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Issuer's trading name: SERINUS ENERGY INC.

Title: Impact of New Ukrainian Royalty Law

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 about the potential impact of a new bill concerning gas royalties in Ukraine. The Ukrainian parliament considered and passed Draft Law No. 4309A that would increase royalties on natural gas and condensate production to 55% and 45% respectively, from their current levels of 28% and 42%, effective August 1, 2014 and lasting until January 1, 2015. Unless subsequently renewed or extended, gas royalties would then revert back to current levels (i.e., 28% and 42%).

The new law also contains provisions for a "lowering coefficient" on new wells drilled after August 1, 2014. This reduces the royalties paid on production from those new wells to 55% of the nominal rates (i.e., the effective rate for new wells would be 30.25% for gas, and 24.75% for condensate) for a period of two years.

The new law is still being studied by Serinus and its partners, but based on the best information and interpretation currently available, Management estimates that this new royalty regime would result in an approximate 45% decline in its Ukraine after-tax cash flow over the five month period proposed, and a reduction in its Ukrainian netback from \$5.78/Mcf to approximately \$3.15 Mcf, assuming a \$10.00/Mcf gas price. Serinus will re-evaluate its planned capital program in light of the reduced cash flow available pursuant to this new royalty regime.

This increase in royalties is disappointing. Fortunately there has been a material improvement in the security situation in the vicinity of Company's main producing fields, where Jock Graham, Serinus' Executive Vice President and COO has just visited the past week. Production in the month of July averaged 34.8 MMcf/d (24.3 MMcf/d SEN WI) and the Company is in discussions with service providers about the potential to resume drilling and completion operations.

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