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**Current Report No. 8/2016**

**Date: 2016-03-16**

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

**Title: 2015 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 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' Ukraine licences, and in its Tunisian properties. RPS also assigned contingent resources to the Company's Satu Mare licence in Romania.

All of the reserves volumes as well as the net present values attributed to the Ukraine Reserves disclosed herein, refer to Serinus' 70% effective ownership interest in the assets through its 70% indirect ownership in KUB-Gas LLC ("KUB-Gas"), which owns and operates the six licence areas in northeast Ukraine. For the Total Company figures, those aggregate values are also based on 70% interest in the Ukraine assets. Note that the Company sold all of its interests in Ukraine subsequent to December 31, 2015.

2015 was another challenging year for Serinus and the petroleum industry in general. For the industry, the continuing issue was the collapse in oil prices. The price of Brent Crude started at over \$56/bbl in early January, strengthened to above \$66/bbl in May, then falling below \$37/bbl by year end. During January 2016, it reached \$28.55/bbl before finding some strength and has been recently trading near \$40/bbl. This has reduced profitability for the entire industry, and caused significant changes in the economic value, and in some cases, the economic viability of reserves and resources. Total corporate 1P and 3P reserves were substantially unchanged from 2014, while 2P reserves fell by 4%. Lower commodity prices and price forecasts were the dominant factor in 2015. The forecast price for Brent crude for 2016 is \$44/bbl, vs. \$74.64/bbl in the 2014 evaluation, and in the longer term, the new forecast only recovers to 92% of that used last year. This reduced reserves volumes due to earlier economic cut-offs, and delays some development plans. Individual fields (or countries) had other positive and negative revisions as well which are discussed below.

As in previous years, there were markedly different results between Ukraine and Tunisia, the two countries in which the Company's reserves were located.

**Tunisia**

In Tunisia, 1P reserves decreased by 17%, while 2P and 3P reserves increased by 1% and 10% respectively. In addition to the effects of lower commodity prices, the revisions to reserves include:

- Future development in Sabria now contemplates the use of dual lateral horizontal wells. These are expected to have higher IP rates and recoveries at the 1P, 2P and 3P levels, while reducing overall capital costs.
  
- Better than expected performance from the CS-3 and CS-7 wells.

- Smaller technical revisions included:

- a) Negative revisions to Proved Developed Producing (“PDP”) reserves for several wells that are currently awaiting workover, stimulation or other remedial measures.
- b) a lower gas oil ratio in the Sabria Field leading to lower gas reserves

### **Ukraine**

1P reserves in Ukraine increased by 20% and 2P and 3P reserves decreased by 12% and 18% respectively compared to year end 2014. The key influences on the Ukraine reserves were:

- Positive technical revisions due to

- a) the success of the R30c zone in O-11 and the subsequent addition of a new R30c location
- b) the installation of field compression in the Olgovskoye Field, and resultant better production performance
- c) a new horizontal location in the Makeevskoye Field.

- Negative technical revisions due to:

- a) reduced pool volumetrics around the O-24 well
- b) the M-19 well watering out earlier than previously anticipated
- c) decline in the M20 R8 pool production performance

- Net positive economic revisions, as reductions in the nominal royalty rates from 55% to 29% for gas more than offset the effects of lower commodity prices, extending the economic life of the properties.

Summary of Company reserves is shown in the attachment.

### **Net Present Value**

Net present values for Serinus’ reserves declined by 34%, 20% and 11% for 1P, 2P and 3P reserves respectively. The major contributing factors to those declines were:

- The drop in commodity prices
- The decrease in royalty rates effective January 1, 2016 on oil and gas production by the Ukraine government partially offset the effect of commodity prices there.
- The changes in reserve volumes as discussed above.

### **Tunisia**

The decline in oil prices significantly outweighed all other factors, even in the 2P and 3P categories which experienced net volume increases.

The drop in oil prices has an effect on Tunisian gas prices as well. In general, gas in Tunisia is priced as an equivalent to low sulphur heating oil, which in turn, will fluctuate with oil prices.

### **Ukraine**

Serinus’ production in Ukraine was 98% natural gas, and while the drop was not as severe as that for Brent crude, the price forecast is still materially lower than that used for year end 2014. The average expected prices for 2016 and 2017 are \$5.99 and \$6.43/Mcf respectively, vs. \$8.34 and \$8.58/Mcf last year.

The more significant impact on the value of the Ukraine reserves came from the decrease in nominal natural gas royalties from 55% to 29% effective January 1, 2016. This more than offset the loss in value due to the lower commodity price forecasts in all three categories.

Summary of net present value is presented in the attachment.

#### **Contingent Resources – Romania**

In addition to the 1P, 2P and 3P reserves assigned to the Company's properties in Tunisia and Ukraine, contingent resources were also assigned to the Moftinu discovery in Romania made in early 2015. The Moftinu-1001 well tested at a maximum rate of 7.4 MMcf/d and 19 bbl/d of condensate. The currently development plan contemplates three development well and a gas plant tying into an existing sales line running through the Satu Mare concession. The resources and their net present values are shown in the attachment to this current report. Pending regulatory approvals by the Romanian government and the ability to finance, first production is anticipated in early 2017 and will require \$14 million of capital expenditures.

Finding and Development Costs as well as commodity price forecasts used by RPS in preparing its evaluation of Serinus' oil and gas properties are presented in the attachment.

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](http://www.sedar.com) by entering the Company name at [http://www.sedar.com/search/search\\_form\\_pc\\_en.htm](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](http://www.serinusenergy.com)



**Attachment to current report No 8/2016  
of March 16, 2016**

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

All of the reserves volumes as well as the net present values attributed to the Ukraine Reserves disclosed herein, refer to Serinus' 70% effective ownership interest in the assets through its 70% indirect ownership in KUB-Gas LLC ("KUB-Gas"), which owns and operates the six licence areas in northeast Ukraine. For the Total Company figures, those aggregate values are also based on 70% interest in the Ukraine assets. **Note that the Company sold all of its interests in Ukraine subsequent to December 31, 2015.**

**Company Reserves – Using Forecast Prices**

	2015			2014			YoY Change (%)
	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	
<b>Tunisia</b>							
Proved							
Producing	1,468	2,578	1,897	1,602	3,059	2,112	-10%
Non-Producing	301	1,337	524	402	1,740	692	-24%
Undeveloped	848	1,806	1,150	1,066	2,478	1,478	-22%
<b>Total Proved (1P)</b>	<b>2,617</b>	<b>5,722</b>	<b>3,571</b>	<b>3,070</b>	<b>7,277</b>	<b>4,283</b>	<b>-17%</b>
Probable	5,799	14,490	8,214	5,266	12,704	7,383	11%
<b>Total Proved &amp; Probable (2P)</b>	<b>8,417</b>	<b>20,212</b>	<b>11,785</b>	<b>8,336</b>	<b>19,981</b>	<b>11,666</b>	<b>1%</b>
Possible	11,537	25,038	15,710	9,606	22,323	13,327	18%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>19,953</b>	<b>45,250</b>	<b>27,495</b>	<b>17,942</b>	<b>42,304</b>	<b>24,993</b>	<b>10%</b>
<b>Ukraine (70% SEN Working Interest)</b>							
Proved							
Producing	60	12,878	2,207	63	12,452	2,139	3%
Non-Producing	20	4,375	749	22	4,296	738	2%
Undeveloped	41	6,342	1,098	21	2,800	488	125%
<b>Total Proved (1P)</b>	<b>121</b>	<b>23,595</b>	<b>4,054</b>	<b>106</b>	<b>19,548</b>	<b>3,364</b>	<b>20%</b>
Probable	135	16,378	2,864	215	25,599	4,482	-36%
<b>Total Proved &amp; Probable (2P)</b>	<b>256</b>	<b>39,973</b>	<b>6,918</b>	<b>321</b>	<b>45,147</b>	<b>7,846</b>	<b>-12%</b>
Possible	260	20,591	3,692	359	28,662	5,136	-28%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>516</b>	<b>60,564</b>	<b>10,610</b>	<b>680</b>	<b>73,809</b>	<b>12,981</b>	<b>-18%</b>
<b>TOTAL COMPANY</b>							
Proved							
Producing	1,528	15,456	4,104	1,665	15,512	4,250	-3%
Non-Producing	321	5,712	1,274	424	6,036	1,430	-11%
Undeveloped	889	8,148	2,247	1,086	5,278	1,966	14%
<b>Total Proved (1P)</b>	<b>2,738</b>	<b>29,317</b>	<b>7,625</b>	<b>3,176</b>	<b>26,825</b>	<b>7,647</b>	<b>0%</b>
Probable	5,934	30,868	11,078	5,481	38,303	11,865	-7%
<b>Total Proved &amp; Probable (2P)</b>	<b>8,673</b>	<b>60,185</b>	<b>18,703</b>	<b>8,657</b>	<b>65,128</b>	<b>19,511</b>	<b>-4%</b>
Possible	11,797	45,629	19,402	9,965	50,985	18,463	5%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>20,469</b>	<b>105,814</b>	<b>38,105</b>	<b>18,622</b>	<b>116,114</b>	<b>37,974</b>	<b>0%</b>

## Net Present Value – After Tax, Using Forecast Prices

	2015			2014			YoY Change for PV10
	0%	10%	15%	0%	10%	15%	
	(US\$ millions)			(US\$ millions)			
<b>Tunisia</b>							
Proved							
Producing	3.7	7.4	7.9	27.2	27.2	26.5	-73%
Non-Producing	9.9	8.1	7.0	19.0	15.4	13.7	-47%
Undeveloped	16.9	5.7	2.9	36.3	18.4	13.4	-69%
<b>Total Proved (1P)</b>	<b>30.5</b>	<b>21.2</b>	<b>17.8</b>	<b>82.5</b>	<b>60.9</b>	<b>53.6</b>	<b>-65%</b>
Probable	216.1	88.2	62.4	216.3	97.0	73.4	-9%
<b>Total Proved &amp; Probable (2P)</b>	<b>246.6</b>	<b>109.4</b>	<b>80.2</b>	<b>298.8</b>	<b>157.9</b>	<b>127.0</b>	<b>-31%</b>
Possible	514.9	140.0	92.0	432.7	140.2	98.6	0%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>761.5</b>	<b>249.4</b>	<b>172.2</b>	<b>731.5</b>	<b>298.1</b>	<b>225.6</b>	<b>-16%</b>
<b>Ukraine (70% SEN Working Interest)</b>							
Proved							
Producing	34.2	29.2	27.0	35.6	30.8	28.6	-5%
Non-Producing	15.8	11.0	9.4	7.4	4.8	3.9	128%
Undeveloped	9.0	2.0	-	1.1	(0.5)	(0.8)	nm
<b>Total Proved (1P)</b>	<b>58.8</b>	<b>42.5</b>	<b>36.9</b>	<b>44.1</b>	<b>35.1</b>	<b>31.7</b>	<b>21%</b>
Probable	76.5	35.4	25.8	78.7	42.3	33.4	-16%
<b>Total Proved &amp; Probable (2P)</b>	<b>135.3</b>	<b>77.9</b>	<b>62.7</b>	<b>122.8</b>	<b>77.4</b>	<b>65.1</b>	<b>1%</b>
Possible	115.6	47.8	34.5	111.0	46.0	33.3	4%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>250.9</b>	<b>125.7</b>	<b>97.2</b>	<b>233.8</b>	<b>123.4</b>	<b>98.3</b>	<b>2%</b>
<b>TOTAL COMPANY</b>							
Proved							
Producing	37.9	36.6	34.9	62.7	58.0	55.1	-37%
Non-Producing	25.7	19.1	16.4	26.4	20.2	17.6	-5%
Undeveloped	60.5	7.7	2.9	37.4	17.9	12.6	-57%
<b>Total Proved (1P)</b>	<b>89.3</b>	<b>63.7</b>	<b>54.7</b>	<b>126.6</b>	<b>96.0</b>	<b>85.3</b>	<b>-34%</b>
Probable	292.6	123.6	88.2	295.0	139.3	106.8	-11%
<b>Total Proved &amp; Probable (2P)</b>	<b>381.9</b>	<b>187.3</b>	<b>142.9</b>	<b>421.6</b>	<b>235.3</b>	<b>192.1</b>	<b>-20%</b>
Possible	630.5	187.8	126.5	543.7	186.2	131.8	1%
<b>Total Proved, Probable &amp; Possible (3P)</b>	<b>1,012.4</b>	<b>375.1</b>	<b>269.4</b>	<b>965.3</b>	<b>421.5</b>	<b>323.9</b>	<b>-11%</b>

## 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%	
			(\$ millions)				
1C Contingent Resources	17.7	6,976	1,180.3	10.8	6.9	5.4	85%
2C Contingent Resources	41.8	12,632	2,147.1	36.7	24.5	20.2	85%
3C Contingent Resources	96.3	24,203	4,130.2	94.9	57.2	45.7	85%

## Finding and Development Costs

Total Corporate Finding and Development Costs, excluding Acquisitions

		Total Proved Reserves				Total Proved & Probable Reserves			
		2015	2014	2013	3 Year Total	2015	2014	2013	3 Year Total
Exploration and Development Costs	(M\$)	18,875	67,453	75,560	161,888	18,875	67,453	75,560	161,888
Net Change in Future Development Costs	(M\$)	22,750	(22,647)	3,537	3,640	19,960	(22,597)	3,537	900
Total Finding & Development Costs	(M\$)	41,625	44,806	79,097	165,528	38,835	44,856	79,097	162,788
Reserve Additions (excluding acquisition)	(Mboe)	2,189	1,075	914	4,178	709	978	1,399	3,087
Finding & Development Costs	(\$/Boe)	\$19.02	\$41.68	\$86.52	\$39.62	\$54.77	\$45.85	\$56.52	\$52.74

Total Corporate Finding, Development and Acquisition Costs

		Total Proved Reserves				Total Proved & Probable Reserves			
		2015	2014	2013	3 Year Total	2015	2014	2013	3 Year Total
Exploration and Development Costs	(M\$)	18,875	67,453	75,560	161,888	18,875	67,453	75,560	161,888
Acquisition/Disposition Costs	(M\$)	-	-	99,518	99,518	-	-	99,518	99,518
Net Change in Future Development Costs	(M\$)	22,750	(22,647)	33,437	33,540	19,960	(22,597)	61,177	58,540
Total Finding & Development Costs	(M\$)	41,625	44,806	208,515	294,946	38,835	44,856	236,255	319,946
Reserve Additions	(Mboe)	2,189	1,075	4,656	7,920	709	978	12,783	14,471
Finding & Development Costs	(\$/Boe)	\$19.02	\$41.68	\$44.78	\$37.24	\$54.77	\$45.85	\$18.48	\$22.11

Note: Finding, Development (and Acquisition Costs) in the tables above are shown and calculated on the basis of 100% working interest in Ukraine, consistent with the consolidated financial reporting and statements.

## Reserve Evaluator Price Forecasts

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

	Ukraine			Tunisia Gas	
	Brent (US\$/Bbl)	Condensate (US\$/Bbl)	Gas (\$/Mcf)	Sabria (\$/Mcf)	Chouech (\$/Mcf)
2016	44.00	33.96	5.99	7.15	7.78
2017	50.00	38.60	6.43	8.13	8.84
2018	58.00	44.77	7.02	9.43	10.25
2019	65.00	50.17	7.53	10.57	11.49
2020	73.00	56.35	8.12	11.87	12.91
2021	78.00	60.21	8.49	12.68	13.79
2022	83.00	64.07	8.86	13.49	14.67
2023	88.00	67.93	9.23	14.30	15.56
2024	93.00	71.79	9.60	15.12	16.44
2025	95.61	73.80	9.79	15.54	16.90
2026	97.52	75.28	9.93	15.85	17.24
2027	99.47	76.78	10.07	16.17	17.59
2028	101.46	78.32	10.22	16.49	17.94
2029	103.49	79.88	10.37	16.82	18.30
2030	105.56	81.48	10.52	17.16	18.66
2031	107.67	83.11	10.68	17.50	19.04
2032	109.82	84.77	10.84	17.85	19.42
2033	112.02	86.47	11.00	18.21	19.80
2034	114.26	88.20	11.16	18.57	20.20