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Current Report No. 15/2017

Date: 2017-03-17

Issuer's trading name: SERINUS ENERGY INC.

Title: 2016 Year End Reserves

Legal basis: other regulations

Content:

Pursuant to Article 62.8 of the Act of 29 July 2005 on Public Offering [...] the Management of SERINUS ENERGY INC. („Serinus” or the „Company”) informs that in Canada via the SEDAR system it has published information on the results of the 2016 year-end evaluation of its oil and gas reserves. The evaluation was prepared by RPS Energy Canada Ltd. (“RPS”) in accordance with Canadian National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, and includes the reserves in Serinus’ Tunisian properties. RPS also conducted a contingent resources assessment of the Company’s Satu Mare licence in Romania.

It was another challenging year for Serinus in 2016, and the petroleum industry in general. For the industry, the continuing issue was the low relative oil prices, although the price did begin to recover towards the end of 2016. The price of Brent Crude started at just under \$47/bbl in early January, quickly dropping to the yearly low of \$36.25/bbl on January 20, 2016. Oil prices then begin to gradually strengthen from January to the end of June, reaching \$54.28 on June 28, 2016. The prices then fluctuated between a \$45/bbl-\$55/bbl band to the end of November, before strengthening through December, holding at prices above \$50/bbl. The yearly high oil price was reached on December 28, 2016, at \$58.07/bbl. The oil price has sustained levels above \$50/bbl into 2017, creating more price certainty for the industry after two years of operating in a mostly sub-\$50/bbl price environment.

Total corporate 1P and 2P reserves decreased from 2015 by 11% and 8%, respectively. Persistent low commodity prices were the dominant factor in 2016, especially in the first half. These reduced reserves volumes are due to earlier economic cut-offs and delays in some development plans. There were positive and negative revisions which are discussed below.

TUNISIA

In Tunisia, 1P reserves decreased by 11%, while 2P reserves increased by 8%. The technical revisions to reserves are:

Positive revisions included:

- Improved performance of CS-3 well at Chouech Es Saida Field; and

Negative revisions included:

- Brent price forecast has decreased for 2016 reserve report versus that in the 2015 reserve report, resulting in a higher economic production limit;
- 2015 YE evaluation contemplated fracture treatment of WIN-13 which has been removed from the plan;
- Decreased production performance of Sabria wells N3H, Sab-11 and NW-1;
- Decreased production performance during 2016 of CS-1 and CS-9;
- Decreased production performance of the EC-1 well on no current plan for workover; and
- Shut-in of CS-8bis due to poor production and shut-in of Sanrhar SNN-1 due to economic conditions.

Summary of Company reserves is shown in the attachment.

NET PRESENT VALUE

Net present values for Serinus’ reserves declined by 79% and 20% for 1P and 2P reserves, respectively. The contributing factors to the \$16.2 million decline in the 1P PV10 valuation were:

- a lower price forecast in 2016 versus 2015 (minus \$21.9 million in 2016 PV10 valuation);

- lower production volumes in 2016 versus 2015 due to higher economic production limit (minus \$3.1 million in 2016 PV10 valuation);
- higher assumed abandonment costs in 2016 (minus \$10.6 million in 2016 PV10 valuation);
- lower costs, royalties and taxes associated with lower production assumed in 2016 (positive \$19.4 million in 2016 PV10 valuation).

Summary of net present value is presented in the attachment.

CONTINGENT RESOURCES – ROMANIA

In addition to the 1P and 2P reserves assigned to the Company's properties in Tunisia, contingent resources are also assigned to the Moftinu discovery in Romania made in early 2015.

Serinus will concentrate on the development of the Moftinu Gas Development Project in Romania which will include building surface facilities. This is a near-term project that is expected to begin producing from the gas discovery wells Moftinu-1001 and Moftinu-1000 in early 2018. The Corporation has obtained all necessary approvals for, and will soon commence, the construction of a gas plant with 15 MMcf/d of operational capacity. Construction of the project will proceed over 2017 with expected first gas from this project in Q1 2018. The Company is also developing the drilling program to meet work commitments for the extension of the Satu Mare Concession obtained on October 28, 2016.

The above valuation results reflect the Company's 60% working interest in the Satu Mare Concession, and that the partner, Rompetrol who is currently in default will not participate in their share of capital spending. This Company WI case assumes the Company will have 100% capital interest and 60% working interest in production, revenue, operating expenses and abandonment costs. However, the Company is confident that it will be able to recover the full revenue through the project joint accounts.

Commodity price forecasts used by RPS in preparing its evaluation of Serinus' oil and gas properties are presented in the attachment.

CAUTIONARY STATEMENT

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Test results are not necessarily indicative of long-term performance or of ultimate recovery. The test data contained herein is considered preliminary until full pressure transient analysis is complete.

This text contains selected excerpts from the original news release in English, which has been filed by Company in Canada (country of its registered office) by way of the SEDAR system and is available at the website www.sedar.com by entering the Company name at http://www.sedar.com/search/search_form_pc_en.htm.

The Polish translation of the entire text of the news release is available at the website: www.serinusenergy.com



Attachment to current report No 15 / 2017 of March 17, 2017

Issuer's trading name: **SERINUS ENERGY INC.**

Company Reserves – Using Forecast Prices

	2016			2015			YoY Change (%)
	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	
TUNISIA (Company Working Interest)							
Proved							
Producing	1,068	1,985	1,399	1,468	2,578	1,897	-26%
Non-Producing	481	1,961	808	301	1,337	524	54%
Undeveloped	699	1,641	973	848	1,806	1,150	-15%
Total Proved (1P)	2,247	5,587	3,178	2,617	5,722	3,571	-11%
Probable	5,169	14,455	7,578	5,799	14,490	8,214	-8%
Total Proved & Probable (2P)	7,416	20,042	10,756	8,417	20,212	11,785	-9%
TOTAL COMPANY							
Proved							
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Probable	5,169	14,455	7,578	5,799	14,490	8,214	-8%
Total Proved & Probable (2P)	7,416	20,042	10,756	8,417	20,212	11,785	-9%

Net Present Value – After Tax, Using Forecast Prices

	2016			2015			YoY Change for PV10
	0%	10%	15%	0%	10%	15%	
	(US\$ millions)			(US\$ millions)			
TUNISIA							
Proved							
Producing	(18.4)	(2.8)	0.8	3.7	7.4	7.9	-138%
Non-Producing	0.7	4.7	4.9	9.9	8.1	7.0	-42%
Undeveloped	9.9	2.3	0.4	17.2	4.9	1.8	-53%
Total Proved (1P)	(7.8)	4.2	6.1	30.8	20.4	16.7	-79%
Probable	115.7	70.3	49.9	218.7	87.4	61.6	-20%
Total Proved & Probable (2P)	107.9	74.5	56.0	249.5	107.8	78.3	-31%
TOTAL COMPANY							
Proved							
Producing	(18.4)	(2.8)	0.8	3.7	7.4	7.9	-138%
Non-Producing	0.7	4.7	4.9	9.9	8.1	7.0	-42%
Undeveloped	9.9	2.3	0.4	17.2	4.9	1.8	-53%
Total Proved (1P)	(7.8)	4.2	6.1	30.8	20.4	16.7	-79%
Probable	115.7	70.3	49.9	218.7	87.4	61.6	-20%
Total Proved & Probable (2P)	107.9	74.5	56.0	249.5	107.8	78.3	-31%

Note: Serinus reports in US dollars. All dollar amounts referred to herein are in USD, unless specifically noted otherwise.

Contingent Resources – Romania

The resources and their net present values are shown in the table below.

ROMANIA - Contingent Resources *							
	Resource Volumes (unrisked)			AT NPV (unrisked)			Probability of Development
	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	0%	10%	15%	
1C Contingent Resources	9.0	3,229	547.2	(2.4)	(3.3)	(3.6)	90%
2C Contingent Resources	32.0	9,499	1,615.2	26.5	16.3	12.9	90%
3C Contingent Resources	62.0	15,549	2,653.5	54.9	31.9	24.8	90%

* Reflects the Company's 60% working interest in the Satu Mare Concession, and that the partner, Rompetrol who is currently in default will not participate in their share of capital spending. This Company WI case assumes the Company will have 100% capital interest and 60% working interest in production, revenue, operating expenses and abandonment costs.

Reserve Evaluator Price Forecasts

RPS used the following commodity price forecasts in preparing its evaluation of Serinus' oil and gas properties:

	Brent (\$/Bbl)	Tunisia Domestic Gas Sabria (\$/Mcf)	Chouech (\$/Mcf)
2017	55.00	5.84	6.15
2018	60.50	6.42	6.77
2019	62.80	6.67	7.03
2020	65.60	6.96	7.34
2021	69.70	7.40	7.80
2022	75.80	8.05	8.48
2023	79.20	8.41	8.86
2024	82.90	8.80	9.27
2025	87.87	9.33	9.83
2026	89.63	9.51	10.03
2027	91.42	9.70	10.23
2028	93.25	9.90	10.43
2029	95.12	10.10	10.64
2030	97.02	10.30	10.85
2031	98.96	10.50	11.07
2032	100.94	10.71	11.29
2033	102.96	10.93	11.52
2034	105.02	11.15	11.75
2035	107.12	11.37	11.98