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Issuer's trading name: SERINUS ENERGY INC.

Title: 2014 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.

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 though its 70% indirect ownership in KUB-Gas LLC ("**KUB-Gas**"), which owns and operates the five licence areas in northeast Ukraine. For Total Company figures, those aggregate values are also based on 70% interest in the Ukraine assets.

2014 was a challenging year for Serinus and the petroleum industry in general. For the industry, the big issue was the collapse in oil prices. The price of Brent Crude fell from \$115/bbl in June 2014, to \$55.76/bbl on December 31. During January 2015, it fell further to almost \$45/bbl before finding some strength and has been recently trading in a range around \$60/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.

Serinus was also subject to the difficulties stemming from the unrest in eastern Ukraine during 2014 and continuing today. The conflict prevented the Company from performing all of its planned capital programs, and the increase in the royalty rate from 28% to 55% significantly affected the value for all producers in the country as well as the amounts of economically recoverable reserves.

Total corporate reserves fell in all three categories (1P, 2P and 3P) compared to their corresponding values at year end 2013. There were however, markedly different results between Ukraine and Tunisia, the two countries in which the Company's reserves are located.

Tunisia

In Tunisia, 1P, 2P and 3P reserves increased 14%, 2% and 5% respectively. The Company achieved increases from its 2014 drilling and workover programs, which were partially offset by negative economic and technical revisions. The major increases resulted from:

- The success of the Winstar-12bis well. Winstar-12bis targeted nearly 2 MMbbl of gross probable reserves, plus associated gas. The well has exceeded expectations: it was put on production on December 10, 2014 at an initial rate of 635 boe/d, and through subsequent clean up and opening of the choke, has average over 1,000 boe/d for 2015 to date.
- Better than expected performance from the CS-1 and CS-3 wells.

The negative technical revisions occurred principally in the Zinnia concession where much of the reserves were reclassified to Contingent Resources due to the lack of planned activity. The economic revisions were due substantially to the lower oil price forecast causing production to reach its economic limit sooner.

Ukraine

Reserves in Ukraine declined by 29% (1P), 13% (2P) and 18% (3P) compared to year end 2013. As mentioned above, the unrest in eastern Ukraine prevented the Company from performing much of its planned drilling, workover and stimulation programs. The major revisions to reserves include among other things:

- Upward net technical revisions in the Olgovskoye and Makeevskoye fields due to better performance than had previously been expected.
- All reserves in the Krutogorovskoye and Vergunskoye fields were reclassified to Contingent Resources as both are located in rebel controlled areas and in Force Majeure
- Undeveloped reserves in the S6 zone in the O-11 well were revised downward after it was found to be wet. The well still has proved non-producing reserves in the R30c formation.

The capital program not done or completed included:

- Three wells were not drilled including the M-15 appraisal well, and the NM-4 and M-22 exploration wells. (M-22 was spud in the fourth quarter, but results were not available in time for it to be included in the 2014 year end reserves)
- Four stimulations on O-11, O-15, NM-3 and M-17 (S7) were not performed.
- Several workovers and dual completions were also not performed.

Net present values for Serinus' reserves declined by 49%, 42% and 37% for 1P, 2P and 3P reserves respectively. The major contributing factors to those declines were:

- The reserve volume declines as discussed above
- The drop in oil prices
- The increase in royalty rates imposed on oil and gas production by the Ukraine government
- The devaluation of the Ukraine hryvnia

As for the reserve volumes, there were significant differences in how these factors affected the values in each of Tunisia and Ukraine.

Tunisia

The decline in oil prices significantly outweighed the reserves volume increases that Serinus was able to achieve in 2014. In comparison to the forecast for Brent crude used in last year's reserves evaluation, prices are 30% and 22% lower for 2015 and 2016 respectively. In the medium to longer term, the new forecast only recovers to 93% of that used for the 2013 evaluation.

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

The drop in oil prices did not have as direct an effect on the Company's Ukraine assets as in Tunisia. Serinus' production in Ukraine is 98% natural gas, and gas prices in the country are set based on the price of imported gas from Russia. Russia has not reduced its price significantly, and has recently indicated a reluctance to sell gas to Ukraine at all.

The larger effect on realized prices was the devaluation of the hryvnia from 8.2 UAH/USD in January 2014 to 15.7 UAH/USD in December. It has since fallen to 31 UAH/UD before recovering to a range of 23-24 UAH/USD after the announcement of funding from the IMF.

Between the lower world prices and the currency devaluation, the new gas price forecast for Ukraine is 25% below last year's in 2015, and recovers only to 82% of the previous forecast in the longer term.

The more significant impact on the value of the Company's Ukraine reserves came from the increase in royalties to 55% and 45% for natural gas and oil/liquids respectively (previously 28% and 42%) effective August 1, 2014. This was first passed as a temporary measure, due to expire in January 2015. Those rates were made permanent on January 1, 2015.

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 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