THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The Directors of the Company, whose names appear on page 5, accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its import. All the directors accept responsibility accordingly.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority ("**Official List**"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM Company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in the Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document.

SERINUS ENERGY PLC

(incorporated in Jersey with registration Number [●])

APPENDIX TO PRE ADMISSION ANNOUNCEMENT

FURTHER INFORMATION ON SERINUS ENERGY PLC IN CONNECTION WITH ITS PROPOSED ADMISSION TO TRADING ON AIM

Nominated Adviser and Joint Broker

Numis Securities Limited

Joint Broker

GMP FirstEnergy

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules for Companies published by the London Stock Exchange for a quoted applicant. It includes, inter alia, all information that is, under these rules, required for an admission document which is not currently publicly available. Information which is public includes, without limitation, all information filed with the Canadian Securities regulatory authority on the system for electronic disclosure and retrieval ("**SEDAR**") (available at www.sedar.com), filed with the system for electronic disclosure by insiders ("**SEDI**") (available at www.sedi.ca), all information filed with the PFSA and/or WSX via the electronic system for providing information (Polish: *Elektroniczny System Przekazywania Informacji*) ("**ESPI**") or the electronic information base (Polish: *Elektroniczna Baza Informacji*) ("**EBI**") administered by WSX (both available at www.gpw.pl/komunikaty), and all information available on the Company's website at www.serinusenergy.com (collectively, the "**Public Record**"). The Public Record can be accessed freely. This Appendix should be read in conjunction with the Schedule 1 Announcement Form made by the Company and the Company's Public Record. This Appendix and the Schedule 1 Announcement Form together constitute the "**Announcement**".

A copy of this Appendix, which is dated [16] April 2018, will be available on the Company's website from [16] April 2018.

Numis Securities Limited ("**Numis**"), which is a member of the London Stock Exchange and authorised and regulated by the Financial Conduct Authority, is acting as Nominated Adviser and, together with First Energy Capital LLP ("**GMP FirstEnergy**") which is a member of the London Stock Exchange and authorised and regulated by the Financial Conduct Authority, as Joint Brokers for the Company in connection with the proposed arrangements described in the Announcement. Numis' responsibilities as the Company's nominated

adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies, are owed to the London Stock Exchange. Numis and GMP FirstEnergy will not be responsible to any other persons for providing protections afforded to clients of Numis or GMP FirstEnergy nor for advising them in relation to the arrangements described in the Announcement.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares and this document is not for distribution in or into the United States, Japan, Australia, the Republic of South Africa or any other jurisdiction where it is unlawful to do so. The Ordinary Shares have not nor will they be registered under the United States Securities Act of 1933 (as amended) (the "**Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Japan or Australia, the Republic of South Africa or Canada and, unless an exemption under such Act or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within the United States, Japan or Australia, the Republic of South Africa or Canada for the account or benefit of any national, resident or citizen thereof. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Based on this document, no Ordinary Shares have been nor will be publicly offered as defined in Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on prospectuses to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the "**Prospectus Directive**") and as implemented in member states of the European Economic Area (the "**EEA**"), including Poland. Any person making or intending to make any offer of Ordinary Shares hereby within any such EEA member state should do so only in circumstances in which no obligation arises for the Company to publish a prospectus.

In relation to each member state of the EEA which has implemented the Prospectus Directive (each a "**Relevant Member State**") the Company has not made and will not make a public offering of securities in that Relevant Member State. For the purposes of this document, the expression "a public offering" in relation to any securities in any Relevant Member State means a communication to a number of persons/entities not lesser than specified in such Relevant Member State's legislation (e.g. in Poland to at least 150 persons or to an unspecified addressee), or to an unspecified addressee if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and the Council amending the Prospectus Directive, in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

No public offering of Ordinary Shares has been made in any Relevant Member State. No public offering of the Ordinary Shares in any Relevant Member State may be conducted prior to the publication of a prospectus in relation to such Ordinary Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of Ordinary Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State: (i) to European Qualified Investors; (ii) to fewer than 100 natural or legal persons, or fewer than 150 natural or legal persons if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and the Council amending the Prospectus Directive; or (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

An investment in the Company may not be suitable for all recipients of this document. Any such investment is speculative and involves a high degree of risk. Prospective investors should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn in particular to the risk factors referred to in paragraph 5.3 of this document.

This document contains forward looking statements. These statements relate to the Company's future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and

phrases, including without limitation, statements containing the words "believe", "anticipated", "expected", "could", "envisage", "estimate", "may" or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors" set out in the Company's latest annual information form and other continuous disclosure documents filed on SEDAR at www.sedar.com and ESPI at www.gpw.pl/komunikaty. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward looking statements in this document to reflect events or developments except as may be otherwise required by applicable securities laws.

Application has been made to the Jersey Financial Services Commission (the "**Commission**") to give, and not withdraw its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of shares by the Company upon the Continuance becoming effective. A copy of this document has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Company (General Provisions) (Jersey) Order 2002 and the Company has requested the registrar to give and not withdraw, its consent to its circulation upon the Continuance becoming effective. It must be distinctly understood that, in giving these consents should they be given, neither the Jersey registrar of companies nor the Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

CONTENTS

Page number

DEFINITIONS

"**ABCA**"	the Alberta Business Corporations Act 1990, as amended from time to time;
"**Admission**"	the admission of the issued and to be issued shares in the capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"**AIM**"	the market of that name operated by the London Stock Exchange;
"**AIM Application**"	the application to be made to the London Stock Exchange for Admission in the form specified by the AIM Rules for Companies;
"**AIM Guidance Note**"	the AIM Guidance Note for Mining, Oil and Gas Companies published by the London Stock Exchange from time to time;
"**AIM Rules for Companies**"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"**AIM Rules for Nominated Advisers**"	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
"**Amalgamation**"	has the meaning as set out in paragraph 1.2 of this Appendix and, where the context requires, includes the continuance into Jersey referred in the same clause;
"**Announcement**"	the announcement pursuant to Schedule 1 of the AIM Rules for Companies to which this Appendix is attached;
"**Appendix**"	this document;
"**Articles**"	the articles of association of the Company as amended from time to time;
"**Board**" or "**Directors**"	the directors of the Company whose names are set out on page 5 of this document;
"**Brokers**" or "**Joint Brokers**"	Numis and GMP FirstEnergy jointly as Brokers (as such term is defined under the AIM Rules for Companies) of the Company and "Broker" shall be construed as any one of them;
"**C$**" and "**$**"	Canadian dollars, the lawful currency of Canada;
"**Canadian Tax Act**"	the Income Tax Act (Canada);
"**Canada –UK Treaty**"	the Canada-United Kingdom Income Tax Convention;
"**City Code**"	the City Code on Takeovers and Mergers as amended from time to time;
"**CJL**"	the Companies (Jersey) Law 1991, as amended from time to time;
"**Code**"	the Company's Code of Business Conduct and Ethics;
"**Code Group**"	the EU Code of Conduct Group on Business Taxation;

"**Company**" or "**Serinus**"	Serinus Energy Plc, a public company incorporated under the laws of Jersey with registered number [●] and whose registered office is at c/o Minerva Trust & Corporate Services Limited The Le Gallais Building, 54 Bath Street, St Helier Jersey JE1 8SB;
"**Competent Person**"	RPS Energy Canada Ltd;
"**Continuance**"	the legal continuance of Serinus Energy Inc. from under the laws of Alberta, Canada to under the laws of Jersey, Channel Islands and the accompanying name change of Serinus Energy Inc. to Serinus Energy plc;
"**CREST**"	the computer system (as defined in the CREST Regulations) in respect of which Euroclear is the recognized operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
"**CREST Regulations**"	The Companies (Uncertified Securities) (Jersey) Order 1999;
"**CUSIP**"	Committee on Uniform Securities Identification Procedures;
"**EBRD**"	the European Bank of Reconstruction and Development;
"**Euroclear**"	Euroclear UK & Ireland Limited, the operator of CREST;
"**FCA**"	the Financial Conduct Authority of the UK;
"**FSMA**"	the Financial Services and Markets Act 2000 as amended from time to time;
"**GMP FirstEnergy**"	FirstEnergy Capital LLP;
"**Group**"	the Company and its subsidiaries as set out at paragraph 1.9 of this Appendix;
"**gross dividend**"	has the meaning attributed to it in paragraph 18.3;
"**HMRC**"	Her Majesty's Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise);
"ISIN"	International Securities Identification Number;
"Jersey"	the Bailiwick of Jersey;
"Jersey Companies Law"	the Companies (Jersey) Law 1991, as amended from time to time;
"JFSC"	the Jersey Financial Services Commission;
"**London Stock Exchange**"	London Stock Exchange plc;
"**MAR**"	Market Abuse Regulation (EU) No 596/2014 including its UK and/or Polish implementing legislation from time to time;
"**MCT**"	together, McCarthy Tétrault, Registered Foreign Lawyers & Solicitors (English counsel to the Company) and McCarthy Tétrault LLP (Canadian counsel to the Company);

"**NAMR**"	the National Agency for Mineral Resources, the government body regulating petroleum and mineral resources in Romania;
"**Nominated Adviser**"	the Nominated Adviser (as such term is defined under the AIM Rules for Companies) of the Company;
"**NRF**"	Norton Rose Fulbright LLP, counsel to the Nominated Advisor and the Brokers;
"**NI 58-101**"	National Instrument 58-101 - *Disclosure of Corporate Governance Practices*;
"**NI 62-104**"	National Instrument 62 104 – *Take-Over Bids and Issuer Bids*
"**Nominated Advisor and Broker Agreement**"	the agreement dated [●] between (1) the Company and (2) Numis, details of which are set out in paragraph 20.1 of this Appendix;
"**Non-Canadian Holder**"	has the meaning attributed to it in paragraph 19.1;
"**NP 58-201**"	National Policy 58-201 - *Corporate Governance Guidelines*;
"**Numis**"	Numis Securities Limited;
"**Options**"	the Company's issued and outstanding Share options as at [●] 2018, being latest practicable date prior to the Announcement, comprising 9,172,000 options in aggregate;
"**Ordinary Share**"	an ordinary share of no par value in the capital of Company;
"**Polish Counsel**"	T. Studnicki, K. Płeszka, Z. Ćwiakalski, J. Górski sp.k., Polish counsel to the Company;
"**Provinces**"	Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland in Canada;
"**Romanian Counsel**"	Arcliffe LLP, Romanian counsel to the Company;
"**SDRT**"	the UK Stamp Duty and Stamp Duty Reserve Tax;
"**Securities Commission**"	the securities commission or other securities regulatory authority of the applicable jurisdiction or jurisdictions in Canada collectively;
"**Securities Laws**"	securities legislation and regulations of, and the instruments policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the TSX) of, the applicable jurisdiction or jurisdictions in Canada collectively;
"**Shares**"	150,652,138 Ordinary Shares in issue prior to Admission;
"**Shareholders**"	the holders of shares in the capital of the Company from time to time;
"**STIP**"	the Company's short term incentive plan adopted by the Board and the Compensation and Corporate Governance Committee on 13 May 2014

"**Stock Option Plan**"	the Company's share option plan adopted on 30 November 1994 and re-approved by Shareholders on 18 July 2016;
"**TSX**"	the Toronto Stock Exchange;
"**TSX Company Manual**"	the requirements set out by the TSX relating to listed companies referred to in paragraph 10 of this Appendix;
"**UK Companies Act**"	the Companies Act 2006, as amended from time to time;
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland;
"**uncertificated**" or in "**uncertificated form**"	recorded on the relevant register of the uncertificated share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"**VAT**"	value added tax chargeable under the Value Added Tax Act 1994 (as amended from time to time);
"**Winstar"**	Winstar Resources Ltd;
"**WSX**"	the Warsaw Stock Exchange (Polish: Giełda Papierów Wartościowych w Warszawie S.A.);
"**£**"	means pounds sterling, the lawful currency of the United Kingdom;
"**US$**"	means American dollar, the lawful currency of the United States of America; and
"**€**"	means euro, the lawful currency of the member states of the European Union that adopt the single currency.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Łukasz Rędziniak, *Non-Executive Director Interim Chairman of the Board,* Jeffrey Auld, *Chief Executive Officer* Tracy Heck[1], *Chief Financial Officer* Dawid Jakubowicz, *Non-Executive Director* Dominik Libicki, *Non-Executive Director* Eleanor Barker, *Non-Executive Director* James Causgrove, *Non-Executive Director* Evgenij Iorich, *Non-Executive Director*
Company Secretary	Minerva Trust & Corporate Services Limited
Registered Office and trading address	C/o Minerva Trust & Corporate Services Limited The Le Gallais Building 54 Bath Street St Helier Jersey JE1 8SB
Company website	www.serinusenergy.com
Nominated Adviser and Joint Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Joint Broker	GMP FirstEnergy 85 London Wall London EC2M 7AD
Competent Person	RPS Energy Canada Ltd Suite 600 555-4th Avenue S.W. Calgary, Alberta T2P 3E7
English Solicitors to the Company	McCarthy Tétrault, Registered Foreign Lawyers & Solicitors 26th Floor 125 Old Broad Street London EC2N 1AR
Canadian Solicitors to the Company	McCarthy Tétrault LLP PO Box 48, Suite 5300 Toronto-Dominion Bank Tower Toronto, Alberta M5K 1E6
Jersey Solicitors to the Company	Mourant Ozannes 22 Grenville Street St Helier Jersey JE4 8PX

1 Tracy Heck is a proposed executive director and is expected to join the Board at or before Admission.

Polish Solicitors to the Company	T. Studnicki, K. Płeszka, Z. Ćwiąkalski, J. Górski sp.k. Oddział w Warszawie ul. Złota 59, 00-120 Warsaw, Poland
Romanian Solicitors to the Company	Arcliffe LLP 240 Calea Floreasca, Ethos House, 3rd floor 2nd district Bucharest, Romania, 014475
Tunisian Solicitors to the Company	Ferchiou & Associes Avocats & Conseils Juridiques 34, Place du 14 janvier 2011 1001 Tunis Tunisia
UK Solicitors to Joint Brokers and Nominated Advisor	Norton Rose Fulbright 3 More London Riverside London SE1 2AQ
Auditors	KPMG LLP 205 5th Avenue SW Suite 3100 Calgary AB T2P 4B9

EXPECTED TIMETABLE

All references to time in this document and in the expected timetable are to the time in London, United Kingdom, unless otherwise stated. Each of the times and dates in the table below are indicative only and may be subject to change.

Publication of this Announcement	[●] 2018
Admission effective	[●] 2018

SHARE CAPITAL

Issued Share Capital at Admission (assuming no Options are exercised in the period up to Admission)	[●] Shares
AIM Symbol	SENX
TSX Symbol	SEN
WSX Symbol	SEN
WSX/AIM ISIN Code	[●]
AIM SEDOL Number	[●]

1. INTRODUCTION

The Company

1.1 The Company is an international upstream oil and gas exploration and production corporation with a diversified asset base. Its principal assets are located in Romania (development phase) and Tunisia (production phase).

1.2 The Company was incorporated pursuant to the provisions of the ABCA on 16 March 1987 as Titan Diversified Holdings Ltd. On 18 August 1997, the Company changed its name to Loon Energy Inc. On 10 December 2008, pursuant to a court approved plan of arrangement, the Company completed a reorganisation which resulted in, among others (a) the spin out of the Company's South American assets into an entity called Loon Energy Corporation, and (b) change of name to Kulczyk Oil Ventures Inc. On 24 June 2013, pursuant to a court approved plan of arrangement, the Company completed its acquisition of Winstar Resources Ltd. ("**Winstar**"), which holds the Company's Tunisian and Romanian assets and changed its name to Serinus Energy Inc.. On 27 June 2013, the Company (as Serinus Energy Inc.) commenced trading on the TSX under trading symbol "SEN". On 1 January 2018, the Company completed a vertical short form amalgamation with Winstar pursuant to section 184(1) of the ABCA.

1.3 On 7 March 2018, a meeting of shareholders of the Company was held pursuant to which Shareholders approved, by way of special resolution, the continuance of the Company under the laws of the province of Alberta, Canada to the laws of Jersey, Channel Islands (the "**Continuance**"). The Continuance was approved by the Alberta Registrar on 21 March 2018 and was effective on [●] 2018 following the issuance by the JFSC of a certificate of continuation.

1.4 The process for the Continuance is more particularly described in the management information circular sent to Shareholders dated 5 February 2018.

1.5 78,629,941 of the Company's Shares have also been admitted to trading on the WSX and are currently trading under the symbol "SEN". Shortly after Admission, the Company plans to delist from the facilities of the TSX but maintain its listing on the WSX. The maximum number of the Company's Shares which can be traded on the WSX is 78,629,941 (the "**Warsaw Shares**"), since the remaining number of the Company's Shares have not been admitted to trading on the WSX. As at the date hereof, the Company does not plan to admit a greater number of the Company's Shares to trading on the WSX.

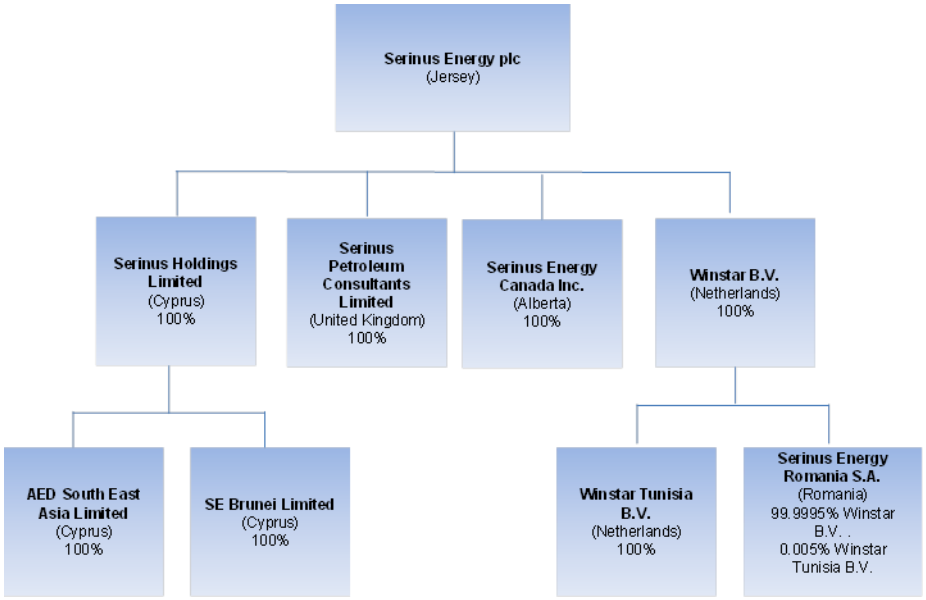
1.6 The Company has four direct wholly-owned subsidiaries, Winstar B.V., Serinus Holdings Limited, Serinus Consultants Petroleum Limited and Serinus Energy Canada Inc.. Serinus Energy Canada Inc. was incorporated on 29 March 2018 pursuant to the provisions of the ABCA. All of the Company's rights, title and interest in 11 employees based in the Calgary office and the Calgary head office lease will be conveyed to Serinus Energy Canada Inc. pursuant to a conveyance agreement.

1.7 Winstar B.V. owns 100% of Winstar Tunisia B.V. and 99.9995% of Serinus Energy Romania S.A. Winstar Tunisia owns the remaining 0.0005% of Winstar Romania.

1.8 The Company is a reporting issuer in the Provinces.

Group Structure

1.9 The Group structure as at the date of this document is as follows:



2. BUSINESS STRATEGY FOLLOWING ADMISSION

The Company's strategy is to focus on its assets in Romania as the impetus for growth over the next several years. The Moftinu gas development project is a near-term project that is expected to begin producing from the gas discovery well Moftinu-1000 and the planned Moftinu-1007 in late Q2 2018. The Company signed an engineering, procurement and construction and commissioning contract on 9 May, 2017 and construction of a gas plant with 15 MMcf/d of operational capacity is progressing with expected first gas production late Q2 2018.

The Company is also progressing its drilling program to meet work commitments for the extension to October 2019 and plans to drill three additional development wells (Moftinu-1003 and Moftinu-1004 and Moftinu-1007). The Company sees potential production from these wells being able to bring the gas plant to full capacity by late 2018.

In Tunisia, the Company is currently focusing on improving production from Sabria following the shut-in and plans to focus on carrying out low cost incremental work programs to increase production from existing wells, including the Sabria N-2 re-entry and installing artificial lift on another Sabria well, having determined that production at its oil field can be restarted in a safe and secure environment with sufficient comfort that there will be no further production disruptions for the foreseeable future. The Company views Sabria as a large development opportunity longer term.

The Company is evaluating the restart of production from the Chouech Es Saida field including timing and costs to replace the electric submersible pump for the CS-3 well and CS-1 well.

The Company views the level of activity pursued in Tunisia as dependent on the following thresholds being achieved and maintained. In terms of oil prices, incremental vertical wells become economic at Brent oil prices of ~$45/bbl, with potential multi-leg horizontal wells lowering the threshold to below $30/bbl in Sabria. The current capacity of surface facilities would only allow for 1 to 3 incremental wells for each of Sabria and Chouech Es Saida/Ech Chouech. As well for Chouech Es Saida/Ech Chouech, the STEG El Borma gas plant is nearly at its effective capacity. Further gas developments from this concession may have to be delayed until the completion of the Nawara Pipeline for material gas pipeline capacity to come online.

3. ROMANIAN OPERATIONS

3.1 The Company, through its indirect wholly owned subsidiary Serinus Energy Romania S.A. currently holds a 60% interest in the Satu Mare Concession, which expires on 2 September 2034 (the "**Satu Mare Concession**"). The holder of the remaining 40% interest has acknowledged that they are unable to participate in future phases under the Concession. However, they are currently in a tax dispute with the government of Romania the results of which are a protective seizure of the partner's interest in Romania. Under the conditions of this protective seizure, by the Romanian fiscal authorities, the holder of the 40% interest in the Satu Mare Concession is restricted from transferring this interest without consent.

3.2 The Satu Mare Concession is one of the largest exploration blocks in Romania covering 729,000 gross acres and bordering Hungary and the Ukraine. The Satu Mare Concession lies on a prolific oil and gas trend in the Eastern Pannonian Basin. It possess a wealth of different plays that are actively producing along the same trend, including shallow amplitude-supported gas reservoirs, conventional siliciclastic oil reservoirs and fractured basement oil and gas reservoirs.

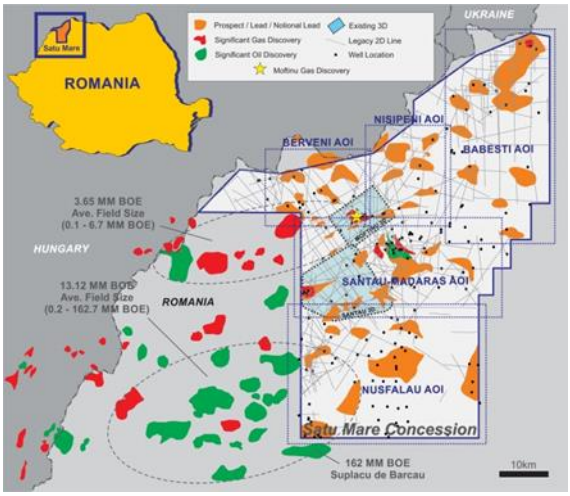
3.3 The Satu Mare Concession is on trend with numerous commercial oil and gas fields. There are four areas of interest for future exploration and development, prioritised as follows:

- Berveni AOI which possesses near-term exploration and development potential from shallow amplitude supported gas plays;

- Santau-Madaras AOI, which represents near- to medium-term exploration potential in stratigraphic and structural traps with previously uncommercialized oil discoveries;

- Nusfalau AOI, which is a long-term exploration opportunity for large accumulations of stratigraphically trapped oil, similar to Suplacu de Barcau (162 million barrels of oil equivalent recoverable); and

- Babesti AOI, which is a long-term exploration opportunity for large gas accumulations in deep stratigraphic and structural traps.



Source: IHS Database 2018

3.4 Effective 28 October 2016, NAMR, the Romanian regulator, granted its final approval for the Phase 3 Extension Addendum for the Satu Mare Concession (the "**Addendum**"). The term is for three years and expires on 28 October 2019. The work obligations pursuant to the extension include the drilling of two wells to minimum depths of 1,000 and 1,600 metres respectively, and, at the Company's option, either the acquisition of 120km^2 of new 3D seismic data or drilling of a third well to a minimum depth of 2,000 metres.

3.5 Serinus Energy Romania S.A. submitted two request to drill applications to NAMR for two additional exploration wells (Moftinu-1003 and Moftinu-1004) on 13 June 2017. NAMR subsequently issued drilling permits for these wells. It is planned that these wells will be drilled in the late second quarter or early third quarter of 2018 and come into production in the third quarter. Drilling of these wells, together with the Moftinu-1007 well, will mean that all work commitments under the Addendum will have been met. With commercial success, production from these wells will be added to the experimental production phase of the Moftinu gas development project (described below).

3.6 The Moftinu gas field was discovered by the Company in 2014 and is the catalyst for future, self-funded growth in the Satu Mare Concession. The Company is currently in the final stages of construction of a 15 MMcf/d gas plant on the field (the " **Moftinu Project**").The Moftinu Project is expected to tie in production from two gas wells (Moftinu-1000 and Moftinu-1007) to the Transgaz national gas pipeline in the third quarter of 2018.

3.7 On 18 December 2017, during a routine operation to prepare the Moftinu-1001 well for future production, an unexpected gas release occurred and subsequently ignited. The well was subsequently safely brought back under control but following a period of evaluation, the Company decided to plug and formally abandon the well. RPS International completed a root cause analysis of the incident and concluded that that the well blow out and resulting fire was due to an error in monitoring the well fluid level during the well kill operation to remove the well head and install the Blow-Out Prevention Unit. In addition, it was noted that due to a delay in installing the Blow-Out Preventer there was no ability to mechanically control the well from the surface, thereby resulting in the blow-out. The Company is currently in the

process of completing its coverage claim with its insurance broker which will cover the cost of drilling, testing and completing a replacement well.

3.8 The Company has since identified a new well location approximately 300 metres north east from the Moftinu-1001 well site and has received emergency approval under Romanian petroleum legislation in order to expedite the drilling and completion of this well (Moftinu-1007 well). NAMR has indicated that they will allow the Moftinu-1007 well to be designated as a commitment well under the Company's Phase III exploration work commitments. It is anticipated that drilling will commence as soon as all other authorisations have been obtained.

3.9 Due to the incident, the Company had to stop work on the construction of the Moftinu Project resulting in the Q1 estimate of the Company of first gas to be revised to late Q2. The Moftinu Project's specifications have not changed as a result of the incident other than the timing of first gas.

4. TUNISIAN OPERATIONS

4.1 The Company, through its wholly owned subsidiary Winstar Tunisia B.V. currently holds five Tunisian concessions that comprise a diverse portfolio of exploration, development and producing assets.

Concession/Permit	Location (within Tunisia)	Working Interest	Expiry Date
Chouech Es Saida (Permit)	South	100%	December 2027
Ech Chouech (Permit)	South	100%	June 2022
Sabria (Concession)	Central West	45%*	November 2028
Zinnia (Concession)	South Central	100%	December 2020
Sanrhar (Concession)	North	100%	December 2021

*ETAP holds the remaining 55% working interest.

The five concessions were acquired as part of the Company's acquisition of Winstar in 2013 and cover 163,640 gross acres from the northern coast on the Mediterranean Sea down to the south near the Algerian border.

Currently only Sabria and Choeuch Es Saida are producing oil and gas. This production can be sustained with low-risk development drilling, with significant growth opportunities over the medium to long term. The Company does not have any outstanding working commitments in relation to any of the five concessions.

Since the acquisition, the Company has generated US$113.5 million of revenue, net of royalties, in aggregate from these assets.

The Tunisian government administers the various licences through the Tunisian State Oil and Gas company, Entreprise Tunisienne d'Activités Pétrolières ("**ETAP**"). ETAP has the right to back into the Chouech Es Saida concession for up to a 50% interest, if and when the cumulative crude oil/condensate sales, net of royalties from the concession exceeds a total 6.5 MMbbl. Current cumulative production was 5.2 MMbbl as at 31 December 2017.

The Company's operations in Tunisia were beset by social issues for the most part of 2017 to date. The Sabria field was shut in on 22 May 2017 and the Choeuch Es Saida field was shut in on 28 February 2017 both due to the social protests over the lack of employment opportunities in Southern Tunisia. An agreement between protestors and the government was achieved by the end of August 2017 and the Company initiated start-up of the Sabria field on 7 September 2017. The field has been brought back onto production and all wells, except for the Win-12bis well, have come back at pre-shut in levels. The Win-12bis well has a history of producing at high water cuts after being shut in, the production from Win-12bis initially decreased by 60% from pre shut-in levels. The well continued to improve steadily through Q4, 2017, but has in Q1, 2018 produced at a more stable rate of approximately 162 boe/d net. The Company continues to monitor the Win12bis well, though it is likely that the Win-12bis well will require a well intervention to improve performance. Production from Sabria in January and February 2018 averaged 393 boe/d. The Chouech Es Saida field remains shut-in and the Company is evaluating the restart of this field in the latter part of 2018.

5. COMPETENT PERSON'S REPORTS

5.1 Two reports were prepared by RPS Energy Canada Ltd (the "**Competent Person**") signed by Brian Weatherill, P.Eng, Reservoir Evaluations Specialist, each dated 5 April 2018 evaluating the reserves of Winstar Tunisia B.V. and resources of Serinus Energy Romania S.A. as of 31 December 2017 (the "**Competent Person's Reports**"). A summary of the key findings of the Competent Person's Reports is appended to the Company's annual information form for the year ended 31 December 2017, titled *'Statement of Reserves Data and Other Oil and Gas Information for the year ended December 31, 2017'* (and has been prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities) (the "**Form 51-101**"). The Company has confirmed to the Competent Person *that there has been no material change of circumstances or available information since* 31 December 2017 and 29 March 2018, being the date of the Form 51-101. The full versions of the Competent Person's Reports are available on the Company's website at www.serinusenergy.com.

5.2 To the best of the knowledge and belief of the Competent Person (who has taken all reasonable care to ensure that such is the case) the information contained in the Competent Person's Reports is in accordance with the facts, and does not omit anything likely to affect the import of such information, other than as set out in the Public Record.

5.3 The competent persons report dated 27 November 2017, effective as of 30 September 2017 and entitled '*Competent Persons Report, Tunisian and Romanian Properties of Serinus Energy as at 30 September 2017*' prepared by the Competent Person has not been used as it has been superseded in its entirety by the Competent Person's Reports.

6. RISK FACTORS

6.1 An investment in the Company is highly speculative and involves a high measure of risk. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such an investment. There are a number of risks which may have a material and adverse impact on the future operating and financial performance of the Company and the value of the Company's Shares which are set out in the Public Record. If such risks materialize an investor in the Shares could lose all or part of his or her investment. These include risks that are general risks associated with any form of business and, in addition, specific risks associated with the Company's business and its involvement in exploration, development and production in Romania and Tunisia. While most risk factors are largely beyond the control of the Company and its Directors, the Company will seek to mitigate these risks where possible.

6.2 The following discussion summarizes the principal risk factors over and above those otherwise set out in the Public Record that apply to the Company's business (following the Continuance and Admission to AIM) that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Company's Shares that are not otherwise identified by the Competent Person in the Competent Person's Report or set out in the Public Record.

- Risks associated with the process of Continuance

  (a) Suspension of trading of the Warsaw Shares on WSX. In connection with the Continuance and Admission, a new ISIN/CUSIP number will be assigned to the Company's Shares, including the Warsaw Shares. The Company will apply to the WSX to suspend the trading in the Warsaw Shares for a period of 3 business days (the "**Suspension Period**"). There is a risk that during the Suspension Period no orders for trading in the Warsaw Shares shall be accepted or processed by the WSX and any and all orders regarding trading in the Warsaw Shares on the WSX submitted but not executed prior to the Suspension Period shall be cancelled by the WSX. During the Suspension Period no transactions regarding the Warsaw Shares will be concluded on the WSX. Transactions concluded until and including the last business day preceding the Suspension Period shall be settled during the Suspension Period. After the lapse of the suspension period the Warsaw Shares will continue to be traded under a new ISIN.

- Risks associated with the Company's Admission to AIM

  (a) Liquidity of the Ordinary Shares. Notwithstanding that Admission becomes effective and dealings commence in the Ordinary Shares, this should not be taken as implying that there will be a liquid market for the Shares on AIM. An investment in the Shares may thus be difficult to realize on AIM. Investors should be aware that the value of the Company's Shares may be volatile and may go down as well as up. Investors may, on disposing of Shares, realise less than their original investment or may lose their entire investment. The Shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the Shares may not reflect the underlying value of the Company's net assets. The price at which the Shares will be traded and the price at which investors may realise their Shares will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the business sectors in which the Company operates. Such factors could also include the performance of the Company's operations, large purchases or sales of the Shares, liquidity or the absence of liquidity in the Shares, legislative or regulatory changes relating to the business of the Group and general economic conditions.

  (b) Price Volatility. Following Admission, the market price of the Shares could be subject to significant fluctuations due to various factors and events, including any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, developments in the Company's business or its competitors, or to changes in market sentiment towards the Shares. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Company's operating

performance. Any of these events could result in a decline in the market price of the Shares.

(c) Limitations pertaining to trading in the Company's Shares on the WSX. The Company's Shares are listed and posted for trading on the WSX to the limit of 78,629,941 Shares. The Company has not applied and as at the date hereof does not plan to apply for the admission of a greater number of Shares for trading on the WSX. However, due to the fact that the Warsaw Shares admitted for trading on the WSX will have the same ISIN number as all other Ordinary Shares, and as such will be assimilated in the securities settlement systems as a result of such assimilation, the Ordinary Shares admitted to trading on the WSX will not be distinguishable from the remaining Company's Shares. Thus, the total number of the Company's Shares which can be traded on the WSX at any given point in time is 78,629,941. As a consequence of the above, if and when the said limit is reached, there is a risk that some Shareholders would not be able to transfer their Shares to the Polish market in order to trade them on the WSX until the total number of the Ordinary Shares traded on WSX decreases below the said limit (e.g. as a result of some Shareholders' decision to transfer them to AIM).

- Risks Associated with the Company's Jersey Domicile:

(a) Inability to Enforce Legal Rights in Certain Circumstances. The Company is incorporated under the laws of Jersey, however, its Tunisian operations are carried out via a branch of a Dutch incorporated BV. The Company's Romanian operations are carried out via an entity incorporated in Romania. In the event a dispute arises in Romania, Tunisia, the Netherlands or in another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Jersey. Similarly, given that a substantial portion of the Company's assets are located outside of Jersey, investors may have difficulty collecting from the Company or enforcing any judgments obtained outside Jersey in the Jersey courts. In addition, punitive damages in actions brought outside Jersey may be unenforceable in Jersey.

(b) Changes to the Tax Law in Jersey. The rates of taxation in Jersey may change, which could adversely affect the financial prospects of the Company and/or the returns available to Shareholders. Any change in these rates or in Jersey tax legislation could impose a new tax liability or increase an existing tax liability.

(c) Maintenance of Tax Residence in Jersey. In order to ensure the Company does not become tax resident in any jurisdiction other than Jersey, the Company will be required to be controlled and managed in Jersey. The composition of the Board, the place of residence of the individual members of the Board and senior management and the location(s) in which the Board makes decisions will be important in ensuring that the Company does not become tax resident in any jurisdiction other than Jersey. Following the Continuance, the Company must also ensure that management and control decisions are made in Jersey. Failure to maintain tax residence in Jersey could potentially lead to the Company being considered tax resident in a jurisdiction other than Jersey, which in turn could have a material adverse effect on the Company's business, financial condition and prospects and/or operating results.

(d) Uncertainties resulting from the EU Code of Conduct on Business Taxation's determination regarding Jersey. In December 2017 the Code Group determined Jersey to be a cooperative tax jurisdiction and, as such, Jersey was not included on its list of non-co-operative jurisdictions. Jersey has made a written commitment to address, by the end of 2018, concerns identified by the Code Group. To meet its commitment, Jersey may introduce enhanced reporting obligations or make changes to its legislation on economic substance. It is not clear what reporting obligations will be introduced and what legislative changes will be made, or what the effect of them, if any, will be on the Jersey tax status of the Company.

7. INCORPORATION AND EXCHANGE LISTINGS

7.1 The Company was incorporated pursuant to the provisions of the ABCA on 16 March, 1987 as Titan Diversified Holdings Ltd. On 18 August 1997, the Company changed its name to Loon Energy Inc. On 10 December 2008, pursuant to a court approved plan of arrangement, the Company completed a reorganisation which resulted in, among others (a) the spin out of the Company's South American assets into an entity called Loon Energy Corporation, and (b) change of name to Kulczyk Oil Ventures Inc. On 24 June 2013, pursuant to a court approved plan of arrangement, the Company completed its acquisition of Winstar. On 1 January 2018, the Company completed a vertical short form amalgamation with Winstar pursuant to section 184(1) of the ABCA.

7.2 The Company received shareholder approval on 7 March 2018 to continue under the laws of the province of Alberta to the laws of Jersey, Channel Islands, which took effect on [●], 2018 (the "**Continuance**").

7.3 The Company is a reporting issuer in the Provinces.

7.4 The Company (as Serinus Energy Inc) has been listed and its Shares have been admitted and posted for trading on the TSX since 27 June 2013 with CUSIP number 81752K and symbol SEN. The ISIN for the Shares [is/was] CA81752K1057.

7.5 The Company has been listed and its Shares (to the limit of 78,629,941) have been admitted and posted for trading on the WSX with CUSIP number [●] and symbol SEN. The ISIN for such shares [is/was] CA81752K1057.

7.6 In connection with the Continuance, the Company's Shares were issued a new ISIN, number [●] for the purposes of AIM and the WSX.

7.7 The Company confirms that, following due and careful enquiry, it has adhered to the legal and regulatory requirements involved in having the Shares traded on the TSX and the WSX.

7.8 Copies of all documents or announcements which the Company has made public over the last two years (in consequence of being a reporting issuer in the Provinces) are available under the Company's profile on SEDAR at www.sedar.com.

7.9 Copies of all current and periodical reports which the Company has made public as a consequence of its shares being admitted to trading on WSX are available on www.gpw.pl/komunikaty.

8. SHARE CAPITAL

8.1 In accordance with its Articles, the Company is authorised to issue an unlimited number of Shares including preferred shares. As at the date of this document, no preferred shares are

issued or outstanding. The Shares are in registered form, though a portion of the Company's share capital is held beneficially through registered intermediaries.

8.2 As at [●] 2018 (being the latest practicable date prior to the date of the Announcement), the issued share capital of the Company was 150,652,138 Ordinary Shares fully paid.

8.3 The Company is seeking admission to trading on AIM in respect of all such issued and to be issued Shares.

8.4 The issued share capital immediately following Admission (assuming no Options are exercised prior to Admission) will be [●] Ordinary Shares fully paid.

8.5 As at [●] 2018 (being the last practicable date prior to the date of the Announcement) options to acquire an aggregate number of 9,172,000 Ordinary Shares are outstanding, comprising 67,000 US denominated options (weighted average exercise price per option of US$3.53) and 9,105,000 Canadian denominated options (weighted average exercise price per option of C$0.36).

Name of Option holder	**Position**	**Number of Shares issued under options**	**Option Exercise Price (C$/US$)**	**Option Expiration Date**
Jeffrey Auld	Chief Executive Officer	3,500,000	C$0.32	22 September 2023
		1,000,000	C$0.37	31 May 2022
Tracy Heck	Chief Financial Officer	2,750,000	C$0.37	31 May 2022
Calvin Brackman	VP, External Relations & Strategy	750,000	C$0.37	31 May 2022
Alexandra Damascan	Romania President	250,000	C$0.37	31 May 2022
Evgenij Iorich	Non-Executive Director	100,000	C$0.37	31 May 2022
James Causgrove	Non-Executive Director	100,000	C$0.36	20 November 2022
Eleanor Barker	Non-Executive Director	100,000	C$0.37	31 May 2022
Other	Various Employees/former execs	622,000	Various	Various
Total		**9,172,000**		

8.6 The Company does not hold any Shares or treasury shares within the terms of section 725(5) UK Companies Act.

8.7 The Company has no share warrants or restricted share units on issue.

8.8 There are no restrictions on the transfer of Shares under the Articles.

9. MEMORANDUM AND ARTICLES OF INCORPORATION

9.1 The Memorandum

Under the Jersey Companies Law, the capacity of a company incorporated in Jersey is not limited by anything contained in its memorandum or articles of association or by any act of its Shareholders. Accordingly the Memorandum does not limit the objects, powers and/or activities of the Company.

9.2 The Articles

A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to Ordinary Shares, is set out below:

i. Issuance of Shares

Subject to the statutes, (as defined in the Articles as being, in summary, the Jersey Companies Law and orders, regulations and subordinate legislation thereunder) (the "**Statutes**") the Memorandum, the Articles and any resolution of the Company, the Directors may allot (with or without conferring a right of renunciation), grant options over, or otherwise deal with or dispose of in any other way unissued shares or rights to subscribe for or convert any security into shares to such persons, at such times and on such terms as they think proper.

ii. Capital structure

The share capital of the Company comprises only Ordinary Shares having the rights described in the Articles. The Ordinary Shares all rank pari passu.

iii. Alteration of share capital

Subject to the Statutes and if so authorised by special resolution, the Company may consolidate (or consolidate and then divide) all or any of its share capital into shares of a larger nominal amount than its existing shares and sub-divide its shares, or any of them, (whether or not following a consolidation) into shares of a smaller nominal amount than its existing shares. Any resolution authorising the Company to sub-divide its shares or any of them may provide that, as between the shares resulting from such sub-division, any of them may, as compared with the others, have any such preferred, deferred or other rights, or be subject to any such restrictions, as the Company has power to attach to new shares.

Where any difficulty arises as a result of any consolidation or sub-division of shares in the Company, the Directors may settle the same as they consider expedient and, in particular, may make such provision as they think fit for any fractional entitlements which may or would arise, including arrangements under which such fractions are sold.

The Articles do not impose any conditions governing changes in the capital of the Company.

iv. Variation of Rights

Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class may, subject to the Statutes, be varied or abrogated either in such manner (if any) as may be provided by those rights or (in the absence of any such provision) either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any such shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise.

v. Form and transfer of Shares

Ordinary Shares may be held in uncertificated form and uncertificated shares may be transferred otherwise than by a written instrument in accordance with the CREST Regulations and rules of any relevant system (such as CREST). The Directors may refuse to register a transfer of any such share if the transfer is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations, except where to do so would disturb the market in the shares.

Transfers of shares in certificated form may be effected by an instrument of transfer in any usual form or in any other form approved by the Directors. A certificated share may be transferred if the transferor delivers for registration to the registrar's office, (or such other place as the Directors have specified) a properly signed and completed instrument of transfer together with the certificate(s) for the shares to which the transfer relates (or an indemnity in a form satisfactory to the Directors) and such other evidence as the Directors may reasonably require to prove the title of the transferor to make the transfer and the due execution by the transferor or authority of the person executing the transfer on the transferor's behalf.

The Directors may refuse to register the transfer of a share held in certificated form unless the instrument of transfer:

- is signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee;
- identifies the number and class of shares being transferred;
- states the name and address of the transferee;
- relates to one class of shares only;
- is in favour of a single transferee or not more than four joint transferees;
- is duly stamped (if required); and
- the transfer does not constitute a breach of any agreement to which the Company is a party.

In addition, the Directors may refuse to register the transfer of a share which is not fully paid provided that such refusal shall not be exercised so as to disturb the market in those shares.

A transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that share.

vi. Restrictions on voting, distributions and transfer of default shares

The provisions of section 793 of the UK Companies Act are incorporated into the Articles. If a Shareholder or any person appearing to be interested in shares in the Company has been duly served with a notice under the Articles and is in default in supplying to the Company the information thereby required within the period stipulated in such notice (which must not be less than 14 days after the service of such notice), the Board may serve on such Shareholder a notice ("a direction notice") in respect of the shares in relation to which the default occurred ("**default shares**").

A direction notice may direct that the default shares shall not confer on the Shareholder concerned any entitlement to attend or vote or speak, either personally or by proxy, at a general meeting or class meeting of the Company.

Where default shares represent at least 0.25 per cent. (0.25%) of the class of shares concerned (excluding any shares of that class held as treasury shares), a direction notice may direct that:

- the whole or any part of any dividend or other distribution (including shares issued in lieu of a dividend) which would otherwise be payable on the default shares shall be retained by the Company without liability to pay interest or compensation; and/or

- all or any shares which would otherwise be issued by the Company in lieu of a cash dividend or other cash distribution on the default shares shall be withheld from the Shareholder or otherwise retained by the Company (without any liability to pay compensation in respect of such shares if and when they are finally issued or released to the Shareholder); and/or

- no transfer of any certificated default shares shall be registered unless the transfer is an approved transfer; and/or

- subject to the CREST Regulations and the rules, procedures and practices of the relevant system, any computer-based entries in the relevant system relating to the holding of any default shares in uncertificated form be altered so as to divest the holder of such shares of the power to transfer such shares unless the transfer is an approved transfer.

For this purpose, an "approved transfer" is a transfer by the acceptance of a takeover offer or a transfer on sale to a bona fide unconnected third party (including through a sale through a recognised investment exchange in which the Company's share are normally traded).

The terms of a direction notice shall apply as soon as it has been duly served and shall cease to have effect seven (7) days following due compliance, to the reasonable satisfaction of the Directors, with the notice served under the Articles or, if earlier, the transfer of any default shares by an approved transfer, but only in respect of the default shares which are transferred.

vii. Authority to allot and pre-emption rights

Subject to the Jersey Companies Law, the Articles and to any relevant authority of the Company in general meeting required by the Articles, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security

into shares to such persons, at such times and upon such terms as the Board may decide. The Board's ability to allot relevant securities (as defined in the Articles) is restricted by Articles 10.2 and 10.3.

Although the Jersey Companies Law does not provide any statutory pre-emption rights, the Articles provide that when proposing to allot equity securities (as defined in the Articles), the Company must first offer such equity securities to existing Shareholders in proportion to their respective holdings of Ordinary Shares then in issue (i.e. the provisions relating to statutory pre-emption rights under the UK Companies Act have been broadly replicated in the Articles).

Such pre-emption rights shall not apply:

- to shares allotted and issued pursuant to the terms of the Existing Convertible Loan Agreement (as defined in the Articles);
- in the case of bonus shares;
- where the shares to be allotted are or are to be wholly or partly paid otherwise than in cash;
- where the shares are being allotted pursuant to the terms of an employee share scheme (as defined in the Articles); or
- where the pre-emption rights have been dis-applied by way of a special resolution of Shareholders requiring a 75 per cent. majority; or
- to certain allotments of equity securities during the AGM Period (being the period from adoption of the Article until the close of the first annual general meeting of the Company held following adoption of the Articles).

viii. Redemption and conversion

The Company may issue shares which can be redeemed or converted or are liable to be redeemed or converted at the option of the Company or the holder. The Existing Ordinary Shares are not redeemable or convertible.

ix. Participation in profits and assets

Subject to the superior rights of any other class or classes of shares that are, or may be, issued by the Company, the rights and restrictions attaching to the Ordinary Shares as regards participation in the profits and assets of the Company are as follows:

- any profits which the Company or Directors may determine to distribute in respect of any financial year (and any other dividend or other distributions declared by the Company) shall be distributed among the Shareholders pro rata according to the number of shares held by them save that, where a share is not fully paid, dividends and other distributions shall be declared, apportioned and paid on that share in the same proportion as the amount paid up on that share bears to the aggregate issue price of that share during the portion or portions of the period in respect of which the dividend or other distribution is paid (and for these purposes no amount paid up on a share in advance of a call shall be treated as paid up on that share); and

- the capital and assets of the Company on a winding-up shall be applied in repaying to the holders of the Ordinary Shares pro rata to the number of shares held by each Shareholder at the time of the commencement of the winding up. If any share is not fully paid up, that share shall only carry the right to receive a distribution calculated on the basis of the proportion that the amount paid up on that share bears to the issue price of that share.

x. Making and Paying Calls

Subject to the Articles and any terms of allotment of shares, the Directors may require a Shareholder to pay any amount of the issue price of the Shareholder's shares that has not been paid to the Company with at least 14 clear days' notice given to such Shareholder. Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

If the terms of issue of any shares state that an amount becomes payable either on a fixed date or on the occurrence of a particular event or in other specified circumstances, then a call notice need not be given and each Shareholder must pay the amount in accordance with the terms of issue.

If a Shareholder fails to pay any call (or an instalment of a call) in full on or before the call payment date, the Directors may serve a notice in writing on the Shareholder and if a Shareholder fails to comply with the default notice and pay all outstanding call amounts with interest as directed therein, then, subject to the Articles, inter alia:

- the Directors may decide to forfeit any share to which the default notice relates unless the share is subject to a security interest and any forfeited share will be cancelled unless it is sold;

- any dividends and distributions payable in respect of a forfeited share but not paid before the Directors' decision to forfeit the share will also be forfeited; and

- the Directors may sell any forfeited share, or reissue any forfeited share that is cancelled, on any terms the Directors think fit.

xi. Ownership threshold and change of control

The provisions of DTR 5 are deemed to be incorporated by reference into the Articles and accordingly the vote holder and issuer notification rules set out in DTR 5 apply to the Company and each Shareholder for as long as the Company is admitted to AIM.

If the Company determines that a Shareholder has not complied with the provisions of DTR 5 or the Articles with respect to some or all of the shares held by such Shareholder (the "Default Shares"), the Company shall have the right by delivery of notice to that Shareholder (the "Defaulting Holder") (a "Default Notice") to:

- suspend the right of such Defaulting Holder to vote the Default Shares in person or by proxy at any meeting of the Company;

- withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares;

- render ineffective any election to receive shares of the Company instead of cash in respect of any dividend or part thereof; and/or

- prohibit the transfer of any shares of the Company held by the Defaulting Holder except with the consent of the Company or if the Defaulting Holder can provide satisfactory evidence to the Company to the effect that, after due inquiry, such Shareholder has determined that the shares to be transferred are not Default Shares.

Other than the foregoing, the Articles do not prescribe any other ownership threshold above which Shareholder ownership must be disclosed.

There are no provisions in the Articles which are intended to have the effect of delaying, deferring or preventing a change of control of the Company.

xii. General Meetings

Annual general meetings of the Company shall be held in accordance with the Statutes, at such time and place as the Directors may determine. The Directors may convene other general meetings whenever they think fit, and are required to do so if requisitioned by Shareholders in accordance with the Articles and the Statutes. If the Directors fail to convene a general meeting when requisitioned, the meeting may be convened by the requisitionists. Annual general meetings shall be called by not less than 21 clear days' notice in writing, and other general meetings shall be called by not less than 14 clear days' notice in writing.

If the Company has fewer than two Directors and the Director (if any) is unable or unwilling to appoint sufficient Directors to make up a quorum or to call a general meeting to do so, two or more Shareholders may call a general meeting for the purpose of appointing one or more Directors.

The Directors may determine the time, being no more than 48 hours (excluding non-working days) before the time fixed for the meeting, by which a person must be entered on the register of members in order to be entitled to attend or vote at a general meeting.

xiii. Untraced shareholders

The Company shall be entitled to sell, at the best price reasonably obtainable at the time of sale, the shares of a Shareholder or the shares to which a person is entitled by transmission if, during a period of 12 years at least three (3) dividends (whether interim or final) in respect of those shares have become payable and no dividend in respect of those shares during that period has been claimed and within a further period of three (3) months following the date of advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years, the Company, so far as the Directors are aware, has not received any communication from such Shareholder or person (in his capacity as Shareholder or person entitled by transmission). The net proceeds of any such sale shall belong to the Company.

xiv. Voting Rights

On a show of hands, every Shareholder present in person has one vote, each authorised person appointed by a corporate Shareholder has one vote and every proxy present has one vote, unless he has been appointed by more than one Shareholder and has been instructed by one or more of those Shareholders to vote for the resolution

and by one or more others to vote against it, in which case he has one vote for and one vote against the resolution.

In the case of a poll every Shareholder has one vote for every share held by him and his voting rights may be exercised by one or more proxies.

These voting rights are subject to any special rights or restrictions as to entitlement to vote on a particular resolution or at particular meetings imposed by or pursuant to the Articles or attached to any shares. These include, for example, that a person becoming entitled to a share by reason of a transmission event (such as death or bankruptcy) shall not be entitled to vote with respect to those shares before being registered as holder of such shares.

xv. Number of Directors

Unless otherwise determined by the Company by ordinary resolution, the number of directors shall not be less than two (2) but shall not be subject to any maximum number.

xvi. Appointment of Directors

The Company may by ordinary resolution appoint any person who is willing to act and is permitted by law to do so to be a director. Without prejudice thereto, the Directors have power at any time so to do, but so that the total number of directors shall not thereby exceed any maximum number fixed by or in accordance with the Articles. Any person so appointed by the Directors shall hold office only until the conclusion of business at the next annual general meeting.

No person, other than a Director retiring at the meeting, shall be eligible for appointment or re-appointment as a Director at any general meeting unless: (i) he is recommended by the Directors; or (ii) the resolution to propose him is accompanied by notice in writing signed by a Shareholder other than the nominee, containing specified information about the nominee and notifying the Shareholder's intention to propose him for appointment, together with a notice signed by the nominee of his willingness to be appointed.

xvii. Disqualification and Removal of Directors

A Director shall cease to be a Director on the happening of any of the following events:

- he becomes prohibited by law from acting as a Director, or shall cease to be a Director by virtue of any provision of the Statutes;
- he resigns or offers to resign and the Directors resolve to accept such offer;
- having been appointed for a fixed term, the term expires;
- he has a bankruptcy order made against him or settles or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 under that Act or any similar order, arrangement or composition is made in any jurisdiction outside the United Kingdom;

- he becomes incapable by reason of illness or injury of managing and administering his property and affairs and the Directors resolve that his office be vacated;

- he and his alternate (if any) are absent from meetings of the Directors for the greater of six (6) consecutive months and six (6) consecutive meetings without the consent of the Directors and the Directors resolve that his office be vacated;

- having retired pursuant to the Articles, he is not re-appointed as a Director;

- he is removed from office as a Director by notice in writing signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company or otherwise;

- he is removed from office by ordinary resolution.

xviii. Retirement of Directors

At the first annual general meeting of the Company, all the Directors shall retire from office and at every subsequent annual general meeting the following Directors shall retire and shall be eligible for re-appointment:

- any Director who has been appointed by the Directors since the last annual general meeting; and

- any Director who was not appointed or re-appointed at one (1) of the two (2) preceding annual general meetings.

xix. No Share Qualification

A Director is not required to hold any shares in the Company. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings and class meetings.

xx. Remuneration of Directors and expenses

Remuneration paid to the Directors for their services as officers of the Company shall be such aggregate amount as the Directors shall decide, and shall accrue daily. Any such remuneration shall be distinct from any salary, remuneration or other amounts payable to the Director pursuant to any other provision of the Articles or any service agreement between the Company or any associated company and the relevant Director.

Any Director who performs services which, in the opinion of the Directors, go outside of the scope of the ordinary duties of a Director, may be paid such additional remuneration and may receive such other benefits as the Directors or the remuneration committee may determine.

The Company may also pay or repay to any Director all travelling, hotel and other expenses reasonably and properly incurred in attending and returning from meetings

of the Directors or any committee of the Directors or general meetings of the Company or otherwise incurred in connection with the business of the Company.

The Directors may establish and/or contribute to any pension, retirement or superannuation scheme or fund and may pay or agree to pay pension, retirement, superannuation benefits, annuities and other emoluments to (or to any person in respect of) any person who is or was at the time a director or officer or employee of the Company or any associated company, for his benefit or for the benefit of any member of his family. The Directors may also establish and/or contribute to any death and/or disability scheme for the benefit of any person who is or was at the time a director or officer or employee of the Company or any associated company or for the benefit of any member of his family.

xxi. Permitted Interests of Directors

Subject to the Articles, a Director who has, directly or indirectly, an interest in a transaction entered into or proposed to be entered into by the Company or by a subsidiary undertaking of the Company which to a material extent conflicts or may conflict with the interests of the Company and of which the Director is aware, must disclose the nature and extent of the Director's interest to the Company in line with the Articles.

Subject to the Articles, provided the Director has disclosed to the other Directors the nature and extent of their interest pursuant to article 75 of the Jersey Companies Law or otherwise in accordance with the Articles (as the case may be), a Director, notwithstanding his office:

- may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or with a subsidiary undertaking of the Company or in which the Company or any subsidiary undertaking of the Company is otherwise interested and may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary undertaking) in addition to the office of Director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange either in addition to or in lieu of any remuneration provided for by any of the Articles;

- may be a member, Director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in, any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any group company;

- may count in the quorum of any Directors' meeting or committee meeting;

- may vote on any transaction or arrangement in which the Director has an interest except the Director's own employment by, or appointment to hold any office or position of profit under, the Company or the terms employment or appointment; and

- shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any office, employment contract, arrangement, transaction or proposal or other interest permitted pursuant to making a valid

declaration of interests under article 75 of the Jersey Companies Law or the Articles.

xxii. Alternate directors

Any Director (other than an alternate director) has the power to appoint as his alternate, to exercise his powers and carry out his responsibilities during his absence (whether for a limited or an unlimited term), either, without the approval of other Directors, another Director, or any other person approved for that purpose by a resolution of the Directors.

The appointment of an alternate director automatically determines: if his appointor terminates the appointment by notice in writing to the Company or tendered at a meeting of the Directors specifying when it is to terminate; or on the happening of any event which, if he were a Director, would cause him to vacate the office of director; or if he resigns such appointment; or if his appointor ceases for any reason to be a director otherwise than by retiring and being re-appointed at the same general meeting.

An alternate director is entitled to receive notice of meetings of the Directors and to attend and, in place of his appointor, to vote and be counted for the purpose of a quorum at any such meeting at which his appointor is not personally present and generally to perform all functions as a director of his appointor in his absence.

An alternate director may be paid or repaid by the Company such expenses as might properly have been paid or repaid to him if he had been a director but shall not in respect of his office of alternate director be entitled to receive any remuneration from the Company except such part of his appointor's remuneration as his appointor may direct by notice in writing to the Company. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

xxiii. Powers of Directors

The business and affairs of the Company shall be managed by the Directors who, in addition to the powers and authorities expressly conferred on them by the Articles or otherwise, may exercise all the powers of the Company, subject to the Statutes, the Articles and any directions given by the Shareholders by special resolution.

xxiv. Proceedings of Directors

The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two (2).

Questions arising at any meeting of the Directors shall be determined by a majority of votes and, subject to the restrictions on voting noted below, each Director present has one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with the Articles, the continuing Directors or Director may act only for the purpose of appointing directors or of calling a general meeting to do so. Any additional Director so appointed by the

Directors or Director shall hold office until the conclusion of business at the following annual general meeting.

A resolution in writing signed by such number of the Directors as are for the time being entitled to receive notice of a meeting of the Directors and comprise together in number not less than a quorum for a meeting of the Directors shall be as effective as a resolution duly passed at a meeting of the Directors.

xxv. Restrictions on voting

Save as provided in the Articles, a Director shall not vote (or, if he does, his vote shall not be counted) at a meeting of the Directors in respect of any contract, arrangement, transaction or any other kind of proposal in which he has a direct or indirect interest. This prohibition does not apply if the Director's interest cannot reasonably be regarded as likely to give rise to conflict of interests, or to any resolution concerning any of the following matters, which he has disclosed to the other Directors pursuant to article 75 of the Jersey Companies Law or otherwise in accordance with the Articles:

- any contract, arrangement, transaction or other proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in an offer in which he is or may be entitled to participate;

- any contract, arrangement, transaction or other proposal to which the Company is or is to be a party concerning any other body corporate in which he does not to his knowledge, directly or indirectly, hold an interest in shares (as that term is defined in sections 820 to 825 (inclusive) of the UK Companies Act) representing one per cent. or more of either any class of the equity share capital of, or the voting rights in, such body corporate (excluding any shares, or voting rights attached to any shares, held as treasury shares);

- any contract, arrangement, transaction or other proposal concerning in any way a pension, retirement, superannuation, death and/or disability benefits scheme or fund or employees' share scheme under which he may benefit and which either has been approved, or is conditional on approval, by Her Majesty's Revenue & Customs for taxation purposes; or relates both to employees and Directors of the Company (or any associated company) and does not award him any privilege or benefit not generally awarded to the employees to whom such scheme or fund relates; and

- any contract or other proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any persons including directors.

A Director shall not be counted in the quorum present at a meeting in relation to any resolution on which he is not entitled to vote.

xxvi. Borrowing powers

Subject to the Statutes and the Articles, the Directors may exercise all the powers of the Company to borrow or raise money and mortgage, charge or grant any security over all or any part of its undertaking, property and assets (present and future) and uncalled capital, to create and issue debentures, other loan stock and other securities

and to give security, whether outright or as collateral security for any debt, liability or obligations of the Company or of any third party.

xxvii. Indemnity and insurance

Subject to the Statutes and Articles, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director or secretary (or former director or secretary) of the Company or of any associated company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in the execution or discharge of his duties or in the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office.

The indemnity provisions do not operate to provide an indemnity against any liability attaching to a Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company except as permitted by law.

The Directors have power to purchase and/or maintain insurance at the expense of the Company for, or for the benefit of, anyone who is or was at any time a Director, alternate director or secretary of the Company or any associated company or who is or was at any time a trustee of any retirement benefits scheme or employee share scheme in which employees of the Company or any associated company are or were interested, including insurance against any liability incurred by such persons which may lawfully be insured against by the Company in respect of any act or omission in the execution of their powers and/or otherwise in relation to the Company or in connection with their duties, powers or offices in relation to any associated company, or any such retirement benefits scheme or employee share scheme.

xxviii. Dividends and Other Distributions

The Ordinary Shares do not confer any fixed dividend entitlement. The Company may, by ordinary resolution, declare dividends or any other distributions but no such dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends or distributions as they think fit. Dividends and other distributions shall be distributed among the Shareholders pro rata according to the number of shares held by them save that, where a share is not fully paid, dividends and other distributions shall be declared, apportioned and paid on that share in the same proportion as the amount paid up on that share bears to the aggregate issue price of that share during the portion or portions of the period in respect of which the dividend or other distribution is paid (and for these purposes no amount paid up on a share in advance of a call shall be treated as paid up on that share).

Where the Company has a lien on any share and a sum in respect of which the lien exists is presently payable, the Directors may retain any dividend or other moneys payable in respect of that share instead of enforcing the lien.

In addition, the Directors may retain any dividend or other moneys payable in respect of a share in the circumstances where a person who has become entitled to a share as a consequence of a transmission event (such as death or bankruptcy) fails to comply within 90 days of receipt of a notice from the Directors requiring that person to elect to be registered as the holder of the share concerned or to transfer that share.

All unclaimed dividends, interest or other moneys payable in respect of a share may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of twelve years from the date on which such dividend became due for payment shall be forfeited and shall revert to the Company.

xxix. Capitalisation of Profits and Reserves

Subject to the Statutes, the Shareholders may, on the recommendation of the Directors, resolve by ordinary resolution (the capitalisation resolution) to capitalise:

- any profits of the Company which are not required for paying any preferential dividend or a dividend payable at a fixed rate; or
- any sum standing to the credit of any reserve of the Company.

The Directors may appropriate any sum which the Company has resolved to capitalise (a capitalised sum) to the Shareholders who would have been entitled to it if it were applied in paying a dividend or distribution (the entitled Shareholders) and in the same proportions. A capitalised sum may be applied in paying up:

- the amounts, if any, for the time being unpaid on any shares;
- unissued shares for such issue price as the capitalisation resolution may provide; or
- new debentures of the Company,
- which are then issued credited as fully paid to the entitled Shareholders.

xxx. Distribution of Assets in a Liquidation

Subject to any particular rights or limitations for the time being attached to any shares, as may be specified in these Articles or upon which such shares may be issued, if the Company is wound up, the assets available for distribution among the Shareholders shall be distributed to the Shareholders pro rata to the number of shares held by each Shareholder at the time of the commencement of the winding up. If any share is not fully paid up, that share shall only carry the right to receive a distribution calculated on the basis of the proportion that the amount paid up on that share bears to the issue price of that share.

If the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company and any other authority required by the Statutes:

- divide among the Shareholders in specie the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders; or
- vest the whole or any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit but no Shareholder shall be compelled to accept any assets upon which there is any liability.

xxxi. Statutory Shareholder Rights

Under article 141 of the Jersey Companies Law, a Shareholder may apply to court for relief on the grounds that the Company's affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of the Shareholders generally or of some part of the Shareholders (including at least the Shareholder making the application) or that an actual or proposed act or omission by the Company (including an act or omission on our behalf) is or would be so prejudicial. What amounts to unfair prejudice is not defined in the Jersey Companies Law. There may also be common law personal actions available to the Shareholders.

Under article 143 of the Jersey Companies Law (which sets out the types of relief a court may grant in relation to an action brought under article 141 of the Jersey Companies Law), the court may make an order regulating the Company's affairs, requiring the Company to refrain from doing or continuing to do an act complained of, authorising civil proceedings and providing for the purchase of shares by the Company or by any of the Shareholders.

10. TAKEOVERS

As a Jersey resident company whose shares will be trading on AIM, the City Code will apply to takeovers of the Company. The City Code operates principally to ensure that shareholders are treated fairly and are afforded equivalent treatment and provides an orderly framework within which takeovers are conducted. The City Code is administered by the UK Panel on Takeovers and Mergers. The City Code is based upon a number of general principles which are essentially statements of standards of commercial behavior to promote shareholder protection. These general principles shape the form, structure and timetable of takeovers in the UK. It is a fundamental general principle of the City Code that all shareholders of the same class of a target must be treated similarly by an offeror. A number of rules in the City Code are designed to ensure equal treatment. In particular, the City Code contains rules to ensure that equivalent offers are made to all shareholders, and the same information is provided to all shareholders at the same time.

NI 62-104 sets forth the Canadian take-over bid regime. NI 62-104 will continue to apply to the Company to the extent that it is party to a take-over bid made in Canada.

10.1 Early Warning Reporting and Conduct of Takeover Bids

As the Company is a reporting issuer in the Provinces, the following may apply to the Company in certain situations.

Securities laws of the Provinces include a comprehensive code governing both the reporting of the acquisition of significant shareholdings and the conduct of takeover bids. For the purposes of these rules, a person is deemed to own all shares and securities convertible into shares that are held directly or indirectly by, or over which control or direction is exercised by, such person and persons acting jointly or in concert with that person.

- Early Warning Reporting

  Under securities laws of the Provinces, any person who directly or indirectly acquires beneficial ownership of, or the power to exercise control or direction over, shares (or securities convertible into Shares) of the Company that, together with any shares held by that person, would constitute 10% or more of the outstanding shares, must forthwith issue a news release in Canada announcing, among other things, the number of such securities they hold and their intentions with respect to the securities of the Company. A formal report (an "**early warning report**") setting forth details regarding the acquisition is also required to be filed with the Securities Commissions

of the Provinces, within two business days of the acquisition of shares (or convertible securities) that results in the person holding 10% or more of such securities. If a person's beneficial ownership of, or control or direction over, shares (or securities convertible into Shares) decreases to less than 10% of such securities, that person must issue a news release and file an early warning report disclosing the same information as described above.

Whenever a person who has filed an early warning report acquires or disposes beneficial ownership of, or acquires or ceases to have control over, 2% of the Company's shares (including securities convertible into Shares), or if there is a change in a material fact disclosed in a previously filed report, an additional report must be filed within the same time limits.

- Takeover Bid Rules

Any person who acquires or offers to acquire 20% or more of the Company's Shares (other than pursuant to an issuance from treasury) is deemed to be making a takeover bid. Generally, applicable Canadian securities laws provide that takeover bids must:

(a) be made available to all shareholders;

(b) be open for acceptance for a minimum of 105 days, subject to certain exceptions;

(c) require more than 50% of the applicable securities be deposited under the bid;

(d) offer identical consideration to all shareholders; and

(e) be made by a takeover bid circular containing prescribed information about the bidder and its intentions with respect to the Company.

There are various statutory exemptions available from these rules. In particular, a person may acquire up to 5% of the Company's Shares in any 12- month period at prices not in excess of "market price" (plus brokerage). Also, a person may acquire Shares of the Company from no more than five persons in private transactions at no more than 115% of "market price".

- Insider Reporting

A person who acquires direct or indirect beneficial ownership of or the power to exercise control or direction over, more than 10% of the Shares of the Company is considered to be an "insider" of the Company. Each insider must file an initial insider report in prescribed form within 10 days of becoming an insider disclosing the holdings of that person. That insider must file a further insider report within five days of any change in the ownership or control or direction over securities of the Company.

Insider reports are filed electronically using the System for Electronic Disclosure by Insiders ("**SEDI**") established by the Canadian Securities Administrators. Further information about SEDI can be found at the SEDI website (www.sedi.ca).

10.2 Notification requirements and takeover bids on WSX

- Notification requirements under the Public Offering Act

The WSX is a home market for the Company's Shares within the territory of the EEA, thus the relevant provisions shall apply, in particular the Polish *Act on Public Offering, Conditions Governing the Introduction of the Financial Instruments to Organised Trading, and Public Companies of 29 July 2005* as amended (the "**Public Offering Act**").

Pursuant to the Public Offering Act a shareholder that reaches or exceeds the threshold of 5%, 10%, 15%, 20%, 25%, 33%, 331/3%, 50%, 75% or 90% (the "**major holdings of shares**") of the voting rights in the Company shall immediately notify the "**PFSA**" and the Company. The notification requirement applies also in the case of a change in the shareholding representing more than 10% of the voting rights, by at least 2% of the voting rights, or a change in the shareholding representing more than 33% of the voting rights, by at least 1% of the voting rights. The obligations described above would also be applicable to the acquisition of the Company's Shares in the event of a possible placing of Shares by the Company to subscribers for Shares. The notification pertaining to the acquisition of the major holdings of shares should take place not later than within four business days from the date on which the shareholder learns of the change in the proportion of the voting rights held, or on which the shareholder could have learned of it if he had acted with due diligence.

In addition, each shareholder who held at least 5%, 10%, 15%, 20%, 25%, 33%, 331/3%, 50%, 75% or 90% of the voting rights in a public company, and following a reduction of that shareholding now holds 5%, 10%, 15%, 20%, 25%, 33%, 331/3%, 50%, 75% or 90% or less of the voting rights, as appropriate shall be obliged to promptly notify the PFSA and the Company about this fact, not later than within four business days as of the date on which they found out, or while exercising due care could have found out, about the change of share in the total number of votes, and in the case of change arising from the acquisition or disposal of shares in a public company in a transaction performed on a regulated market or in an alternative trading system - not later than within 6 trading days as of the day of conclusion of the transaction.

The above notification requirements apply also to an entity that has reached or exceeded a specified threshold of the voting rights in connection with: (i) a legal event other than a legal transaction, or (ii) indirect acquisition of shares in a public company.

The above notification requirements apply also in several other cases set forth in the Public Offering Act in particular they apply jointly to all entities that are parties to a written or oral agreement concerning the acquisition of shares in the Company, or voting in concert at a general meeting, or implementing a consistent policy in respect of the Company, even if only one of those entities has taken or intended to take action which gave rise to those obligations.

- Takeover bids under the Public Offering Act

Under the Public Offering Act a threshold of respectively 33% or 66% of the voting rights in the Company may only be exceeded by way of an announcement of a takeover bid for the sale or exchange respectively of the Company's Shares in a number that allows the shareholder to reach 66% of the voting rights, or of all the remaining Shares of the Company.

If the threshold of 33% of the voting rights in the Company is exceeded as a result of an indirect acquisition of shares, the taking-up of shares of a new issue, the acquisition of shares in a public offering or as an in-kind contribution, as a result of a merger or division or an amendment to the Company's articles of association, expiry of the preferential rights attaching to shares, or a legal event other than a legal transaction - the shareholder or the entity that has acquired those shares indirectly shall, within three months after exceeding the 33% threshold: (i) announce a takeover bid for the sale or exchange of shares of the Company in a number that will allow reaching the threshold of 66% of the voting rights, or (ii) dispose of the Company's shares in a number that will reduce the holding to no more than 33% of the voting

rights - unless, within that time limit, the proportion of the voting rights held by the shareholder or by the entity that has acquired shares indirectly is reduced to no more than 33% of the voting rights, as a result of an increase in the Company's share capital, amendment to the Company's articles of association, or expiry of the preferential rights attaching to the shares held by that shareholder or entity, as the case may be.

If the threshold of 66% of the voting rights in the Company is exceeded as a result of an indirect acquisition of shares, the taking-up of shares of a new issue, the acquisition of shares in a public offering or as an in-kind contribution, as a result of a merger or division or an amendment to the Company's articles of association, expiry of the preferential rights attaching to shares, or a legal event other than a legal transaction - the shareholder or the entity that has acquired those shares indirectly shall, within three months after exceeding the 66% threshold, announce a takeover bid for the sale or exchange of all the remaining Company's Shares, unless, within that time limit, the proportion of the voting rights held by the shareholder or by the entity that has acquired shares indirectly is reduced to no more than 66% of the voting rights, as a result of an increase in the Company's share capital, amendment to the Company's articles of association, or expiry of the preferential rights attaching to the shares held by that shareholder or entity, as the case may be.

The provisions of the Public Offering Act pertaining to mandatory takeover bids following the exceeding of the relevant thresholds include certain exceptions such as e.g. where the 33% or 66% threshold is exceeded by inheritance the obligation to announce a mandatory takeover bid only applies in a case where the proportion of the voting rights held by that shareholder is further increased following such acquisition.

When the acquisition of the Company's Shares (also under a possible placing) results in exceeding the threshold of 33% of the voting rights in the Company, the shareholder shall announce a mandatory takeover bid for the sale or exchange of the Company's Shares in a number that allows the shareholder to reach 66% of the voting rights or dispose the shares in a number that will reduce the holding to no more than 33% of the voting rights.

When the acquisition of Shares (also pursuant to a possible placing) results in exceeding the threshold of 66% of the voting rights in the Company, the shareholder shall announce a mandatory takeover bid for the sale or exchange of all the remaining Shares of the Company.

The mandatory takeover bids referred to above shall be announced within three months after exceeding the threshold of 33% or 66%, respectively.

The above provisions pertaining to takeover bids apply also in several other cases set forth in the Public Offering Act. In particular if the 33% or 66% threshold was exceeded as a result of concluding a written or oral agreement concerning the acquisition of shares in the Company, or voting in concert at a general meeting, or implementing a consistent policy in respect of the Company, said provisions also apply jointly to all entities that are parties to such agreement, even if only one of those entities has taken or intended to take action which gave rise to those obligations.

11. FINANCIAL INFORMATION

The audited consolidated financial information relating to the Group as at and for the years ended 31 December 2017 and 31 December 2016 can be found on the Company website at www.serinusenergy.com and under the Company's SEDAR profile at www.sedar.com.

12. MAJOR SHAREHOLDERS

12.1 The Company is aware of the following shareholdings which represent 3% or more of the Company's issued Shares as at [●] 2018 (being the latest practicable date prior to the date of the Announcement):

Shareholder	**Number of Shares**	**Percentage of issued share capital as at [●] 2018 (on a non-diluted basis)**	**Percentage of issued share capital immediately following Admission (assuming no Options are exercised prior to Admission)**
Kulczyk Investments S.A.	78,602,655	52.17%	[●]%
Pala Assets Holdings Limited	11,266,084	7.48%	[●]%
Quercus TFI SA	7,900,329	5.24%	[●]%

Such Shareholders do not have different voting rights in respect of their Shares than other Shareholders.

12.2 So far as the Company is aware (as described in paragraph [●]), the percentage of its issued Shares as at [●], 2018 and as expected at Admission not in public hands for the purposes of the AIM Rules for Companies is [●]%, being the shareholdings of directors, management and substantial shareholders.

12.3 Otherwise than set out in paragraph 12.1, the Company (i) is not directly or indirectly controlled by any company or person acting jointly or severally; and (ii) so far as the Company is aware, there are no arrangements the operation of which may at a subsequent date result in a change of control of the Company.

12.4 The Disclosure of Interests in Shares

- As an AIM listed company, the Company is subject to the provisions of the UK Disclosure Rules and Transparency Rules and, consequently, shareholders will be subject to any UK requirement to disclose to the Company the level of their interests in Shares.

- It should be noted that as a reporting issuer in the Provinces, certain obligations exist under certain securities legislation of Canada for Shareholders to disclose to the Company the level of their interests in Shares which are described in paragraph 10.1 above.

13. DIRECTORS' INTERESTS

13.1 As at [●], 2018 (being the latest practicable date prior to the date of the Announcement) and as expected to be held on Admission, the interests (all of which are beneficial) of the Directors (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning

of paragraph 252 to 255 of the UK Companies Act in the Company's issued share capital are or are expected to be as follows:

Director	Number of Shares	Percentage of issued share capital as at [●], 2018 (being the latest practicable date prior to the date of the Announcement)	Percentage of issued share capital immediately following Admission (assuming no Options are exercised prior thereto)	Number of Shares under options	Expiry Date	Exercise Price (C$)
Łukasz Rędziniak	NIL[1]	N/A	N/A	NIL	-	-
Jeffrey Auld	22,197	0.01%	[●]	(1) 3,500,000 (2) 1,000,000	(1) 22 September 2023 (2) 31 May 2022	(1) 0.32 (2) 0.37
Tracy Heck (Proposed Director)	NIL	N/A	N/A	2,750,000	31 May 2022	0.37
Dawid Jakubowicz	NIL	N/A	N/A	NIL	-	-
Dominik Libicki	NIL[1]	N/A	N/A	NIL	-	-
Eleanor Barker	NIL	N/A	N/A	100,000	31 May 2022	0.37
James Causgrove	NIL	N/A	N/A	100,000	20 November 2022	0.36
Evgenij Iorich[2]	3,415	0.00%	[●]	100,000	31 May 2022	0.37

1 These directors do not hold shares personally. Kulczyk Investments S.A ("**KI**") owns 78,602,655 Shares, for which these directors are deemed to have direction over by virtue of their directorships with KI.

2 Mr Iorich is also deemed to have direction over the 11,266,084 owned by Pala Assets Holdings Limited ("**Pala**") by virtue of his directorship with Pala.

13.2 As at the date of this document, two of the Directors of the Company (Łukasz Rędziniak, and Dominik Libicki) are directors of KI (who, as at the date of this document, holds 52.17% of the Company's issued and outstanding Shares). Dawid Jakubowicz is the Portfolio Management Director of KI One S.A.. KI is the parent company and sole shareholder of KI One S.A.. All three directors are therefore not considered to be independent. KI and KI One S.A.'s business activities are varied, and include investments in resource companies other than the Company. There is therefore, potential for a conflict of interest to arise.

13.3 Other than as set out at paragraph 13.1, none of the Directors or any person connected with them (within the meaning of section 252 of the UK Companies Act is interested in any related financial product referenced to the Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Shares including a contract for difference or a fixed odds bet).

14. ADDITIONAL INFORMATION ON THE DIRECTORS

14.1 The Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

Name	Current directorships /partnerships	Previous directorships /partnerships
Łukasz Rędziniak	Kulczyk Investments S.A. Polenergia S.A. Firma Oponiarska Dębica S.A. KI New Tech SARL Luglio Limited KI Chemstry SARL KI Mining Cyprus KWW Aviation Holding Gmbh Polenergia Holding SARL QKR Corporation Limited QKR Namibia Mineral Holdings (Pty) Limited QKR Namibia Navachab Gold Mine (Pty) Ltd Phenomind Ventures S.A. SCT Broker sp. z .o.o 1 Day International SARL Autostrada Wielkopolska II S.A. Autostrada Wielkopolska S.A.	Law Firm SPCG incorporated in Poland Kulczyk Real Estate Holding SARL KI One S.A.
Jeffrey Auld	Lansdowne Oil and Gas plc Serinus Holdings Limited Serinus Petroleum Consultants Limited Winstar B.V. Winstar Tunisia B.V. Serinus Energy Romania S.A. AED South East Asia Limited SE Brunei Limited Burnt Stick Advisors Limited Milesian Oil and Gas Lansdowne Celtic Sea Limited	KOV Borneo Limited Sabalo Energy Limited Oilex Limited Buloke Energy Limited (Australia)
Tracy Heck	Serinus Energy (Canada) Inc. Winstar B.V. Winstar Tunisia B.V. Serinus Energy Romania S.A. Serinus Holdings Limited SE Brunei Limited AED South East Asia Limited	NIL
Dawid Jakubowicz	KI One S.A. Polenergia S.A. QKR Namibia Navachab Gold Mine (Pty) Ltd. Stanusch Technologies S.A. Beyond.pl sp. z o.o. Polsin Overseas Shipping Ltd. sp. z o.o. Ciech Pianki sp. z o.o. Ciech Vitrosilicon S.A.	Fibar Group S.A.

Name	Current directorships /partnerships	Previous directorships /partnerships
	Ciech Soda Polska S.A. Ciech Cargo sp. z o.o.	
Dominik Libicki	Kulczyk Investments S.A. Polenergia S.A. Polska Telewizja Polstat Sp. z o.o. POT sp. z o.o. Serinus Energy Inc. QKR Namibia Navachab Gold Mine (Pty) Ltd Polenergia Holding SARL Polenergia S.A. Ciech S.A. Insignis Towarzystwo Funduszy Inwestycyjnych S.A. AI Investments sp. z o.o.	Cyfrowy Polstat S.A. Cyfrowy Polsat Technology Sp. z o.o. Grupa Kapitałowa Cyfrowy Polsat S.A. Info-TV-FM sp. z o.o. Polkomtel sp. z o.o. Konfederacja Lewiatan Związek Pracodawców Prywatnych Mediów Autostrada Eksploatacja S.A Fundacja Polsat Telewizja Polsat sp. z o.o Polski Operator Telewizyjny sp. z.o.o.
Eleanor Barker	Barker Oil Strategies	Sterling Resources Ltd
James Causgrove	Causgrove Energy West Ltd	NIL
Evgenij Iorich	Pala Investments Limited Pala Group Holdings Limited Pala Assets Holdings Limited VFI Holdings AG Peninsula Energy Limited Itafos Nevada Copper Corp.	Asian Minerals Resource Limited Melior Resources Inc

14.2 None of the Directors:

- has any unspent convictions in relation to indictable offences;
- has been the subject of any public criticism by any statutory or regulatory authority (including a recognized professional body);
- has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;
- has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership;
- has any asset which, at any time, has been the subject of a receivership;

- is or has been bankrupt nor been the subject of any form of individual voluntary arrangement; and

- is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

14.3 The table below shows the date of appointment of each Director:

Name	Date of appointment by the Board
Łukasz Rędziniak	16 March 2016
Jeffrey Auld	1 September 2016
Tracy Heck	[●] 2018
Dawid Jakubowicz	7 March 2018
Dominik Libicki	1 September 2016
Eleanor Barker	31 May 2017
James Causgrove	28 September 2017
Evgenij Iorich	24 June 2013

Pursuant to the Company's Articles, the abovementioned Directors (with the exception of James Causgrove, Dawid Jakubowicz and Tracy Heck) were most recently re-elected by Shareholders at the Annual General Meeting of the Company held on 31 May 2017. The Directors will hold office until the Company's next Annual General Meeting or until their successors are duly elected or appointed.

15. ARRANGEMENTS AND REMUNERATION OF DIRECTORS

The Directors received the following sums in the year ended 31 December 2017 in addition to any share based compensation.

Name	Fee (C$)	Total (C$)
Łukasz Rędziniak	19,000	19,000
Jeffrey Auld	NIL	NIL
Tracy Heck[1]	NIL	NIL
Dawid Jakubowicz[2]	NIL	NIL
Dominik Libicki	20,000	20,000
Eleanor Barker	15,500	15,500
James Causgrove	5,000	5,000
Evgenij Iorich	24,500	24,500
Helmut Langanger[3]	26,000	26,000
Sebastian Kulczyk[4]	12,000	12,000
Duncan Nightingale[5]	3,000	3,000

1. Tracy Heck is a proposed executive director and is expected to join the board at or before Admission.
2. Appointed on 7 March 2018
3. Former director - resigned with effect from 7 March 2018
4. Former director - resigned with effect from 7 March 2018
5. Former director from 31 May 2017 to 7 July 2017

16. RELATED PARTY TRANSACTIONS

Save as set out in the Public Record, the Company has not, as at [●] 2018 (being the latest practicable date prior to the date of the Announcement), entered into any transactions with persons who are related parties for the purposes of relevant International Financial Reporting Standards which are (as a single transaction or in their entirety) material to the Company.

17. SETTLEMENT AND CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

The Shares will be de-listed and cancelled from trading on the TSX on or about [●] 2018.

Shareholders wishing to undertake such a transfer will generally need to contact their brokers and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with brokers in the market to which they are transferring their Shares in order to trade their Shares on that market.

18. UK TAXATION

18.1 General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of Her Majesty's Revenue and Customs ("**HMRC**") as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders, ordinarily resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than under an individual savings account), and who are the absolute beneficial owners of both their Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) or trustees and beneficiaries as regards shares held in trust is not considered.

Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

18.2 Taxation of Chargeable Gains

- UK tax resident Shareholders

  Disposals

  If a Shareholder sells or otherwise disposes of all or some of the Shares, he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to Capital Gains Tax ("**CGT**").

  There are a number of tax reliefs available for unquoted securities (subject to a number of different requirements in each case) and anyone who requires further information on their availability should consult an appropriate professional adviser.

- UK tax non-resident Shareholders

  A Shareholder who is not resident for tax purposes in the UK will not generally be subject to CGT on a disposal of Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired.

  Such Shareholders may be subject to foreign taxation on any gain under local law.

  An individual Shareholder who has ceased to be resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or part of his Shares during that period may be liable to CGT on his return to the UK, subject to available exemptions or reliefs.

18.3 Taxation of Dividends

Liability to tax on dividends will depend upon the individual circumstances of a Shareholder. An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax free allowance of up to £2,000 dividend income per tax year and will be subject to income tax on dividends received over and above the first £2,000 of dividend income. A Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate (currently) of 32.5% to the extent that such sum, when treated as the top slice of the Shareholder's income, falls above the threshold for higher rate income tax.

An individual Shareholder who is resident for tax purposes in the UK and who is liable to tax at the new "additional" rate will be liable to tax on the gross dividend at the rate of 38.1%

A corporate Shareholder (within the charge to UK corporation tax) which is a 'small company' for the purposes of the UK taxation of dividends legislation will not generally be subject to UK corporation tax on dividends from the Company, on the basis the payer is resident in a 'qualifying territory' at the time the dividend is received. A 'qualifying territory' for these purposes is any territory with which the UK has a double tax treaty that has an appropriate non-discrimination clause, and this includes Canada.

Other corporate Shareholders (within the charge to UK corporation tax) will not be subject to tax on dividends from the Company provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by corporate Shareholders will fall within an exempt class.

A Shareholder resident outside the UK may be subject to foreign taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes

should consult his own tax adviser concerning his tax position on dividends received from the Company.

18.4 UK Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")

- No stamp duty or SDRT will arise on the issue or allotment of new Shares by the Company.

- Subsequent transfers

  No UK Stamp duty is payable on an instrument transferring Shares. No charge to SDRT should also arise on an unconditional agreement to transfer Shares while the Company does not maintain a register in the UK.

  No charge to SDRT should arise on an unconditional agreement to transfer a depositary interest in Shares while they satisfy the requirements of the SDRT (UK Depositary Interest in Foreign Securities) Regulations 1999.

19. JERSEY TAXATION

19.1 The following summary of the anticipated treatment of the Company and Shareholders is based on Jersey taxation law as it is understood to apply at the date of this document.

19.2 General

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue, conversion, redemption or transfer of shares. On the death of an individual shareholder (whether or not such individual was domiciled in Jersey), duty at rates of up to 0.75% of the value of the relevant shares (up to a maximum of £100,000) may be payable on the registration in Jersey of any probate or letters of administration which may be required in order to transfer, convert, redeem or make payments in respect of shares held by a deceased individual shareholder.

19.3 Income Tax – the Company

Under the Income Tax (Jersey) Law 1961 (as amended) (the "Tax Law"), the standard rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey is 0% ('zero tax rating'). Certain exceptions from zero tax rating apply, namely:

- companies which are regulated by the JFSC under certain sections of the Financial Services (Jersey) Law 1998, the Banking Business (Jersey) Law 1991 or the Collective Investment Funds (Jersey) Law 1988 shall be subject to income tax at a rate of 10% (these companies are defined as 'financial services companies' in the Tax Law);

- specifically identified utility companies shall be subject to income tax at a rate of 20% (these companies are defined as 'utility companies' in the Tax Law); and

- any income derived from the ownership or disposal of land in Jersey and companies involved in the importation or supply of hydrocarbon oil in Jersey shall be subject to income tax at a rate of 20%.

It is expected that the Company will be subject to a zero tax rating.

19.4 **Income Tax – The Shareholders**

Shareholders who are not resident for income tax purposes in Jersey will not be subject to taxation in Jersey in respect of any income or gains arising in respect of the Shares held by them.

Jersey resident Shareholders should note Article 134A of the Tax Law and other provisions of the Tax Law, the effect of which may be to render any gains and distributions in respect of their Shares chargeable to Jersey income tax.

19.5 **Withholding Tax – The Company**

The Company will not be entitled to make any deduction or withholding for or on account of Jersey income tax from any dividend declared on the Shares. Unless tax resident in Jersey, Shareholders will not be subject to any tax in Jersey in respect of the acquisition, ownership, exchange, sale or other disposition of the Shares.

19.6 **Goods and Services Tax**

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the "**2007 Law**"), tax at a rate which is currently 5% applies to the supply of retail goods and services, unless the relevant supplier or recipient of such goods and services is registered as an "international services entity".

The Company is expected to be an "international services entity" for the purposes of the 2007 Law and, accordingly, it will not be required to:

- register as a taxable person pursuant to the 2007 Law;
- charge goods and services tax in Jersey in respect of any supply made by it; or
- pay goods and services tax in Jersey in respect of any supply made to it.

An annual fee will need to be paid each calendar year for the Company to retain its ISE status.

19.7 **Tax Information Exchange**

The Organization for Economic Co-operation and Development has been actively engaged in working towards exchange of information on a global scale and has published a global Common Reporting Standard for multilateral exchange of information pursuant to which many governments have now signed multilateral agreements. A group of those governments, including Jersey, has committed to a common implementation timetable which will see the first exchange of information in 2017 in respect of accounts open at and from the end of 2015, with further countries committed to implement the new global standard by 2018. The Common Reporting Standard has been implemented in Jersey by the Taxation (Implementation)(International Tax Compliance)(Common Reporting Standard)(Jersey) Regulations which came into force on January 1, 2016. The Company may need to comply with the aforementioned exchange of information requirements as it progresses and develops. Investors must satisfy any requests for information pursuant to such requirements.

19.8 **EU Code of Conduct Group on Business Taxation**

In December 2017, the Code Group determined Jersey to be a cooperative tax jurisdiction and as such Jersey was not included on its list of non-co-operative jurisdictions. Jersey has made a written commitment to address, by the end of 2018, concerns identified by the Code Group

which relate to a perceived lack of substance for companies registering profits in Jersey without demonstrating real economic activity in Jersey. As at the date of this document, it is not clear what reporting obligations will be introduced and what legislative changes will be made, or what the effect of them, if any, will be on the Jersey tax status of the Company.

19.9 **Identification of Shareholders**

The Company can be required to make a return to the Comptroller of Income Tax in Jersey, on request, of the names, addresses and shareholdings of Jersey resident Shareholders (in practice this return will not be required at more frequent intervals than once a year).

20. MATERIAL CONTRACTS

20.1 Other than those contracts set out in paragraphs 20.2 and 20.3 below, all other material contracts entered into by the Company or its subsidiaries (not otherwise in the ordinary course of business) during the two years immediately preceding the date of the Announcement and are, or may be, material as of the date of the Announcement are contained in the Company's Public Record (which can be found at www.serinusenergy.com and www.sedar.com).

20.2 Nominated Adviser and Broker Agreement

A nominated adviser and broker agreement dated [●] 2018 was entered into between Numis, Serinus Energy Inc and the Directors of Serinus Energy Inc (the "Nomad Agreement"), pursuant to which Numis agreed to act as the Company's nominated adviser and broker as required by the AIM Rules for Companies in connection with the AIM Application and following Admission. The Nomad Agreement is terminable by either party on one month notice. The Nomad Agreement provides for the Company to pay Numis an annual fee. The appointment will terminate in the following circumstances, among others, (i) on Numis giving written notice to the Company in certain customary circumstances including, without limitation, if there is a material breach by the Company of its obligations under the Nomad Agreement or of the AIM Rules (which, where capable of remedy, remains unremedied within seven days of a request therefor by Numis), (ii) forthwith if Numis is removed for any reason from the register of nominated advisers maintained by the London Stock Exchange, (iii) by the Company giving written notice if there is a material breach by Numis of its obligations under the Nomad Agreement or (iv) forthwith on the Ordinary Shares ceasing to be admitted to trading on AIM. Under the Nomad Agreement, the Company has given customary undertakings and provided customary indemnities to Numis.

20.3 GMP FirstEnergy Engagement Letter

An engagement letter was entered into between GMP FirstEnergy and Serinus Energy Inc on 29 March 2018, pursuant to which GMP FirstEnergy agreed to provide financial advice, certain other services and to act as joint broker in connection with the proposed Admission and contemplated placing (the "**Placing**") of new Ordinary Shares (the "**Engagement**"). The Engagement provides for the Company to pay GMP FirstEnergy an annual retainer until termination (ending on the sooner of (i) the completion of the Placing and Admission or (ii) 30 June 2018) in accordance with the terms set out in a separate fee letter. In addition, the Company has agreed to pay GMP FirstEnergy a corporate finance fee on completion of the Placing and a financing selling fee based on the gross proceeds raised in connection with the Placing (apportioned between GMP FirstEnergy and Numis). The Engagement is terminable by either party at any time by prior written notice. Pursuant to the Engagement, the Company has given customary undertakings and provided customary indemnities to GMP First Energy.

20.4 Relationship Agreement

A relationship agreement dated [●] 2018 was entered into by the Company, Kulczyk Investments S.A. ("**KI**") and Numis Securities Limited, pursuant to which the parties have agreed to manage the relationship between them to ensure that (i) the Company will at all times be capable of carrying on its business independently of KI and the members of the KI group; and (ii) all transactions and arrangements in the future between the Company and KI and the members of the KI group, will be at arm's length and on normal commercial terms (the "**Relationship Agreement**"). Specifically, KI has agreed to exercise its Voting Rights (as defined in the Relationship Agreement) in compliance with the AIM Rules for Companies and in a way to ensure the independence of the Board is maintained and that at least three directors of the Board are independent of KI. Following Admission, KI will have the right (but not the obligation) to appoint such number of directors to the Board provided they meet the requisite voting thresholds set out in the Relationship Agreement. The Relationship Agreement will lapse (save in respect of any accrued rights and obligations in favour of any party prior thereto) in the event that KI or any party connected to KI holding Ordinary Shares in the Company from time to time cease together to hold, either directly or indirectly, more than [●]% of the Voting Rights attaching to the issued Ordinary Shares of the Company.

21. LITIGATION

Thirty of the thirty five employees working in connection with the Chouech Es Saida Concession have filed wrongful dismissal claims against Winstar Tunisia B.V. Given the uncertainty of the claims, the Company has accrued US$599,000, being a risked estimate, in the Group's accounts for the year ended 31 December 2017 as a provision for potential settlement costs. It is understood that the claims will take approximately two years to progress through the Tunisian courts before a final decision will be made.

Other than above, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against any member of the Group.

22. EMPLOYEES

The Company currently has three executive officers, being its Chief Executive Officer (Jeffrey Auld), Chief Financial Officer (Tracy Heck) and Vice President of External Relations & Strategy (Calvin Brackman). As at 31 December 2017, there are approximately 90 employees employed within the Group, 11 of whom are employed at the Company's head office in Calgary. Mr Auld's current service agreement with his consultancy company, Serinus Petroleum Consultants Limited, will cease on or around the time upon which the Continuance takes effect and a new service agreement will be entered into simultaneously with the Company on substantially similar commercial terms.

23. CORPORATE GOVERNANCE

23.1 General

The Company is subject, among other laws and regulations, to instruments published by relevant Canadian securities regulators and will remain to be a 'Reporting Issuer' in the Provinces following the Company's de-listing from the TSX. One such instrument, NI 58 101, prescribes certain disclosure by the Company of its corporate governance practices and NP 58 201, provides non-prescriptive guidelines on corporate governance practices for the Company. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58 101 and NP 58 201.

As a result of being a reporting issuer in the Provinces and listed on the TSX, the Company has established corporate governance practices and procedures, and complies with Canadian corporate governance standards appropriate for a publicly listed company of its size and stage of development. The Company complies with relevant Canadian corporate governance standards to the extent that the Directors reasonably consider necessary for a company of Serinus' size and type. In particular, the Company has established and properly constituted an Audit Committee, which meets regularly, a Compensation and Corporate Governance Committee and a Reserves Committee, each of which is convened as necessary.

23.2 Board Structure

23.3 On Admission, the Board will consist of two executive directors and six non-executive directors.

23.4 Two directors hold senior executive positions in the Company's significant shareholder, Kulcyzk Investments S.A. being Dominik Libicki (chief investment officer and member of the management board) and Łukasz Rędziniak (general counsel and member of the management board). Dawid Jakubowicz is the Portfolio Management Director of KI One S.A., the parent company and sole shareholder of KI One S.A. All three directors are therefore not considered to be independent.

23.5 Corporate Governance Policies

The Company operates an insider trading policy in respect of its listing on the TSX which applies to directors, officers and certain employees of the Company. The Company will adopt, with effect from Admission, a share dealing policy which contains provisions appropriate to a company whose shares are traded on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules) and which is governed by MAR. The Company will take all reasonable steps to ensure compliance by the Directors, officers and relevant employees with such policy.

The Company also intends to adopt, with effect from Admission a revised Anti-Bribery, Anti-Corruption and Sanctions Policy which establishes appropriate procedures to allow for reporting and communication by members of the Board, employees, officers, contractors, consultants and agents of the Group to the Board of any matters which may or may not be relevant in ensuring that the daily operations are maintained in compliance with the Bribery Act 2010 of England & Wales, the Canadian Corruption of Foreign Public Officials Act 1998 and Jersey's Corruption (Jersey) Law 2006 (the "**ABC Legislation**"). It is intended that the Company's employees within the Group will be trained on the impact of the ABC Legislation and the Company's specific policies.

Prior to Admission, the Company will adopt terms of reference for committees consistent with the guidelines set out in the Quoted Companies Alliance Corporate Governance Code (the "**QCA Code**") and terms of reference for a reserves committee on substantially the same terms adopted by the Company's predecessor, Serinus Energy Inc. In relation to the Company's corporate governance framework generally, the Company intends to implement the provisions of the QCA Code following Admission, and to the extent that the Company is not able to do so, it will clarify any reasons for non-compliance on its website.

24. GENERAL

24.1 Other than as disclosed in the Announcement, this document or as otherwise disclosed in the Public Record:

- there have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position;

- there are no significant investments by the Company under active consideration; and

- the Directors are not aware of any exceptional factors which have influenced the Company's activities.

24.2 There are no other persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) who have received, directly or indirectly, from the Company within the 12 months preceding the date of this document or with whom the Company has entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly from the Company on or after Admission, fees or securities in the Company or any other benefit, with a value of £10,000 or more at the date of Admission, nor has it made any such payments aggregating over £10,000 to any government or regulatory authority or similar body in respect of its licences other than to the following entities:

- Eversheds Sutherland (International) LLP
- Darian Drs SA
- Comproject-92
- Aegean Oil Consulting SRL
- Lubbock Fine Chartered Accountants
- Osler Hoskin & Harcourt LLP
- Roneta Professional Search
- Samir Tlili
- Simona Viorica Petre Law Office
- Sunlark Consulting Ltd
- Sysgen Solutions Group
- TBT Wspolnicy SP
- Vistra Executives B.V.
- Audit Etude Et Consulting
- Amel Chaker
- Adly Bellagha
- Acces Consulting Tunisie
- Mosaic Consulting SARL
- European Bank for Reconstruction and Development
- Indian Oil and Gas Canada
- The Romanian Energy Regulatory Authority
- Tresor Publique

24.3 The Company's accounting reference date is 31 December.

24.4 Numis has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.

24.5 GMP FirstEnergy has given and has not withdrawn its written consent to the inclusion in this Appendix of reference to its name in the form and context in which it appears.

24.6 The Competent Person has given and has not withdrawn their written consent to the inclusion in this Appendix of references to their name in the form and context in which it appears.

24.7 Brian Weatherill, is a "qualified person", as defined under the AIM Guidance Note. Mr Weatherill has given and has not withdrawn his written consent to the inclusion in this Appendix of references to his name in the form and context in which it appears.

24.8 To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the Announcement and Appendix other than the references to their name.

24.9 The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal fees and expenses are estimated to amount to approximately £[●] excluding VAT.

24.10 Information equivalent to that required for an admission document which has not previously been made public (in consequence of the Company being a reporting issuer in the Provinces) is included in this Announcement or is available at www.serinusenergy.com or www.sedi.ca or www.sedar.com.

24.11 The information required by Rule 26 of the AIM Rules for Companies will be available at www.serinusenergy.com from the date of Admission.

24.12 Where information has been sourced from third-party external sources, this information has been accurately reproduced and to the best of the knowledge and belief of the Company (having taken all reasonable care to ensure that such is the case) the information is in accordance with the facts and does not omit anything likely to render this information inaccurate or misleading.

24.13 Details of the rights attaching to Shares and copies of the Company's latest published accounts are available at the Company's website www.serinusenergy.com.

[16] April 2018