



**THIS REPORT WAS FILED IN ENGLISH WITH SECURITIES REGULATORS IN POLAND ON  
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**Date: 2015-01-07**

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

**Title: Ukraine: M-22 Well Finds Gas in Multiple Zones**

**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 that the Makeevskoye-22 ("**M-22**") exploration well has reached its total depth of 3,629 metres, and has encountered gas in six zones. Two of those zones appear to be net pay, with the other four having resource potential. Casing has been run and cemented, and the operator, KUB-Gas LLC ("**KUB-Gas**"), is now preparing to complete, test and tie-in the well.

M-22 was spud in October 2014, and is located on the southwest side of the major fault that runs through the Makeevskoye and Olgovskoye licences. Below is presented the breakdown of the log results for the six prospective zones:

**M-22 Log Results Summary**

*Zone – Net Pay (metres) / Average Porosity (%)*

S6 – 12.0 / 9

S13a – 6.0 / 10

*Zone – Net Thickness (metres) / Average Porosity (%)*

S5 – 4.0 / 6

S7 – 3.5 / 6

S13 – 8.5 / 8.5

S13b – 6.0 / 8.5

The S6 and S13a zones appear to be the most promising. The S6 is commercially productive in the area in the M-16, M-17 and O-15 wells. The S-13a has the best porosity of the five zones and had gas shows during drilling, but it as yet untested within the Company's licences. The well is being cased to total depth, and test programs for both are being planned.

The S5, S7, S13 and S13b zones have resource potential. All are tighter than the S6 and S13a, and the S13 and S13b have underlying water legs which may require horizontal drilling to eventually develop. These zones will require additional study and analysis to verify their potential.

In addition to potential production and reserves additions (pending successful testing), the M-22 well has two significant impacts on the exploration and development program in the Makeevskoye and Olgovskoye licences:

- It validates gas potential on the southwest side of the major bounding fault that runs through the area. The Company already has two development locations selected, and will look for additional exploration targets after incorporating the M-22 results into its geological model
- Pending a successful test, the S13a is a new horizon and to date, the deepest in which commercial gas has been discovered, which could expand the prospect inventory across both blocks.

Once testing is completed in early February, the Company anticipates that the well will be tied in within a few weeks as several flowlines were pre-built in late 2014 in advance of the drilling program. The final tie-in will be subject to the usual regulatory approvals from the Ukrainian authorities.

Additionally the Company informs that the Ukrainian government has passed an amendment to the Tax Code of Ukraine, which among other things, has made permanent certain changes in the royalty rates for hydrocarbon production. These changes were originally implemented on August 1, 2014 as a temporary measure (information concerning the changes was previously disclosed by the Company). Wells producing from formations at depths of 5,000 metres or shallower are now subject to royalties of 55% and 45% on natural gas and oil/liquids respectively. Wells producing from formations deeper than 5,000 metres are subject to rates of 28% on gas, and 21% on oil/liquids. The amendment also provides for a 2% sales tax on natural gas. The original resolution of July 2014 which first introduced these higher royalties also provided for a “lowering coefficient” of 55% on natural gas, which reduced the effective rate to 30.25% for the first two years of production. The new amendment does not address this relief period, so it is unclear whether it has expired with that original legislation. The Company will be seeking clarification on this and other aspects of the administration of this new resolution on an expedient basis.

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)