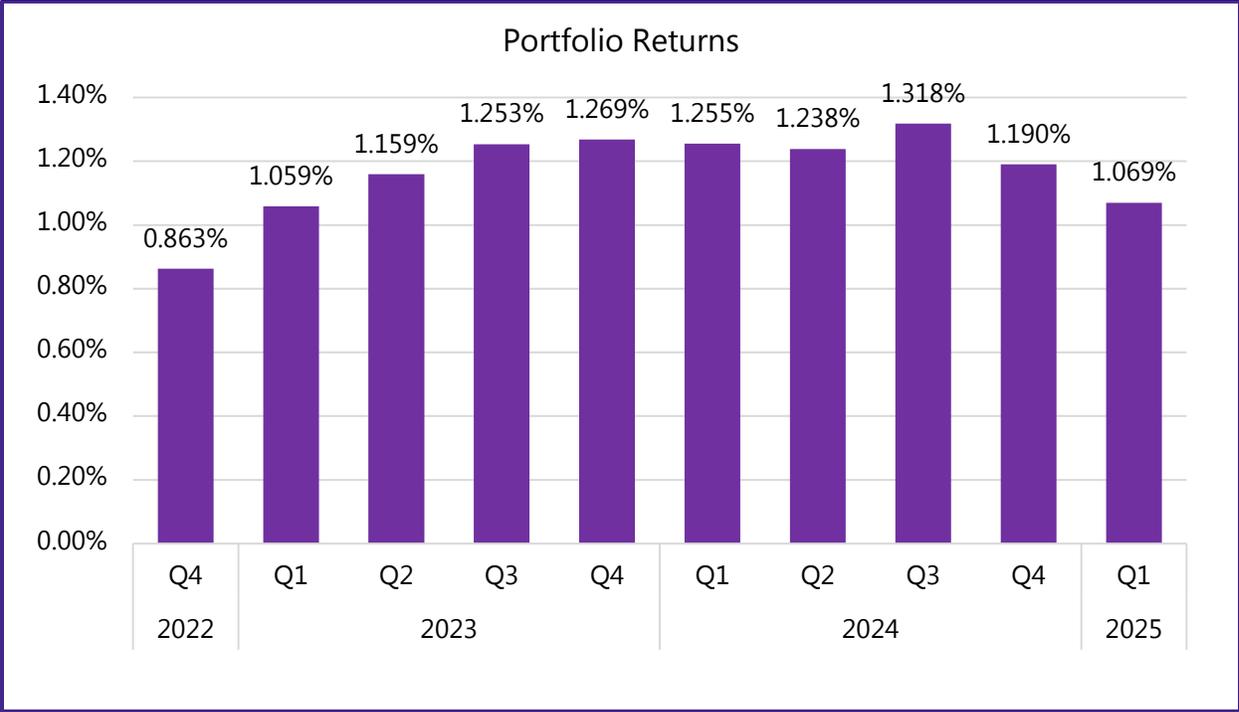
7.2 Performance

The Fund recorded a net return of G\$7,112.07 million (US\$34.11 million) this quarter in comparison with G\$7,756.90 million (US\$37.20 million) for the preceding quarter solely from interest earned on deposits. This resulted in a return¹ of 1.069% for the quarter compared with 1.190% in the previous quarter. The year to date annualized return was calculated at 4.346%. The Fund earned an annualized return of 2.382% since its inception².

Table 2

FUND PORTFOLIO	2024			2025			Since Inception (Annualized)
	Q2	Q3	Q4	Q1	YTD	YTD (Annualized)	
Return	1.238%	1.318%	1.190%	1.069%	1.069%	4.346%	2.382%
Benchmark	-	-	-	-	-	-	-
Excess	-	-	-	-	-	-	-

Graph 7



¹ The Fund is not currently tracking an index as funds were not invested in securities as at March 31, 2025.

² During the first 2 years of the establishment of the Fund, interest rates were extremely low ranging between 0% to 0.05%.

8.0 FINANCIAL SUMMARY

The following financial information is presented for the purpose of providing a detailed overview of the performance of the Fund. The figures have been audited by the Internal Audit Department of Bank of Guyana.

Table 3

Capital Account		G\$'000	
Period	Q4 - 2024	Q1 - 2025	
Opening Balance at beginning of the period	665,825,311	676,725,568	
Inflows to Fund for the quarter:			
Royalties	17,621,790	17,549,019	
Profit Oil	138,977,570	78,273,383	
Outflows from Fund to Consolidated Fund a/c for the quarter	-153,456,000	-83,400,000	
Net Result for the quarter	7,756,897	7,112,071	
Closing Balance at the end of the quarter	676,725,568	696,260,041	

Table 4

Assets		G\$'000	
Period	Q4 - 2024	Q1 - 2025	
Cash and Cash Equivalents	646,308,956	696,260,041	
Other receivables	30,416,612	0	
Financial Assets held at fair value through profit and loss	0	0	
Less:			
Payables	(0)	(0)	
Total Net Assets	676,725,568	696,260,041	

Table 5

Income	G\$'000	
Period	Q4 - 2024	Q1 - 2025
Interest Income	7,756,897	7,112,071
Other Investment Income	0	0
Net gains/(losses) on market revaluation of financial assets	0	0
Net gains/(losses) on foreign exchange	0	0
Total Investment Income	7,756,897	7,112,071
Expenses		
Management fees	(0)	(0)
Transaction costs	(0)	(0)
Other expenses	(0)	(0)
Total Expenses	(0)	(0)
Net Result for the Quarter	7,756,897	7,112,071

9.0 APPENDIX

The following table shows the receipts of profit oil and royalties to the Natural Resource Fund since its inception.

Table 6

Inflows to the Natural Resource Fund					
Date	Profit Oil (USD)			Royalties (USD)	Total Inflows to Date (USD)
	Liza Destiny	Liza Unity	Prosperity		
11-Mar-2020	54,927,994.80				54,927,994.80
28-Apr-2020				4,919,505.30	59,847,500.10
9-Jun-2020	35,063,582.06				94,911,082.16
3-Aug-2020				3,698,152.63	98,609,234.79
24-Aug-2020	46,046,937.03				144,656,171.82
19-Oct-2020				4,304,275.30	148,960,447.12
11-Jan-2021	49,341,810.55				198,302,257.67
20-Jan-2021				8,332,957.12	206,635,214.79
3-Mar-2021	50.00				206,635,264.79
9-Mar-2021	61,021,098.64				267,656,363.43
20-Apr-2021				13,869,099.18	281,525,462.61
14-May-2021	62,617,616.23				344,143,078.84
23-Jul-2021				12,301,462.65	356,444,541.49
28-Jul-2021	79,617,561.87				436,062,103.36
22-Oct-2021	80,373,718.56				516,435,821.92
26-Oct-2021				17,492,005.29	533,927,827.21
24-Dec-2021	73,582,168.11				607,509,995.32
27-Jan-2022				16,087,959.27	623,597,954.59
28-Feb-2022	95,928,020.91				719,525,975.50
28-Apr-2022				21,059,488.63	740,585,464.13
25-May-2022		102,548,225.10			843,133,689.23
2-Jun-2022	108,556,874.23				951,690,563.46
20-Jul-2022		122,973,502.40			1,074,664,065.86
27-Jul-2022	117,445,452.90			51,060,711.00	1,243,170,229.76
29-Aug-2022		102,543,769.89			1,345,713,999.65
13-Sep-2022	99,161,132.32				1,444,875,131.97
7-Oct-2022		88,996,551.12			1,533,871,683.09
25-Oct-2022				66,947,083.73	1,600,818,766.82
7-Nov-2022	89,149,227.73				1,689,967,994.55
14-Nov-2022		87,993,773.93			1,777,961,768.48
30-Dec-2022		83,808,725.98			1,861,770,494.46
3-Jan-2023	82,612,294.01				1,944,382,788.47
23-Jan-2023		75,074,493.46			2,019,457,281.93
30-Jan-2023				57,591,504.37	2,077,048,786.30
16-Feb-2023	82,248,712.42				2,159,297,498.72
20-Mar-2023		79,613,822.68			2,238,911,321.40
10-Apr-2023	74,054,727.58	74,216,496.21			2,387,182,545.19
28-Apr-2023				53,256,878.46	2,440,439,423.65
10-May-2023		87,145,733.95			2,527,585,157.60
14-Jun-2023	74,729,733.63				2,602,314,891.23
16-Jun-2023		75,546,324.85			2,677,861,216.08

20-Jul-2023		73,773,346.19			2,751,634,562.27
28-Jul-2023				54,436,683.89	2,806,071,246.16
7-Aug-2023	81,786,204.95				2,887,857,451.11
23-Aug-2023		84,436,660.87			2,972,294,111.98
20-Sep-2023		85,277,583.54			3,057,571,695.52
13-Oct-2023	96,031,133.77				3,153,602,829.29
23-Oct-2023		96,959,767.23			3,250,562,596.52
30-Oct-2023				52,805,908.09	3,303,368,504.61
28-Nov-2023		90,027,503.19			3,393,396,007.80
1-Dec-2023		235,507.07			3,393,631,514.87
5-Dec-2023	85,139,327.68				3,478,770,842.55
2-Jan-2024		73,573,471.27			3,552,344,313.82
29-Jan-2024				63,599,266.12	3,615,943,579.94
2-Feb-2024	76,535,681.54		73,135,955.04		3,765,615,216.52
15-Feb-2024		75,333,318.77			3,840,948,535.29
6-Mar-2024		81,660,988.38			3,922,609,523.67
8-Mar-2024			78,376,649.09		4,000,986,172.76
25-Mar-2024	82,124,527.93				4,083,110,700.69
8-Apr-2024		83,763,891.80			4,166,874,592.49
12-Apr-2024			82,781,803.20		4,249,656,395.69
29-Apr-2024				98,823,312.69	4,348,479,708.38
14-May-2024	89,647,690.45	89,163,122.96			4,527,290,521.79
23-May-2024			88,316,721.89		4,615,607,243.68
30-May-2024	142.50				4,615,607,386.18
10-Jun-2024		81,634,333.28			4,697,241,719.46
27-Jun-2024	83,732,219.83		80,774,332.65		4,861,748,271.94
17-Jul-2024		81,094,664.66			4,942,842,936.60
26-Jul-2024			86,518,082.52		5,029,361,019.12
29-Jul-2024				101,086,932.17	5,130,447,951.29
29-Aug-2024			79,958,286.66		5,210,406,237.95
4-Sep-2024	79,425,670.00				5,289,831,907.95
9-Sep-2024		78,292,253.79			5,368,124,161.74
30-Sep-2024			76,442,211.22		5,444,566,372.96
10-Oct-2024		75,675,448.51			5,520,241,821.47
28-Oct-2024			75,706,606.72		5,595,948,428.19
30-Oct-2024				84,516,977.06	5,680,465,405.25
6-Nov-2024		76,154,720.62			5,756,620,125.87
8-Nov-2024	74,600,188.00				5,831,220,313.87
29-Nov-2024			74,280,478.75		5,905,500,792.62
6-Dec-2024		72,856,305.40			5,978,357,098.02
30-Dec-2024	71,402,311.56				6,049,759,409.58
8-Jan-2025			73,449,623.79		6,123,209,033.37
17-Jan-2025		72,433,406.03			6,195,642,439.40
29-Jan-2025				84,167,953.30	6,279,810,392.70
10-Feb-2025			75,050,672.83		6,354,861,065.53
20-Feb-2025	74,531,835.27				6,429,392,900.80
24-Feb-2025		76,170,155.38			6,505,563,056.18
11-Mar-2025			74,939,735.07		6,580,502,791.25
19-Mar-2025		74,719,510.91			6,655,222,302.16
Total	2,261,435,647.06	2,503,697,379.42	1,019,731,159.43	870,358,116.25	6,655,222,302.16

The table below shows a breakdown of total outflows from the Natural Resource Fund since its inception.

Table 7

Withdrawals from the Natural Resource Fund		
Date	Amount (USD)	Total
2022		
10-May-22	200,000,000.00	200,000,000.00
12-Jul-22	200,000,000.00	400,000,000.00
09-Dec-22	207,646,570.00	607,646,570.00
2023		
06-Feb-23	200,000,000.00	807,646,570.00
04-May-23	200,000,000.00	1,007,646,570.00
03-Aug-23	100,000,000.00	1,107,646,570.00
06-Sep-23	100,000,000.00	1,207,646,570.00
26-Sep-23	50,000,000.00	1,257,646,570.00
24-Oct-23	100,000,000.00	1,357,646,570.00
24-Nov-23	100,000,000.00	1,457,646,570.00
28-Dec-23	152,130,249.00	1,609,776,819.00
2024		
06-Mar-24	250,000,000.00	1,859,776,819.00
15-May-24	300,000,000.00	2,159,776,819.00
22-Jul-24	300,000,000.00	2,459,776,819.00
01-Oct-24	300,000,000.00	2,759,776,819.00
16-Dec-24	436,000,000.00	3,195,776,819.00
10-Feb-25		
09-Apr-25	400,000,000.00	3,995,776,819.00
Total		3,595,776,819.00

Dated: 16th April, 2025

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 Chief Accountant
 Bank of Guyana

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 Governor
 Bank of Guyana