



THIS REPORT WAS FILED IN ENGLISH WITH SECURITIES REGULATORS IN POLAND ON APRIL 22, 2014

Current Report No. 17/2014

Date: 2014-04-22

Issuer's trading name: SERINUS ENERGY INC.

Title: Serinus - First Quarter Operations Update

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**", "**SEN**" or the "**Company**") informs that in Canada via the SEDAR system it has published the update for Company's first quarter operations.

First Quarter Production and Realized Prices

Average production for the first quarter was 4,873 boe/d (SEN WI), representing a 4% decrease from 5,088 boe/d in the fourth quarter. Volumes were impacted by continued facility constraints in Ukraine and pending workover requirements in Tunisia. Serinus anticipates both of these issues to be rectified during the current quarter, as described more fully below.

Serinus' gas and condensate production in Ukraine during the first quarter were 20.4 MMcf/d and 99 bbl/d respectively (both volumes are SEN's 70% WI). These volumes are 3% and 12% lower than the fourth quarter due to continuing high back pressures in the surface facilities and DonBas sales line. The Company hopes to mitigate this issue once the new Makeevskoye gas treatment facility comes fully onstream (see Facilities below).

The estimated average prices received in Ukraine during the quarter were \$8.67/Mcf and \$78.20/bbl. The gas price was lower than the \$11.02/Mcf realized in Q4 2013, due to the discounted price of Russian imports during the quarter, and the deterioration of the Ukrainian Hryvnia ("UAH") vs. the US Dollar ("USD"). Gas sold in Ukraine by KUB-Gas LLC ("KUB-Gas"), Serinus' indirectly owned 70% subsidiary, is based on the import price of Russian gas, which in turn is linked to the oil price. Those discounts on Russian gas ended effective April 1, 2014 (see Ukraine Outlook below). Kub-Gas however, is paid in UAH, making its realized price in USD also subject to exchange rate risk. That rate fell from an average of 8.1 UAH/USD in Q4 2013, to 9.0 UAH/USD for Q1 2014.

In Tunisia, production in the first quarter averaged 1,053 bbl/d of oil and 1.9 MMcf/d of gas. Estimated realized prices during the quarter were \$107.52/bbl and \$13.60/Mcf. The oil rate was substantially the same as Q4, but gas was 24% lower due to inhibited production from the CS-Sil-1, CS-Sil-10 and CS 11 wells. All three will be worked over during the current

quarter to alleviate their respective issues (see Tunisia Outlook below). There were two tanker lifts of oil during Q1.

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

Drilling & Workover Update

During the first quarter, the Company finished drilling the M-17 well in Ukraine. Logs indicated pay in the S5 and S6 zones, and resource potential in the R30c and S7 sections. The well was cased, and the service rig began completion operations on April 10, 2014. All prospective zones will be tested and completed.

The O-11 well was spud on April 4, 2014 after the drilling rig moved on from M-17. The well has a planned total depth of 3,200 metres, targeting the S6 and R30c formations. Drilling time is expected to be 70 days. O-11 is a development well, located approximately 1 km southeast of the O-15 discovery well, which began producing from the S6 zone in July 2013 and produced an average of 1 Mcf/d during the month of March 2014. Both zones are anticipated to require fracture stimulations as has been the case with other wells completed in those formations.

Facilities

Gas began flowing through the new treatment facility at Makeevskoye on March 6, 2014. Volumes to date have been limited as the M 16 well, which has a high flowing pressure, needs to be re-routed to the new facility, and because the additional production has increased back pressure on the local sales line. Personnel from Kub-Gas are working with DonBas Transgas to configure the tie-ins to ensure that no other gas is backed out. The re-routing of the M 16 well should be completed by the end of April. The Company anticipates that once complete, these modifications will increase gross production by at least 3 MMcf/d (2.1 MMcf/d SEN WI).

Ukraine Outlook

With the expiry of the discounts on Russian gas effective April 1, 2014, the announced gas price for the month of April is 4,020 UAH per Mcm, or \$9.49/Mcf using an exchange rate of 12 UAH/USD. The actual price received by KUB-Gas will be approximately 9% - 10% less for the profit margin of the intermediaries through which the gas is sold. It will also continue to be influenced by changes in the exchange rate. During the month of April, that rate has fluctuated between 11.1 and 13.0 UAH/USD.

After O-11, the next wells in the 2014 program will be drilled at the NM 4 and M 22 locations. NM-4 is testing a Moscovian stratigraphic trap, and if successful, will establish a new play type within Serinus' Ukrainian licences. The M-22 well is targeting a new Serpukhovian accumulation to the southwest of the pool containing the M-16 and M-17 wells.

A fracture stimulation campaign is also planned in Ukraine, anticipated to commence in October. The wells slated for stimulation include O-11 and O-15 (both R30c and S6 zones), NM-3 (Visean oil potential) and M-17 (S7). The scheduling of the fracture program has been pushed back from the second quarter due to unavailability of a frac spread.

Tunisia Outlook

In Tunisia, preparations for drilling at Sabria continue with the wellsite for Winstar-12bis completed and work on the location for Winstar-13 underway. The two wells will be drilled back to back with the drilling rig expected to mobilize to Winstar-12bis in mid-May and spud during the first week in June. The targets are the Lower Hamra and El Atchane formations currently producing in other wells in the field. Each well will take approximately three months, with target total depths of over 3,800 metres.

As has been previously disclosed, a coiled tubing unit has been moved to Chouech Es Saida to work over the CS-Sil-10 and CS-Sil-1 wells. The program for CS-Sil-10 is to shut the sliding sleeve over the Triassic TAGI sandstone, and test the deeper Silurian Tannezuft zone. On CS-Sil-1, the rig will install a velocity string and open up two deeper Tannezuft intervals.

A full workover rig will also be mobilized into the Chouech Es Saida and Ech Chouech concessions to perform various services on four wells, being EC-4, ECS-1, CS-11, and CS-8bis, with operations expected to commence during the first week of May. This campaign is expected to add production, exploit new reserves and develop a new hydrocarbon play type.

A 203.5 km² 3D seismic program will be shot over the Sanrhar field starting in early May. Legacy sparse 2D data indicate a number of four-way structural closures which this program will investigate more thoroughly. Current production from Sanrhar is 50 – 60 bbl/d of oil from a single well.

Romania Outlook

Preparations continue with respect to this year's exploration program which includes two wells and 180 km² of 3D seismic. The two wells, Moftinu-1001 and 1002bis, will be drilled back to back, with the spud of the first well expected in September this year. Both are targeting Pliocene aged channel sands, at a depth of approximately 2,000 metres, which have been identified on 3D seismic. A previous well, Moftinu-1000, drilled in 2012 without the benefit of the 3D data, encountered gas but was subsequently found to be at the edge of the structural closure.

Shooting of the new 3D seismic program will also commence in September, and is expected to take 6 - 8 weeks. The survey area covers 180 km² located approximately 35 km southwest of the Moftinu field against the western boundary of the Satu Mare concession. This area is in a well established hydrocarbon fairway on the edge of the Carei graben, and overlies the Santau oil pool.

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