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**Current Report No. 11/2016**

**Date: 2016-04-21**

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

**Title: Q1 2016 Operations Update**

**Legal basis: other regulations**

**Content:**

Pursuant to Article 62.8 of the Act on Public Offering the Management of SERINUS ENERGY INC. ("Serinus", "SEN" or the "Company") informs that in Canada via the SEDAR system it has published an update for Company's operations for the first quarter of 2016.

**First Quarter Production and Realized Prices**

Average corporate production for the first quarter was approximately 2,209 boe/d (SEN WI), representing a 45% decrease from 3,959 boe/d in the fourth quarter. The difference is due to the sale of the Ukraine assets in early February, plus some temporary operational shut-ins in Tunisia.

Overall production from Tunisia for Q1 was 1,150 boe/d, 10% lower than the 1,277 boe/d in Q4 2015. Oil averaged 903 bbl/d, and gas was 1.5 MMcf/d. The fall was substantially due to downtime incurred changing out bottomhole pumps and wells shut in for pressure build-ups. Estimated realized prices during the quarter were \$37.27/bbl and \$5.32/Mcf. There were two tanker lifts of oil during Q1, both of which occurred in March.

Tunisia production for April to date has averaged approximately 1,220 boe/d, comprised of 900 bbl/d of oil and 1.9 MMcf/d of natural gas.

Gas and condensate production in Ukraine averaged over the entire quarter were approximately 6.2 MMcf/d and 26 bbl/d respectively (both volumes are SEN's 70% WI). The corresponding rates from January 1 until the closing of the sale were 15.6 MMcf/d and 66 bbl/d.

The estimated prices received in Ukraine during the quarter were \$6.65/Mcf and \$29.34/bbl for natural gas and liquids respectively.

Note: the volumes and prices referred to above are subject to minor revisions once final allocations and invoices are received.

**Corporate**

On December 23, 2015, the Company announced that it had reached an agreement to sell all of its interests in Ukraine to Resano Trading Ltd., an affiliate of the Burisma Group. That transaction closed in early February, 2016 and Serinus received total cash consideration of \$33.2 million including all working capital and inter-company adjustments. The Company repaid a total of \$19.2 million of debt and accrued interest to the European Bank for Reconstruction and Development ("EBRD") out of the proceeds from the sale. That, plus a regularly scheduled repayment of \$1.67 million at the end of March has reduced its bank debt to \$34 million. The balance of the proceeds will be used for general corporate purposes and to bring the Moftinu gas discovery in Romania on to production.

**Outlook**

In light of the current low commodity price environment, the Company's focus will be on reducing costs wherever possible while maintaining existing production in Tunisia. The Company estimates

that new drilling will become economically viable at sustained prices in the mid – forties per barrel, although existing production in Tunisia remains cash flow positive at prices as low as \$30/bbl. The 2016 budget will be re-examined on an ongoing basis in the event of that management becomes confident that such a price can be sustained, and that funding is available to recommence drilling.

In Romania, Serinus will concentrate on moving the Moftinu-1001 discovery into the experimental production phase. Management is currently refining the drilling program and has commenced preliminary design of the required surface facilities. Pending ratification by several government ministries of the Phase 3 extension of the Satu Mare Licence, and receipt of typical permits and approvals, drilling and construction could commence in the second half of 2016. The Company is considering taking on a joint venture partner to assist in financing the Moftinu project.

**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](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)