



**SERINUS**  
ENERGY

**Special Meeting  
of Shareholders to be held on  
March 7, 2018**

**NOTICE OF MEETING  
and  
INFORMATION CIRCULAR**

**February 5, 2018**

Serinus Energy Inc. is a public company listed on the Toronto Stock Exchange and on the Warsaw Stock Exchange under the trading symbol "SEN".

A Polish translation of this Notice of Meeting and Information Circular is posted on the website of the Corporation ([www.serinusenergy.com](http://www.serinusenergy.com))

Tłumaczenie niniejszego zawiadomienia o zwołaniu Walnego Zgromadzenia Akcjonariuszy oraz tłumaczenie Dokumentu Informacyjnego zostało zamieszczone na stronie internetowej Spółki ([www.serinusenergy.com](http://www.serinusenergy.com))

**LETTER TO SHAREHOLDERS OF  
SERINUS ENERGY INC.**

February 5, 2018

Dear Serinus Shareholders,

You are invited to attend a special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Shares**”) of Serinus Energy Inc. (the “**Corporation**”) to be held at 10:00 AM (Mountain Standard Time) on March 7<sup>th</sup>, 2018 at the offices of McCarthy Tétrault LLP located at Suite 4000, 421 7th Avenue S.W., Calgary, AB, T2P 4K9.

At the Meeting, you will be asked to consider and, if deemed advisable, approve a special resolution (the “**Continuance Resolution**”) in respect of the continuance (the “**Continuance**”) of Serinus Energy Inc. into Jersey, Channel Islands, pursuant to the provisions of the *Companies (Jersey) Law 1991* (as amended) (the “**CJL**”), and to adopt new charter documents of the Corporation upon the Continuance, which shall include amendments to the existing charter documents of the Corporation including a change of the Corporation’s name to ‘Serinus Energy Plc’. The Continuance Resolution must be approved by not less than 66 <sup>2/3</sup>% of the votes validly cast by Shareholders, present in person or represented by proxy at the Meeting.

The Continuance is being proposed by Serinus, with the effect that a continued, Jersey, Channel Islands company (“**Serinus Jersey**”) will apply to list its shares on the Alternative Investment Market (“**AIM**”) of the London Stock Exchange (the “**AIM Listing**”). Concurrent with or shortly after the commencement of trading on AIM, Serinus Jersey plans to voluntarily delist Shares traded on the Toronto Stock Exchange (the “**TSX**”) and admit those Shares for trading on AIM.

**The board of directors of the Corporation (the “Board”) after consulting with its legal and financial advisors has unanimously approved and endorsed the foregoing transaction and recommends that Shareholders vote in favor of the Continuance.**

The Corporation will conduct a series of transactions prior to the Continuance and the AIM Listing that Shareholders will not vote on, however should be aware of (collectively with the Continuance and the AIM Listing, the “**Transactions**”). On January 1, 2018, the Corporation amalgamated with its wholly owned subsidiary, Winstar and continued as one corporation, pursuant to subsection 184(1) of the *Alberta Business Corporations Act*. Following the Meeting, it is the intention of the Corporation to incorporate a new wholly owned subsidiary (“**NewCo**”) and convey all of its right, title and interest in its head office lease and its employee contracts in Alberta to NewCo.

The Board believes that the Transactions will provide several compelling benefits to Shareholders. First and foremost, the Board believes that admission of Serinus Jersey to AIM will raise Serinus’ profile and status among European investors, and within the international oil and gas sector generally, and will provide the Corporation with greater access to European capital and debt markets, markets proven to have greater access to capital for oil and gas market participants than Canadian markets. Second, and as the Corporation has no active commercial operations in Canada, the Board sees little reason for the Corporation to be domiciled in Canada and subject to Canadian income and capital gains tax. Jersey has comparatively lower rates of income tax, no capital gains tax and a simpler tax regime overall. Last, and as a significant portion of Serinus securityholders, the Board and management of the Corporation reside in Europe, a Jersey domicile will reduce costs associated with meetings of Shareholders, the Board and management, and allow the Board and management to leverage its extensive experience with the European market.

After the Continuance, the Corporation will continue to focus on international oil and gas production and exploration; however, the Continuance will provide the Corporation more opportunity to grow and to maximize shareholder value over the short and long term.

The accompanying Notice of Meeting and Information Circular provide a more detailed description of the Continuance and include certain additional information to assist you in considering how to vote on the special resolution. You are urged to read this information carefully and, if you require assistance, to consult your tax, financial, legal or other professional advisors.

The Meeting is your opportunity to exercise your voting rights and meet with the Board and the management team of the Corporation. Your vote is important regardless of the number of Shares you own. Following the formal portion of the Meeting, Jeffrey Auld, our Chief Executive Officer, will review the Corporation's performance in 2017 and share with you our plans for the future. Should you have questions about our past performance or future direction, this is an excellent forum to seek answers. Should you be unable to attend the Meeting in person, we urge you to vote your Shares in advance of the Meeting by delivering your completed proxy or voting instructions as explained in the accompanying Information Circular.

If you require additional information, please visit the 'Investors' section of our website at [www.serinusenergy.com](http://www.serinusenergy.com). Also available online is the Corporation's Annual Information Form for the year ended December 31, 2016, the Corporation's annual audited financial statements for the year ended December 31, 2016 and related management's discussion and analysis, as well as other useful information.

Last year we brought greater focus and discipline to the business, and delivered results against our strategic priorities for the year. In the face of difficult business conditions and challenging commodity markets, we would like to thank you for your continued support. Our management team continues to execute upon its goal of creating a focused corporation and we look forward to continued success for our corporation in 2018 and beyond.

Yours very truly,

(Signed) "*Jeffrey Auld*"

Jeffrey Auld  
Chief Executive Officer



**SERINUS ENERGY INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MARCH 7, 2018**

**NOTICE IS HEREBY GIVEN THAT** the special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Shares**") of Serinus Energy Inc. (the "**Corporation**") will be held at the offices of McCarthy Tétrault LLP located at Suite 4000, 421 7th Avenue S.W., Calgary, AB, T2P 4K9 on March 7, 2018 at 10:00 AM (Mountain Standard Time). The purpose of the Meeting is to:

- (a) consider and, if deemed advisable, pass, with or without variation, a special resolution (the "**Continuance Resolution**"), to approve the continuance (the "**Continuance**") of Serinus Energy Inc. into Jersey, Channel Islands, pursuant to the provisions of the *Companies (Jersey) Law 1991* (as amended) (the "**CJL**"), and to adopt new charter documents of the Corporation upon the Continuance, which shall include amendments to the existing charter documents of the Corporation including a change of the Corporation's name to "Serinus Energy Plc," all as more particularly described in the accompanying management information circular (the "**Information Circular**");
- (b) transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders are referred to the accompanying Information Circular for the full text of the proposed resolutions and other information with respect to the matters to be considered at the Meeting and for other information respecting the Corporation and procedure of the Meeting.

Only persons registered as Shareholders on the records of the Corporation as of the close of business on February 5, 2018 (the "**Record Date**") are entitled to receive notice of and to attend and vote at the Meeting or at any adjournment thereof. However, a transferee of Shares acquired after the Record Date may vote such Shares at the Meeting or any adjournment thereof if: (a) the transferee produces properly endorsed share certificates evidencing ownership of such Shares or otherwise establishes to the satisfaction of the Corporation that it owns the transferred Shares; and (b) requests, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

**Shareholders may vote in person at the Meeting or any adjournment thereof, or may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. Shareholders who are unable to be personally present at the Meeting are requested to fill in and sign the form of proxy accompanying this notice and mail it to, or deposit it with, Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be received at the above-noted address not later than 10:00 AM Mountain Standard Time, on March 5, 2018 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for the holding of such adjourned Meeting. Shareholders are cautioned that the use of the mail to transmit proxies is at each Shareholder's risk.**

**If a Shareholder receives more than one instrument of proxy because such Shareholder owns Shares registered in different names and addresses, each instrument of proxy, or other appropriate form of proxy, should be completed and returned.**

DATED at Calgary, Alberta, Canada this 5<sup>th</sup> day of February, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) "Jeffrey Auld"*

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Jeffrey Auld  
Chief Executive Officer

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**INFORMATION CIRCULAR  
SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MARCH 7, 2018**

**FORWARD LOOKING STATEMENTS**

This Information Circular contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may include, but is not limited to, the future business of the Corporation (as defined below) and activities, events or developments that management expects or anticipates will occur or may occur in the future. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “shall” or “will” be taken, occur or be achieved. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made.

Forward-looking information presented in this Information Circular may, among other things, relate to: the approval of the Continuation Resolution (as defined below) by Shareholders (as defined below), the possible receipt of a letter of approval to complete the Continuation (as defined below) and a certificate of discontinuance from the Alberta Registrar (as defined below), the possible receipt of a Certificate of Continuation (as defined below) from the Jersey Registrar (as defined below), the possible admission of the Shares for trading on the Alternative Investment Market of the London Stock Exchange, and the possible delisting of the Corporation’s Shares from the Toronto Stock Exchange. Such forward-looking information reflects the Corporation’s views with respect to future events and is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

- the risks that the Continuation will not receive the requisite Shareholder approvals;
- the failure of the Alberta Registrar to issue a letter or approval to complete the Continuation and/or a certificate of discontinuance;
- the failure of the Jersey Registrar to issue a Certificate of Continuation;
- the failure to realize the anticipated benefits of the Continuation;
- the failure of the London Stock Exchange to accept the Corporation’s Shares for trading on the Alternative Investment Market;
- the failure of the Toronto Stock Exchange to approve the Corporation’s delisting application;
- the risks associated with the December 2017 determination of the EU Code of Conduct Group on Business Taxation that Jersey is a cooperative tax jurisdiction;
- the risks associated with general economic conditions in the geographic areas where the Corporation and its subsidiaries will operate;
- the risks associated with regulatory developments or changes that may affect costs, taxes, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Corporation and its subsidiaries will operate, timing and extent of changes in prevailing interest rates, currency exchange rates, changes in counterparty risk; and
- the risk factors discussed herein. See “*Matters to be Acted Upon – The Continuation – Risk Factors*”.

Although the Corporation believes the assumptions inherent in forward-looking statements are reasonable, any forward-looking information in this Circular represents the Corporation's views as of the date of this Information Circular and such information should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this Information Circular. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on any such forward-looking information. The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

## GENERAL PROXY INFORMATION

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Serinus Energy Inc. (the "**Corporation**" or "**Serinus**") for use at the special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Shares**") of the Corporation, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Special Meeting of Shareholders ("**Notice of Meeting**") and in this Information Circular. The Meeting will be held on March 7, 2018 at 10:00 AM Mountain Standard Time at the offices of McCarthy Tétrault LLP located at Suite 4000, 421 7th Avenue S.W., Calgary, AB, T2P 4K9. Unless otherwise stated, information contained in this Information Circular is given as of February 5, 2018 and all dollar amounts are in United States dollars.

### Solicitation of Proxies by Management

**The solicitation of proxies is made by, and on behalf of, the management of the Corporation.** Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, electronic or oral communication by the directors, officers and employees of the Corporation at no additional compensation. No remuneration will be paid to any person for the solicitation of proxies; provided, however, that the Corporation may pay prescribed fees to intermediaries for sending the Notice of Meeting, this Information Circular and the accompanying form of proxy to persons on whose behalf such intermediaries hold Shares. The cost of the solicitation of proxies will be borne by the Corporation.

### Record Date

The Corporation has fixed the record date for the Meeting as February 5, 2018 (the "**Record Date**"). Only persons registered as Shareholders on the records of the Corporation at the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting or at any adjournment thereof. However, a transferee of Shares acquired after the Record Date may vote such Shares at the Meeting or any adjournment thereof if (a) the transferee produces a properly endorsed share certificate that evidences the transferee's ownership of the transferred Shares or otherwise establishes to the satisfaction of the Corporation that the transferee owns the transferred Shares and (b) requests, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

### Appointment and Revocation of Proxies

Registered Shareholders may vote in person at the Meeting or they may appoint another person as their proxy to attend and vote in their place. **The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A Shareholder entitled to vote at the Meeting may appoint a person (who need not be a Shareholder) other than the individuals named in the accompanying form of proxy to represent the Shareholder at the Meeting by inserting the name of the desired representative in the blank space provided in the form of proxy or submitting another appropriate proxy.**



Duly completed forms of proxy must be received by Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, by 10:00 AM Eastern Time, March 5, 2018 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for the holding of such adjourned Meeting. A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise of the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing. If the Shareholder is a corporation, the proxy must be executed under its corporate seal or by an officer or attorney authorized in writing. A proxy must be deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. Upon the deposit of the proxy, any previously granted proxy is revoked.

Beneficial Shareholders (as defined below) who wish to revoke their proxy must arrange for their intermediary or broker to revoke their proxy on their behalf within the time specified by their intermediary or broker.

The registered office of the Corporation is located at Suite 1500, 700 – 4th Avenue S.W., Calgary, Alberta, Canada, T2P 3J4. The Corporation maintains management offices in Calgary at the registered office address and in Poland at Al. Jerozolimskie 65/79, Lim Center, 16th floor, room 16.15, 00-697 Warszawa, Poland.

The foregoing information regarding the appointment and revocation of proxies is generally applicable only to registered Shareholders, being persons recorded as holders of Shares on the register of Shareholders maintained by the Corporation. A significant number of persons who beneficially own Shares hold such Shares in a brokerage account or through some other intermediary. As a result, they will not be registered Shareholders and should refer to the information set forth below under the heading "*Notice to Beneficial Holders of Shares*".

#### **Exercise of Discretion by Proxyholders**

On any vote that may be called for at the Meeting or any adjournment thereof, the proxyholder named in the accompanying form of proxy will vote or withhold from voting the appointing Shareholder's Shares in accordance with the instructions of the appointing Shareholder. **In the absence of direction, such Shares will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

**The accompanying form of proxy also confers discretionary authority on the proxyholder to vote Shares and otherwise act in the proxyholder's discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof.** As at the date of this Information Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and in this Information Circular.

#### **Signing of Proxy**

An instrument appointing a proxyholder must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing. If the Shareholder is a corporation, the proxy must be executed under its corporate seal, or by an officer or attorney authorized in writing. Any proxy instrument executed by a person acting as attorney, executor, administrator, trustee or in any other representative capacity should indicate that person's capacity following his or her signature and be accompanied by evidence of his or her qualification and authority to act.

## **Notice to Beneficial Holders of Shares**

The following information is important to a Shareholder that beneficially owns Shares but does not appear on the records of the Corporation as the registered holder thereof (referred to in this Information Circular as a **"Beneficial Shareholder"**). Shares of non-registered Shareholders are typically registered in the name of a broker or other intermediary or in the name of a depository of which the intermediary is a participant, including the Polish National Depository for Securities (the **"NDS"**).

**Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares will be recognized and acted upon at the Meeting.**

Shares listed in an account statement provided to a Shareholder by a broker will, in most cases, not be registered in the Shareholder's own name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. The directors and officers of the Corporation do not know for whose benefit Shares registered in the name of brokers or their agents or nominees are held. Without specific instructions, a broker and its agents and nominees are prohibited from voting Shares on behalf of their clients. **Beneficial Shareholders should therefore ensure that instructions regarding the voting of their Shares are properly communicated to the appropriate person or that the Shares are duly registered in their name well in advance of the Meeting.**

### *Canadian Beneficial Shareholders*

In Canada, applicable regulatory policy requires brokers and other intermediaries holding Shares for others to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. The various brokers and other intermediaries have their own mailing and delivery procedures and provide their own return instructions to their clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. In some cases, a form of proxy or voting instruction form supplied to Beneficial Shareholders by their broker or other intermediary (or an agent or nominee of such broker or other intermediary) will be similar or even identical to the form of proxy furnished to registered Shareholders by the Corporation. However, the purpose of the form supplied by the broker or intermediary is limited to instructing the registered Shareholder (the broker, intermediary, agent or nominee) how to vote on behalf of the Beneficial Shareholder.

### *Beneficial Shareholders Whose Shares are Held Through NDS*

Beneficial Shareholders whose Shares are held in a securities account maintained by a participant in the NDS should apply to the participant maintaining its securities account (i.e., brokerage houses or depository banks) in which its Shares are registered to provide it with additional information regarding the procedure to vote their Shares at the Meeting. In order to give voting instructions for the Meeting, the Beneficial Shareholder should request the brokerage house, or a depository bank holding its securities account in which the Shares are registered, to provide it with a proxy statement and a voting ballot (which simultaneously serves as a proxy to vote at the Meeting). The participant in the NDS will need to request that the NDS provide the Meeting materials to satisfy the requests of such Beneficial Shareholders. The institutions responsible for distributing the voting materials and receiving voting instructions from the Beneficial Shareholders will vote on behalf of these Beneficial Shareholders based upon the voting instructions received. A Beneficial Shareholder that intends to vote will have to fill out the voting ballot and pass it to the brokerage house or the depository bank that maintains its securities account in which its Shares are registered in advance of the Meeting, by the deadline specified by such broker or intermediary. Subsequently, such information will be forwarded to the NDS and the NDS will forward it through certain intermediaries to Computershare for aggregation with all other voting instructions provided to the Corporation for the Meeting.

### *General*

Although Beneficial Shareholders will not be recognized directly at the Meeting for the purposes of voting Shares that are registered in the name of their broker or other intermediary (or an agent or nominee thereof), Beneficial Shareholders may attend the Meeting as proxyholder for the registered Shareholder and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker or other intermediary (or its agent or nominee) in accordance with the instructions provided by such broker or other intermediary (or agent or nominee) well in advance of the Meeting.

The Corporation is not using “**notice-and-access**” to send its proxy-related materials to the Shareholders, and paper copies of such materials will be sent to all Shareholders. The Corporation does not intend to pay for intermediaries to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101, and an objecting Beneficial Shareholder will not receive the materials unless its intermediary assumes the costs of delivery.

**Beneficial Shareholders should contact their broker or other intermediary if they have any questions regarding the voting of Shares held through that broker or other intermediary.**

All references to Shareholders in this Information Circular, the accompanying form of proxy and Notice of Meeting are to Shareholders of record as at the Record Date unless stated otherwise.

### **Quorum for the Meeting**

At the Meeting, quorum will consist of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the votes attached to all outstanding Shares.

### **Votes Necessary to Pass the Continuance Resolution**

In order to pass, the Continuance Resolution must be approved by at least 66<sup>2/3</sup>% of the votes cast at the Meeting in person or by proxy.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As at the date of this Information Circular, 150,652,138 Shares were issued and outstanding. At the Meeting, on a show of hands, each Shareholder present in person or represented by proxy and entitled to vote will have one vote and, on a poll or ballot, each Shareholder present in person or represented by proxy will have one vote for each Share of record. Except as otherwise set out in this Information Circular, only Shareholders of record on the Record Date will be entitled to vote their Shares at the Meeting.

When any Share is held jointly by several persons, any one of them may vote at the Meeting in person or by proxy in respect of such Share. However, if more than one owner of a jointly-held Share is present at the Meeting, in person or by proxy, and such Shareholders disagree as to any vote to be cast, the joint owner present or represented whose name appears first in the register of Shareholders is entitled to vote the jointly-held Share.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to all of the issued and outstanding voting securities of the Corporation other than Kulczyk Investments S.A. (“KI”), which owns 78,602,655 Shares, representing approximately 52.17% of the issued and outstanding Shares.

As of the date of this Information Circular, the number of Shares that are owned, controlled or directed, directly or indirectly, by all directors and officers of the Corporation, as a group, including Shares owned by KI and by Pala Assets Holdings Limited, the second largest shareholder of the Corporation, is 89,894,351 Shares, representing approximately 59.67% of the issued and outstanding Shares.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no director or executive officer of the Corporation who has held the position at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting except as disclosed in this Information Circular.

## **APPROVAL REQUIREMENTS**

The sole resolution to be considered and voted upon at the Meeting is a special resolution, requiring approval by more than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast thereon in order for them to be passed.

## **MATTERS TO BE ACTED UPON**

### **1) Approval of the Continuance Resolution**

The Shareholders will be asked to consider and, if thought advisable, pass a special resolution (the "**Continuance Resolution**") authorizing the board of directors of the Corporation (the "**Board**"), in its sole discretion to apply for the discontinuance of the Corporation (as defined below) so it is no longer a corporation governed by the *Alberta Business Corporations Act* (the "**ABCA**") and to continue the Corporation to be a company governed by the laws of Jersey, Channel Islands (the "**Continuance**"); and in connection therewith, to make an application (the "**Continuance Application**") to the Jersey Financial Services Commission (the "**JFSC**") pursuant to the provisions of the *Companies (Jersey) Law, 1991* ("**CJL**"). Upon the Continuance, the Corporation will adopt articles of association (the "**Articles**") and a memorandum of association (together with the Articles, the "**Jersey Charter Documents**") pursuant to the CJL and repeal the current ABCA articles and by-law and change its name to "Serinus Energy Plc" in order to comply with the naming requirements for public companies under Jersey law. The full text of the Continuance Resolution is set out in "*Schedule A – Continuance Resolution*."

### **2) Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. **However, if any other matter properly comes before the Meeting, the proxyholder named in the enclosed form of proxy will vote on such matters in accordance with his or her best judgment.**

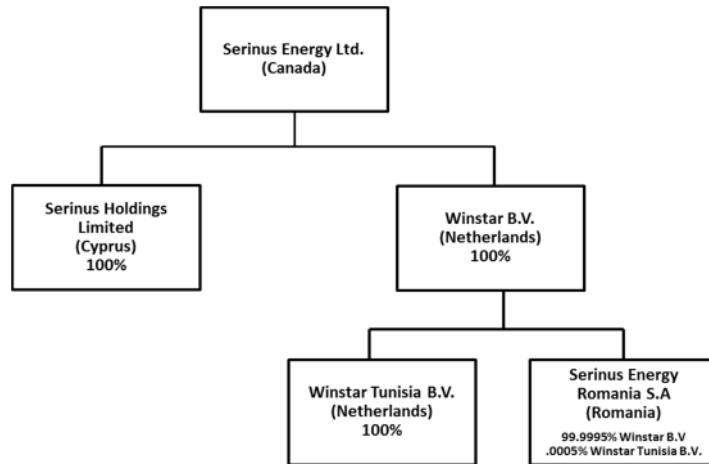
## **THE CONTINUANCE RESOLUTION – BACKGROUND**

Serinus is an international oil and gas exploration and production corporation with a diversified asset base with exposure to development and appraisal projects.

The Corporation was incorporated pursuant to the provisions of the ABCA on March 16, 1987 as Titan Diversified Holdings Ltd. On August 18, 1997, the Corporation changed its name to Loon Energy Inc. On December 10, 2008, pursuant to a court approved plan of arrangement, the Corporation completed the acquisition of Loon Corp and changed its name to Kulczyk Oil Ventures Inc. On June 24, 2013, pursuant to a court approved plan of arrangement, the Corporation completed its acquisition of Winstar Resources Ltd. ("**Winstar**"). On January 1, 2018, the Corporation completed a vertical short form amalgamation with Winstar pursuant to section 184(1) of the ABCA.

The Corporation has two direct wholly-owned subsidiaries, Winstar B.V. and Serinus Holdings Limited. Winstar B.V. in turn owns 100% of Winstar Tunisia B.V. and 99.9995% of Serinus Energy Romania S.A. Winstar Tunisia owns the remaining 0.0005% of Winstar Romania.

The corporate ownership structure and the inter-corporate relationships of the Corporation and its principal operating subsidiaries, including the percentage of votes attaching to voting securities owned, or controlled or directed, directly or indirectly, by the Corporation, are shown below. The jurisdictions of incorporation, formation or organization as at the date of this Information Circular are shown in brackets under the name of each corporation.



The Corporation is a reporting issuer in Poland and in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland in Canada.

The Shares of the Corporation are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol ‘SEN’ and on the Warsaw Stock Exchange (the “**WSE**”) under the symbol ‘SEN’.

The principal assets of the Corporation are located in Romania and Tunisia (collectively, the “**Principal Assets**”). The Corporation has certain oil and gas assets in the Sturgeon Lake region in the province of Alberta, Canada (the “**Alberta Assets**”). The Alberta Assets include surface access rights, minor facilities and a CAD\$1.4 million bond posted with the Alberta government against abandonment liabilities. The Corporation employs 12 employees (the “**Serinus Employees**”) at its head offices in Calgary, Alberta (the “**Head Office**”). For more information on the business and operations of the Corporation please see the Corporation’s latest annual information form on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

## THE PROPOSED TRANSACTIONS

After evaluating the Corporation’s strategic options and taking into account the above noted considerations, the Board has concluded that it is in the best interests of the Shareholders and the Corporation for the Corporation to conduct a series of transactions resulting in the corporate continuation of the Corporation, such that the legal domicile of the Corporation on the effective date of the Continuance shall be Jersey, Channel Islands, all as more particularly described below (collectively, the “**Transactions**”):

- (a) the Corporation will incorporate a new, wholly owned subsidiary pursuant to the provisions of the ABCA (“**NewCo**”) and convey all of its right, title and interest in the Serinus Employees and the Head Office lease to NewCo;

- (b) the Corporation will make an application for regulatory approval to continue Serinus from the laws of the province of Alberta to the laws of Jersey, Channel Islands (the “**Continuance**”). On the effective date of the Continuance, the Corporation will change its name to Serinus Energy Plc (“**Serinus Jersey**”);
- (c) Serinus Jersey will compete a ‘fast track’ application (the “**Fast-Track Application**”) to have its shares listed on the Alternative Investment Market (“**AIM**”) of the London Stock Exchange; and
- (d) Serinus Jersey will apply to have its shares voluntarily delisted from the TSX.

The result of the foregoing Transactions will be:

- (a) on the effective date of the Continuance, Shareholders will hold shares in Serinus Jersey (the “**Serinus Jersey Shares**”) in the same proportion as they held Shares in the Corporation. The principal attributes of the Serinus Jersey Shares will be substantially similar to the Shares, other than differences in Shareholders’ rights under the CJL as compared to the ABCA, including as described under the heading “*Effect of the Continuance*”, “*Comparison between Canada and Jersey Corporate Law*” and “*Other Implications Affecting the Corporation and Securityholders*”;
- (b) Serinus Jersey will be listed on AIM; and
- (c) Serinus Jersey will cease to be listed on any Canadian stock exchange. The Fast-Track Application will include an application for the admission of all Shares currently trading on the TSX to trading on AIM. To be traded on AIM, Shareholders will be required to transfer their Shares to a CREST participant. This process is more particularly described under “*Matters to be Acted Upon At the Meeting – Effect of the Transactions on Shareholders*”.

#### **REASONS FOR THE CONTINUANCE**

The Board of Directors has determined that a corporate structure whereby Shareholders hold shares in a public limited liability company incorporated in Jersey, Channel Islands under the provisions of the CJL is beneficial, as:

- (a) Jersey is more conveniently located in relation to the Corporation’s financing and other activities in Europe and the Principal Assets;
- (b) six of eight members of the Board are resident in Europe. Jersey is more conveniently located in relation to these Board members, therefore it is anticipated that there will be a reduction in the time and cost associated with international travel required to hold meetings of the Board;
- (c) Canadian withholding tax applicable to dividends paid to Shareholders outside Canada will be eliminated;
- (d) since the Corporation has no active commercial connections to Canada, there is no reason for it to be domiciled there and thereby subject to Canadian income and capital gains taxes or for it to bear the compliance costs associated with being a Canadian taxpayer. By contrast, Jersey has generally lower rates of income tax, no capital gains tax and a somewhat simpler tax regime overall; and
- (e) the Corporation anticipates that a Jersey domicile will result in greater access to the European capital and debt markets, such as AIM, for the Corporation, as European

market investors are generally more familiar with Jersey companies. The Corporation anticipates that these markets will provide greater access to capital than Canadian markets.

The Board recognizes, on the other hand, that Shareholders who are individuals resident in Canada will lose the benefit of the dividend tax credit in respect of dividends paid by the Corporation and corporate Shareholders resident in Canada will no longer be able to deduct such dividends in computing their taxable income. The Board also recognizes that Serinus Jersey Shares will not be a qualified investment for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, "**Exempt Plans**") and that Shareholders that own their Shares in an Exempt Plan may be subject to penalties and other adverse consequences. The Board is of the view that the benefits outlined above outweigh these disadvantages which are expected to affect a minority of Shareholders in any case. Accordingly, the Board believes it is desirable for the Corporation to complete the Continuance and change the location of its corporate existence and domicile to Jersey, Channel Islands. See "*Matters to be Acted Upon – Certain Canadian Federal Income Tax Considerations*".

### **SHAREHOLDER APPROVAL OF THE CONTINUANCE RESOLUTION**

The Shareholders will be asked to consider and, if thought appropriate, approve, with or without variation, the Continuance Resolution, the full text of which is set out in "*Schedule A – Continuance Resolution*" to this Information Circular. The Continuance Resolution is a special resolution, which means that in order to be effective, it must be approved by not less than 66 <sup>2/3</sup>% of the votes cast by the Shareholders who vote on the Continuance Resolution.

### **RECOMMENDATION OF THE BOARD**

After careful consideration of several factors considered relevant by the Board, the Board hereby unanimously recommends that Shareholders vote **FOR** the Continuance Resolution. **Shares represented by proxies in favour of management nominees will be voted FOR the Continuance Resolution, unless such Shareholder has specified otherwise in his, her or its proxy.**

### **PROCEDURE FOR THE CONTINUANCE**

For the Continuance to be effective, the following procedure will be followed:

#### **Shareholder Authorization**

By special resolution, Shareholders must authorize the Corporation to make the Continuance Application to the Alberta Registrar of Corporations or the Deputy Registrar of Corporations (collectively, the "**Alberta Registrar**"), and the JFSC, requesting that the Corporation be continued as a company under the CJL.

#### **Application to the Alberta Registrar**

The Corporation must make an application to the Alberta Registrar for approval of the Continuance. In order to be issued a letter of approval by the Alberta Registrar, the Corporation must establish that the Continuance will not adversely affect creditors or Shareholders.

#### **Necessary ABCA Conditions for Continuance**

The continuation of the Corporation as a body corporate to Jersey cannot be completed unless the laws of Jersey provide in effect that:

- (a) the property of the Corporation continues to be the property of Serinus Jersey;

- (b) Serinus Jersey continues to be liable for the obligations of the Corporation;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a civil, criminal or administrative action or proceeding pending by or against the Corporation may be continued to be prosecuted by or against Serinus Jersey; and
- (e) a conviction against, or ruling, order or judgment in favour of or against the Corporation may be enforced by or against Serinus Jersey.

The Corporation believes that this requirement will be satisfied.

### **Jersey Certificate of Continuance**

Subject to compliance with all the requirements of the CJL (including, but not limited to, the delivery of all required documents to, and approval of, the JFSC), the registrar of companies in Jersey (the “**Jersey Registrar**”) will issue to the Corporation a certificate of continuance (the “**Certificate of Continuance**”).

### **Transition**

Upon the issue of the Certificate of Continuance by the Jersey Registrar, the Corporation will become a company governed under the CJL and the Jersey Charter Documents will constitute the charter documents of Serinus Jersey, replacing the existing ABCA articles and by-law.

The Certificate of Continuance will constitute conclusive evidence of the following matters:

- (a) that Serinus Jersey is continued and incorporated under the CJL;
- (b) that the requirements of the CJL have been complied with in respect of:
  - (i) the continuance of Serinus Jersey under the CJL;
  - (ii) all matters precedent to its continuance as such a company;
  - (iii) all matters incidental to its continuance as such a company; and
  - (iv) that it is a public company.

### **Discontinuance under the ABCA**

Pursuant to the ABCA, Serinus Jersey must file the Certificate of Continuance with the Alberta Registrar and obtain a certificate of discontinuance. Serinus Jersey will cease to be governed by the ABCA upon issuance of the certificate of discontinuance.

### **EFFECT OF THE CONTINUANCE**

Assuming that the Continuance Resolution is approved by the Shareholders at the Meeting, it is expected that the Corporation will file the Continuance Application with the JFSC and the procedures outlined above will begin as soon as practicable, as determined by the Board in its sole discretion, in order to give effect to the Continuance. Further details regarding the Continuance, including the proposed timing of the Continuance, will be announced by news release(s) in advance of the Continuance.



The Continuance, if approved, will effect a change in the legal domicile of the Corporation on the effective date thereof to the laws of Jersey, Channel Islands and the name of the Corporation will become "Serinus Energy Plc" in order to comply with the naming requirements for public companies under Jersey law.

On the effective date of the Continuance, a new ISIN/CUSIP number will be assigned to the Serinus Jersey Shares. Shareholders will continue to hold the same number of shares in Serinus Jersey as they held in the Corporation. For further information regarding the impact of the Transactions on the Shares, see "*Matters to be Acted Upon – Effect of the Transactions on Shareholders*", and for Shareholders holding Shares trading on the Warsaw Stock Exchange, see "*Matters to be Acted Upon – Warsaw Stock Exchange Shareholders*".

Holders of options of the Corporation on the effective date of the Continuance will continue to hold options to purchase, or otherwise acquire, an identical number of Serinus Jersey Shares on the same terms.

The principal attributes of Serinus Jersey Shares will be substantially similar to the principal attributes of the share capital of the Corporation other than differences in Shareholders' rights under the CJL as compared to the ABCA and as supplemented by the Articles, including those described below under the headings "*Matters to be Acted Upon – Comparison between Canada and Jersey Corporate Law*" and "*Matters to be Acted Upon – Other Implications Affecting the Corporation and Securityholders*".

By operation of law applicable under the laws of the province of Alberta and the CJL, as of the effective date of the Continuance:

- (a) all property and rights to which the Corporation is entitled immediately before the issuance of the Certificate of Continuance become the property and rights of Serinus Jersey;
- (b) Serinus Jersey will continue to be liable for all claims, debts, liabilities and obligations that existed prior to the Continuance;
- (c) Serinus Jersey will remain subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which the Corporation was subject immediately before the issuance of the Certificate of Continuance; and
- (d) all actions and other legal proceedings which, immediately before the issuance of the Certificate of Continuance, were pending by or against the Corporation may be continued by or against Serinus Jersey as a company incorporated in Jersey, Channel Islands.

Shortly after completion of the Continuance, the directors and officers of Serinus Jersey will remain unchanged from those of the Corporation; however, the election, duties, resignations and removal of directors and officers will be governed by the CJL and the Jersey Charter Documents.

Following the Continuance, Serinus Jersey will remain a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the "**Reporting Issuer Provinces**").

Upon completion of the Continuance Serinus Jersey intends to apply to voluntarily delist from the TSX pursuant to section 720 of the TSX Company Manual (the "**TSX Delisting**"). It is anticipated that the TSX Delisting will occur as soon as practicable after the acceptance by the London Stock Exchange of the Corporation's Fast-Track Application for admission to trading on AIM. The Fast-Track Application will include application for admission for trading of all Shares currently listed on the Toronto Stock Exchange to trading on AIM.

## EFFECT OF THE TRANSACTIONS ON SHAREHOLDERS

### Background

Currently, Shares of the Corporation are held on a Canadian share register managed by Computershare Trust Company of Canada (“**Computershare Canada**”) and are transferred and settled through the Canadian Depository for Securities (“**CDS**”), the Canadian based computerised paperless share transfer and settlement system. CDS allows securities to be held and transferred in electronic book-entry form rather than in paper form. In order for Shares to be transferred and settled through CDS, shares must be held through a broker who is a ‘CDS participant’ (a “**CDS Participant**”).

In order for Serinus Jersey’s Shares to be traded on AIM, such shares must be transferred and settled through CREST, the United Kingdom based share transfer and settlement system. In order for shares to be transferred and settled through CREST, shares must be held through a broker who is a ‘CREST participant’ (a “**CREST Participant**”).

In connection with the Continuance and AIM listing, the Corporation will require a Jersey share register to ensure access to CREST transfer and settlement facilities. The Corporation intends to appoint Computershare Investor Services (Jersey) Limited (“**Computershare Jersey**”) to manage the new Jersey share register.

It is anticipated that following the completion of the Continuance, AIM Listing and TSX Delisting the Corporation will no longer have a need for CDS transfer and settlement facilities; however, the Corporation will maintain both a Canadian share register and a Jersey share register for an estimated thirty-day period of time following the TSX Delisting to allow for continued access to CDS transfer and settlement facilities. Thereafter, Computershare Canada will be terminated as manager of the Canadian share register resulting in the loss of CDS eligibility for the Serinus Jersey Shares (the “**Canadian Register Termination Time**”).

### No Action is required by Shareholders in connection with the Continuance

On the effective date of the Continuance, the Corporation will undergo a name change to Serinus Energy Plc and a new ISIN/CUSIP number will be assigned to the Serinus Jersey Shares. The foregoing will be completed through a process called a ‘Replace on Transfer’. **Shareholders will not be required to take any action in this regard.** Shareholders who hold shares through CDS in book-entry form will have the name change and ISIN/CUSIP automatically updated on the systems of Computershare Canada. Shareholders who hold their Shares in certificated form or as direct registration statements (the “**Physical Holders**”) will be deemed to hold Serinus Jersey Shares reflecting the name change and new ISIN/CUSIP. Following the Continuance but prior to the Canadian Register Termination Time, Physical Holders may mail their certificates to Computershare Canada and have new certificates representing Serinus Jersey Shares mailed to them; however, Physical Holders are not required to do so. At the Canadian Register Termination Time, Physical Holders will have their registration information transferred to the new Jersey share register managed by Computershare Jersey and at this time their Canadian held certificates or direct registration statements will become null and void and physical Serinus Jersey Share certificates will be mailed to them.

### Shareholders wanting to trade their Shares on AIM must provide CREST Participant details

Following the AIM Listing and prior to the Canadian Register Termination Time, Shareholders wanting their Serinus Jersey Shares made eligible to trade on AIM will require that such shares are made eligible to be transferred and settled through CREST. Serinus Jersey Shares held through a CDS Participant in book-entry form or held by Physical Holders, cannot be transferred and settled through CREST until the CDS Participant broker or the Physical Holder of such Shares, as applicable, validly instructs Computershare Canada to arrange for the Shares to be held by a CREST Participant. This is done by providing valid CREST participant account details. In advance of the Continuance and TSX Delisting, the

Corporation intends to issue both a CDS Bulletin and press release providing further instructions in this regard.

Shareholders who hold Shares through a CDS Participant broker in book-entry form may wish to contact their broker for further information on the foregoing.

For Shareholders holding Shares traded on the Warsaw Stock Exchange, please see "*Matters to be Acted Upon – Warsaw Stock Exchange Shareholders*".

### **WARSAW STOCK EXCHANGE SHAREHOLDERS**

Shares of the Corporation trade on the WSE under the symbol "SEN" (the "**Warsaw Shares**"). In connection with the change in the ISIN/CUSIP resulting from the Continuance, the WSE may suspend the trading in the Warsaw Shares for up to three business days (the "**Suspension Period**"). During the Suspension Period no orders for trading in the Warsaw Shares shall be accepted or processed by the WSE and any and all orders regarding trading in the Warsaw Shares on the WSE submitted but not executed prior to the Suspension Period shall be cancelled by the WSE. After the lapse of the suspension period the Warsaw Shares will continue to be traded under the new ISIN/CUSIP. See "*Matters to be Acted Upon – Risk Factors*".

Currently, the Warsaw Shares are transferred and settled through CDS using a CDS Participant. As described in "*Matters to be Acted Upon – Effect of the Transactions on Shareholders*", in connection with the Transactions, transfers and settlement of the Corporation's securities will be moved from CDS to CREST. In order to effect such a change for the Warsaw Shares, transfers and settlement will be moved from the CDS Participant to a CREST Participant. A migration of the Warsaw Shares from a CDS Participant to a CREST Participant will not require any action from holders of the Warsaw Shares. The Corporation intends to publish a news release(s) prior to the migration of the Warsaw Shares providing details on the migration of the Warsaw Shares from the CDS Participant to the CREST Participant.

### **COMPARISON BETWEEN CANADA AND JERSEY CORPORATE LAW**

The following is a summary only of certain differences between the CJL, the statute that will govern the corporate affairs of Serinus Jersey, and the ABCA, the statute which currently governs the corporate affairs of the Corporation.

In approving the Continuance, Shareholders will be approving the adoption of the Jersey Charter Documents and all matters collateral thereto and will be agreeing to hold securities in a company governed by the CJL. This Information Circular summarizes some of the differences that could materially affect the rights and obligations of Shareholders after giving effect to the Continuance. In exercising their vote, Shareholders should consider the distinctions between the CJL and the ABCA, only some of which are outlined below.

Notwithstanding the alteration of Shareholders' rights and obligations under the CJL and the proposed Continuance, Serinus Jersey will remain a reporting issuer in the Reporting Issuer Provinces and thus will still be bound by applicable securities legislation.

Nothing that follows should be construed as legal advice. Shareholders should consult their legal and other advisors regarding implications of the Transactions which may be of particular importance to them.

#### **Charter Documents**

Under the ABCA, a corporation has "articles", which set forth the name of the corporation and the amount and type of authorized capital, and "by-laws" which govern the management of the corporation. The articles are filed with the Alberta Registrar. The articles, along with the by-laws are maintained at the corporation's registered and records office.

A company incorporated under the CJL has charter documents which consist of a “memorandum of association” and “articles of association” (collectively, the “**Charter Documents**”). The memorandum of association must state the name of the company, whether it is a public company or a private company, and, in respect of a no par value company, the number and classes of shares which may be issued. The articles of association regulate the corporate business and affairs and management of a company. The Charter Documents are filed with Jersey Registrar and are publicly available. Any amendment to the Charter Documents must be approved by special resolution of the shareholders of a company (the threshold for which is 75% of votes cast under the Articles).

The doctrine of ultra vires does not apply to Jersey companies and, accordingly, the capacity of such a company is not limited by anything in its Charter Documents or by any act of its members.

If Shareholders approve the Continuance under the CJL, Serinus Jersey will have authorized capital consisting of an unlimited number of ordinary shares. The Continuance under the CJL will not result in any substantive changes to the constitution, powers or management of the Corporation, except as described herein.

### **Amendments to the Charter Documents**

A company incorporated under the CJL may amend its Charter Documents by special resolution. The CJL also requires a special resolution to be passed for other fundamental changes, such as changing the name of a company, changing the status of a company (public to private or private to public), altering the share capital of a company, or approving a continuation to another jurisdiction. The ABCA has substantially similar requirements.

### **Sale of Corporation’s Undertaking**

Under the ABCA, the sale, lease, or other disposition of all or substantially all the property of a corporation, other than in the ordinary course of business, requires shareholder approval by special resolution and a shareholder is entitled to dissent and to be paid the fair value of its shares.

The CJL does not require the approval of shareholders in respect of a sale, lease, or exchange of all or substantially all of the property of a Jersey company.

### **Rights of Dissent and Appraisal**

The ABCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by shareholders at the fair value of such shares. The dissent right is available to shareholders of any class if a corporation resolves to: (a) amend its articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of a particular class or to add, change or remove any restriction on the business that the corporation may carry on; (b) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders; (c) continue under the laws of another jurisdiction; (d) sell, lease or exchange all or substantially all of its property; or (e) enter into a statutory amalgamation. For more information see “*Matters to be Acted Upon – Rights of Dissent to the Continuance*”.

The CJL does not provide a right of dissent to shareholders of a company. However, the CJL: (a) requires that a special resolution be passed to change the articles of a company, approve a statutory merger of companies under the CJL, approve the continuance of a company in another jurisdiction or to convert from a public to a private company or a private to public company; (b) permits an offeror who acquires, or contracts to acquire, 90% in number of the shares to which the offer relates to buy out minority shareholders and permits minority shareholders to oblige such an offeror to buy them out when a Jersey company is subject to takeover; and (c) permits shareholders to apply to the Royal Court of Jersey for remedies in various circumstances.

## **Oppression Remedies**

Under the ABCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, or the business or affairs of the corporation or its affiliates are or have been exercised in a manner, or the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of any security holder, creditor, director or officer.

There is no oppression remedy under the CJL. Pursuant to the CJL, a member of a company may apply to the Royal Court of Jersey for an order on the grounds that a company's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of its members generally or of some part of its members or that an actual or proposed act or omission of a company (including an act or omission on its behalf) is or would be so prejudicial. These provisions under the CJL also apply to a person who is not a member of a company but to whom shares in the company have been transferred or transmitted by operation of law.

The Royal Court of Jersey has a wide power to grant an order to relieve the issue complained of, such as by regulating the conduct of a company's affairs, requiring a company to refrain from doing or continuing an act, or providing for the purchase of the rights of any members of a company by other members or by the company itself.

## **Shareholder Derivative Action**

Under the ABCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek leave to bring a derivative action, may apply to the court for an order to grant such leave if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action and it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued. The complainant must give reasonable notice to the directors of the corporation or its subsidiary of his or her intention to apply to the court for leave to pursue a derivative action and must be acting in good faith.

The CJL does not provide shareholders the right to bring a derivative action. However, Jersey's customary law follows English common law in respect of the ability of shareholders to bring derivative actions in certain situations although such situations are rare.

## **Requisition of Meetings**

The ABCA provides that one or more shareholders of a corporation holding at least five percent of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a meeting of shareholders. Further, the ABCA provides that on receiving the requisition the directors shall call a meeting of shareholders to transact the business stated in the requisition, unless a record date has been fixed and notice has been given or waived, or the directors have called a meeting of shareholders and given notice thereof, or the business of the meeting as stated in the requisition include matters exempt by the ABCA.

The CJL provides that one or more members of a company holding at least ten percent of the total voting rights of the members who have the right to vote at the meeting requisitioned may give notice to the directors of a company requiring them to call and hold a meeting. If the Board does not, within twenty one days after receiving the requisition, call a meeting to be held within two months from that date, the shareholder(s) making the request, or any of them representing more than fifty percent of the total voting

rights of all of them, may call the meeting, but such meeting cannot be held later than three months from that date.

### **Notice of Meetings**

Under the ABCA, reporting issuers are required to provide a notice of a general meeting, a form of proxy and an information circular containing prescribed information regarding the matters to be dealt with at a meeting of shareholders. The conduct of the general meeting is governed by securities legislation and not by the ABCA.

Under the CJL, a company must include in a notice calling a meeting of the company a statement that a member entitled to attend and vote is entitled to appoint a proxy or, where that is allowed, one or more proxies to attend and vote instead of the member, and that a proxy need not also be a member.

### **Indemnification**

Under the ABCA corporations may indemnify any current or former directors and officers and persons who acted at the corporation's request as a director or officer of a body corporate of which the corporation is or was a shareholder or creditor (collectively, the "**Eligible Party**") against: (a) proceedings the Eligible Party is part of by reason of being a director or officer of the corporation, and (b) all costs, charges and expenses, including amounts paid to settle a claim or satisfy a judgment, that are actually and reasonably incurred by the Eligible Party by reason of the proceedings.

The CJL allows companies to indemnify any current or former directors or liquidators against: (a) any liabilities incurred in defending any proceedings (whether civil or criminal) in which judgment is given in the person's favour or the person is acquitted, which are discontinued otherwise than for some benefit conferred by the person or on the person's behalf or some detriment suffered by the person, or which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), the person was substantially successful on the merits in the person's resistance to the proceedings; (b) any liability incurred otherwise than to a company if the person acted in good faith with a view to the best interests of the company; (c) any liability incurred in connection with an application made under Article 212 of the CJL in which relief is granted to the person by the Royal Court of Jersey; or (d) any liability against which a company normally maintains insurance for persons other than directors.

### **Directors and Company Secretary**

The ABCA provides that every corporation shall have one or more directors, except for a distributing corporation whose shares are held by more than one person, which shall have not fewer than 3 directors, at least 2 of whom are not officers or employees of the corporation or its affiliates. In addition, under the ABCA, at least 25 percent of the directors must be resident Canadians.

The CJL provides that a private company must have at least one director and a public company must have at least two directors. The CJL does not contain any residency requirements for directors.

Upon the Continuance, the Corporation's existing Board comprised of 8 directors (all of whom can be contacted at the registered office of the Corporation) will continue in office. A Jersey corporate services provider will provide registered office services to Serinus Jersey and it is expected that the Jersey corporate services provider (or one of its affiliates) will be appointed as Serinus Jersey's company secretary.

### **Issuance of Shares at Fair Market Value**

The ABCA provides that a share shall not be issued until the consideration for the share is fully paid in money or in property or past services that are not less in value than the fair equivalent of the money that the corporation would have received if the share had been issued for money.

The CJL does not require shares to be issued at fair market value.

### **Shares to be Non-Assessable**

The ABCA provides that shares issued by a corporation are non-assessable and the holders are not liable to the corporation or to its creditors in respect thereof.

The CJL does not require shares to be fully paid and non-assessable.

### **Share Buybacks**

Subject to certain solvency requirements and the articles of a corporation, the ABCA permits corporations to redeem their redeemable shares and to purchase any of their shares for cancellation.

The CJL permits Jersey companies to redeem redeemable shares and to purchase their own shares, if, in relation to a purchase, the purchase is sanctioned by a special resolution of shareholders and either the non-selling shareholders approve the relevant purchase contract by ordinary resolution (in the case of private purchases) or the maximum number of shares to be purchased, the maximum and minimum purchase prices and the duration of the authority (which cannot be more than 5 years) are specified in the sanctioning resolution (in the case of purchases on a stock exchange). Additionally, in relation to both purchase and redemption, the directors approving the purchase or redemption must make a 12 month forward looking solvency statement.

## **OTHER IMPLICATIONS AFFECTING THE CORPORATION AND SECURITYHOLDERS**

Additional differences between Alberta and Jersey law and practice which may affect Serinus Jersey and Shareholders are set out below. The following summary does not purport to address all differences between such laws. Shareholders should consult their legal and other advisors regarding implications of the Transactions which may be of particular importance to them.

### **Entitlement to Information**

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators applies to Canadian public corporations and sets out a scheme pursuant to which such corporations shall communicate with both registered and non-registered beneficial shareholders of a corporation.

The laws of Jersey have no such similar requirement. However, NI 54-101 will continue to apply to the Corporation for so long as it is a reporting issuer.

### **Dividends**

The ABCA permits directors alone to declare dividends.

Pursuant to Jersey standard practice directors may declare interim dividends and members may declare dividends provided they do not exceed the amount recommended by the board of directors. The Articles will reflect standard Jersey practice and allow shareholders to declare dividends, notwithstanding that the board will still be able to approve the payment of interim dividends.

## **Borrowing**

The ABCA provides that, without shareholder authorization, directors of a corporation may: (a) borrow money on the credit of the corporation; (b) issue, reissue, sell or pledge debt obligations of the corporation; (c) give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any obligation of the corporation.

The laws of Jersey contain no equivalent powers. The Articles will allow Directors to borrow or raise money and to mortgage, charge or grant any security over all or any part of the undertaking, property and assets (present and future) and uncalled capital of Serinus Jersey, to create and issue debentures, other loan stock and other securities and to give security, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

## **The City Code on Takeovers**

National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) of the Canadian Securities Administrators sets forth the Canadian take-over bid regime. NI 62-104 will continue to apply to the Corporation to the extent that it is party to a take-over bid made in Canada for so long as it is a reporting issuer.

As a Jersey resident company whose shares will be trading on AIM, the City Code on Takeovers and Mergers (the “**City Code**”) will apply to takeovers of Serinus Jersey. The City Code operates principally to ensure that shareholders are treated fairly and are afforded equivalent treatment and provides an orderly framework within which takeovers are conducted. The City Code is administered by the UK Panel on Takeovers and Mergers. The City Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour to promote shareholder protection. These general principles shape the form, structure and timetable of takeovers in the UK. It is a fundamental general principle of the City Code that all shareholders of the same class of a target must be treated similarly by an offeror. A number of rules in the City Code are designed to ensure equal treatment. In particular, the City Code contains rules to ensure that equivalent offers are made to all shareholders, and the same information is provided to all shareholders at the same time.

## **Shareholders Rights in Bankruptcy**

In Canada, shareholders rights in the event of a bankruptcy are determined in accordance with the *Bankruptcy and Insolvency Act* (Canada) or other similar legislation. Generally, Shareholders, who hold only equitable interests in the Corporation, will rank below secured and unsecured creditors in priority during bankruptcy.

In Jersey shareholders rights in the event of a corporate bankruptcy are dealt with by the *Bankruptcy (Désastre) (Jersey) Law 1990* and the CJL. The laws of Jersey, as with the laws of Canada, provide that generally, Shareholders, who hold only equitable interests in the Corporation, will rank below secured and unsecured creditors during bankruptcy.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the “**Tax Act**”) as of the date hereof, generally applicable to the Corporation, Serinus Jersey and Shareholders, including those who choose to exercise Dissent Rights (see “*Matters to be Acted Upon – Rights of Dissent to the Continuance*”). This summary only applies to Shareholders who are and remain at all relevant times resident in Canada for purposes of the Tax Act and any applicable tax treaty.



This summary is not applicable to a Shareholder who: (a) is a “financial institution” for the purposes of the mark-to-market rules contained in the Tax Act; (b) is a taxpayer whose “functional currency” for the purposes of the Tax Act is the currency of a country other than Canada; (c) has entered into, or will enter into, a “derivative forward agreement” or a “synthetic disposition arrangement” as defined in the Tax Act with respect to Shares of the Corporation; or (d) a Shareholder whose share ownership is such that Serinus Jersey will be a “foreign affiliate” of such Shareholder following the Continuance. Such Shareholders should consult their own advisors.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Corporation, Serinus Jersey and Shareholders. This summary is of a general nature only and is not intended to be legal or tax advice. Shareholders should consult their own tax advisors for advice with respect to the tax consequences of the Continuance based on their particular circumstances.

This summary is based upon the provisions of the Tax Act in force on the date of this Information Circular and the current published administrative policies and assessing practices of the Canada Revenue Agency (“CRA”) publicly available prior to the date of this Information Circular. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Information Circular (the “**Proposed Amendments**”) and assumes that the Proposed Amendments will be enacted in their current form. There can be no assurance that any of the Proposed Amendments will be implemented in their current form or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administrative or assessing practices and policies of the CRA. In addition, this summary does not take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this Information Circular.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Canadian Federal Government’s intention to amend the Tax Act to increase the amount of tax applicable to certain passive investment income earned through a “Canadian-controlled private corporation” (as defined in the Tax Act). No specific amendments to the Tax Act were proposed in connection with this announcement. Holders that are Canadian-controlled private corporations should consult their own tax advisors.

## **The Corporation**

While the Corporation is incorporated in Canada, it is deemed to be resident in Canada for purposes of the Tax Act. In addition, Serinus Jersey would also be considered a resident of Canada if its “central management and control” is located in Canada.

When Serinus Jersey is granted the Certificate of Continuance, thereafter it will be considered to have been incorporated in Jersey and will cease to be deemed to be a resident in Canada unless its “central management and control” continues to be located in Canada. The Corporation intends to relocate its “central management and control” to Jersey simultaneously with the Continuance. Hence, Serinus Jersey should cease to be resident in Canada immediately following the Continuance.

The Corporation will be deemed to have a taxation year end immediately before the Continuance. There will also be a deemed disposition of each property owned by the Corporation immediately before such taxation year end for proceeds of disposition equal to its fair market value at that time. The Corporation may also be required to pay a one-time tax upon emigration from Canada.

## **Shareholders**

Except as described below under the heading “*Matters to be Acted Upon – Rights of Dissent to the Continuance*”, a Shareholder will not dispose of his or her Shares solely as a consequence of the Continuance.

### **Dividends Received after Continuance**

Dividends received or deemed to be received by a Shareholder after the Continuance will be required to be included in computing the Shareholder’s income. As a consequence of the Corporation ceasing to be a resident of Canada, the following provisions in the Tax Act governing dividends or deemed dividends will no longer apply:

- (a) a Shareholder who is an individual will not benefit from the gross-up and dividend tax credit rules;
- (b) a corporate Shareholder will no longer be able to deduct the amount of the dividends in computing its taxable income; and
- (c) dividends received by a corporate Shareholder that is a “private corporation” or “subject corporation” as defined in the Tax Act will no longer be liable to tax under Part IV of the Tax Act.

### **Foreign Property Information Reporting after Continuation**

Subsequent to the Continuance, a Shareholder may need to comply with certain foreign property information reporting applicable to a “specified Canadian entity” holding “specified foreign property” (as such terms are defined in the Tax Act) with a tax cost which exceeds CAD\$100,000. Shareholders should consult their own tax advisors as to whether they must comply with these reporting requirements.

### **Shareholders with Tax-Exempt Status**

Currently, Shares are “qualified investments” for Exempt Plans. The Serinus Jersey Shares will not be a “qualified investment” for Exempt Plans. Accordingly, holders or annuitants of the Exempt Plan, and/or the trust governed by the Exempt Plan, may be subject to substantial penalty taxes, the trust governed by the Exempt Plan may become taxable on its income earned in respect of the Serinus Jersey Shares, and, in the case of a registered education savings plan, it may have its status revoked, depending on the particular circumstances. Holders of Shares that hold such Shares in an Exempt Plan are urged to consult with their tax advisor immediately regarding the consequences to them of the Continuance, including whether they should remove their Shares from their Exempt Plan and whether a refund or waiver of any applicable penalty tax may be available and the timeline for the availability of such refund.

### **Dissenting Shareholders**

A dissenting Shareholder will be entitled to be paid the fair value of the Shares held by that Shareholder. The Corporation anticipates that the redemption of any Shares held by dissenting Shareholders will occur after the Continuance.

The amount paid to a Canadian resident Shareholder who dissents to the Continuance should be treated as receiving proceeds of disposition of the relevant Shares. Accordingly, the dissenting Canadian resident Shareholder will recognize a capital gain (or loss) in the amount by which the amount received as proceeds for the disposition of the Shares exceeds (or is less than) the shareholder’s adjusted cost base of the Shares. Interest awarded to a dissenting Shareholder by a court will be included in that Shareholder’s income for the purposes of the Tax Act.

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Shareholder in a taxation year must be included in the shareholder’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a shareholder in a taxation year must be deducted from taxable capital gains realized by the shareholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A shareholder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” for the year, which is defined to include interest and the “eligible portion” of taxable capital gains. Capital gains realized by individual or certain trusts may give rise to a liability for alternative minimum tax. A capital loss realized by a corporation may be reduced in certain circumstances by dividends previously received or deemed to have been received thereon. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust.

### **CERTAIN JERSEY TAX CONSIDERATIONS**

The Board intends to conduct Serinus Jersey’s affairs such that, based on current law and practice of the relevant tax authorities, Serinus Jersey will not become resident for tax purposes in any other territory other than Jersey. It is assumed that Serinus Jersey will not become resident in a territory other than Jersey.

The following summary of the anticipated treatment of Serinus Jersey and Shareholders is based on Jersey taxation law as it is understood to apply at the date of this document.

The following summary does not constitute legal or tax advice. Shareholders should consult their legal and other advisors regarding the implications of acquiring, buying, holding, selling or otherwise disposing of Shares of the Corporation under the laws of the jurisdictions in which they may be liable to taxation. Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

#### **General**

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue, conversion, redemption or transfer of shares. On the death of an individual shareholder (whether or not such individual was domiciled in Jersey), duty at rates of up to 0.75% of the value of the relevant shares (up to a maximum of £100,000) may be payable on the registration in Jersey of any probate or letters of administration which may be required in order to transfer, convert, redeem or make payments in respect of shares held by a deceased individual shareholder.

#### **Income Tax – Serinus Jersey**

Under the Income Tax (Jersey) Law 1961 (as amended) (the “**Tax Law**”), the standard rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey is 0% (‘zero tax rating’). Certain exceptions from zero tax rating apply, namely:

- (a) companies which are regulated by the JFSC under certain sections of the Financial Services (Jersey) Law 1998, the Banking Business (Jersey) Law 1991 or the Collective Investment Funds (Jersey) Law 1988 shall be subject to income tax at a rate of 10% (these companies are defined as ‘financial services companies’ in the Tax Law);

- (b) specifically identified utility companies shall be subject to income tax at a rate of 20% (these companies are defined as 'utility companies' in the Tax Law); and
- (c) any income derived from the ownership or disposal of land in Jersey and companies involved in the importation or supply of hydrocarbon oil in Jersey shall be subject to income tax at a rate of 20%.

It is anticipated that Serinus Jersey will be subject to a zero tax rating.

### **Income Tax – The Shareholders**

Shareholders who are not resident for income tax purposes in Jersey will not be subject to taxation in Jersey in respect of any income or gains arising in respect of the Serinus Jersey Shares held by them.

Jersey resident Shareholders should note Article 134A of the Tax Law and other provisions of the Tax Law, the effect of which may be to render any gains and distributions in respect of their Serinus Jersey Shares chargeable to Jersey income tax.

### **Withholding Tax – The Corporation**

Serinus Jersey will not be entitled to make any deduction or withholding for or on account of Jersey income tax from any dividend declared on the Serinus Jersey Shares. Unless tax resident in Jersey, Shareholders will not be subject to any tax in Jersey in respect of the acquisition, ownership, exchange, sale or other disposition of Serinus Jersey Shares.

### **Goods and Services Tax**

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the “**2007 Law**”), tax at a rate which is currently 5% applies to the supply of retail goods and services, unless the relevant supplier or recipient of such goods and services is registered as an “international services entity”.

Serinus Jersey is expected to be an “international services entity” for the purposes of the 2007 Law and, accordingly, it will not be required to:

- (a) register as a taxable person pursuant to the 2007 Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) pay goods and services tax in Jersey in respect of any supply made to it.

An annual fee will need to be paid each calendar year for Serinus Jersey to retain its ISE status.

### **Tax Information Exchange**

The Organization for Economic Co-operation and Development has been actively engaged in working towards exchange of information on a global scale and has published a global Common Reporting Standard for multilateral exchange of information pursuant to which many governments have now signed multilateral agreements. A group of those governments, including Jersey, has committed to a common implementation timetable which will see the first exchange of information in 2017 in respect of accounts open at and from the end of 2015, with further countries committed to implement the new global standard by 2018. The Common Reporting Standard has been implemented in Jersey by the Taxation (Implementation)(International Tax Compliance)(Common Reporting Standard)(Jersey) Regulations which came into force on January 1, 2016. Serinus Jersey may need to comply with the aforementioned exchange of information requirements as it progresses and develops. Investors must satisfy any requests for information pursuant to such requirements.

## **EU Code of Conduct Group on Business Taxation**

In December 2017 the EU Code of Conduct Group on Business Taxation (the “**Code Group**”) determined Jersey to be a cooperative tax jurisdiction and as such Jersey was not included on its list of non-co-operative jurisdictions. Jersey has made a written commitment to address, by the end of 2018, concerns identified by the Code Group which relate to a perceived lack of substance for companies registering profits in Jersey without demonstrating real economic activity in Jersey. As at the date of this Information Circular, it is not clear what reporting obligations will be introduced and what legislative changes will be made; or what the effect of them, if any, will be on the Jersey tax status of Serinus Jersey.

## **Identification of Shareholders**

Serinus Jersey can be required to make a return to the Comptroller of Income Tax in Jersey, on request, of the names, addresses and shareholdings of Jersey resident Shareholders (in practice this return will not be required at more frequent intervals than once a year).

## **RISK FACTORS**

This Information Circular should be read in conjunction with the Corporation’s annual information form for the year ended December 31, 2016, and the annual management discussion and analysis (“**MD&A**”) for the year ended December 31, 2016 and interim MD&As thereafter, which disclose certain general risks faced by the Corporation and its subsidiaries. In addition to these general risks, the Corporation has identified additional risks with respect to the Continuance, which are described below.

If any of the risks identified below and in the Corporation’s MD&As materialise, the business, financial condition, results or future operations of the Corporation could be materially and adversely affected. In such circumstances, the trading price of the Shares could decline and Shareholders could lose part or all of their investment in the Shares.

Accordingly, Shareholders should consider carefully the specific risk factors set out below in addition to the other information contained in this Information Circular in evaluating whether or not to approve the Continuance.

## **Changes to the Tax Law in Jersey**

The rates of taxation in Jersey may change, which could adversely affect the financial prospects of Serinus Jersey and/or the returns available to Shareholders. The tax rates in Jersey referred to in this Information Circular are those prevailing as at the date of this Information Circular. Any change in these rates or in Jersey tax legislation could impose a new tax liability or increase an existing tax liability.

## **Maintenance of Tax Residence in Jersey**

In order to ensure Serinus Jersey does not become tax resident in any jurisdiction other than Jersey, the Corporation will be required to be controlled and managed in Jersey. The composition of the Board, the place of residence of the individual members of the Board and senior management and the location(s) in which the Board makes decisions will be important in ensuring that Serinus Jersey does not become tax resident in any jurisdiction other than Jersey. Following the Continuance, Serinus Jersey must also ensure that management and control decisions are made in Jersey. Failure to maintain tax residence in Jersey could potentially lead to Serinus Jersey being considered tax resident in a jurisdiction other than Jersey, which in turn could have a material adverse effect on Serinus Jersey’s business, financial condition and prospects and/or operating results. To address this risk, Serinus Jersey intends to hold regular meetings of the Board in Jersey.

## **Rights of Shareholders and Fiduciary Duties owed by the Board will be governed by Jersey Law and the Jersey Charter Documents**

It is intended that the Corporation be continued under the CJL. The rights of Shareholders and the fiduciary duties that the Board owes to Serinus Jersey and Shareholders will be governed by Jersey law and the Jersey Charter Documents. As a result, the rights of Shareholders and the fiduciary duties owed to them and Serinus Jersey will differ from those under the ABCA and may differ in material respects from the rights and duties that would be applicable if Serinus Jersey were organized under the laws of a different jurisdiction or if Serinus Jersey was not permitted to vary such rights and duties in its Jersey Charter Documents. See above under the headings “*Matters to be Acted Upon – Comparison between Canada and Jersey Corporate Law*” and “*Matters to be Acted Upon – Other Implications Affecting the Corporation and Securityholders*”.

## **No Liquidity**

There is no guarantee that Serinus Jersey will ever meet the eligibility criteria for listing on AIM or that market conditions will be such that Serinus Jersey can be floated at a valuation deemed acceptable to its directors and shareholders. In addition, admission of the Shares to trading on AIM should not be taken as implying that there will be an ongoing liquid market for the Shares.

## **UK exit from the European Union**

On March 29, 2017, the UK government triggered Article 50 of the Treaty on European Union which means that the UK will leave the EU by March 29, 2019 (“**Brexit**”). Brexit will have an impact on Jersey even though it is not part of the UK. The extent of the impact which it will have on Serinus Jersey will depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation. As such, it is not possible to state the impact that Brexit would have on Serinus Jersey and its business. Brexit may also make it more difficult for Serinus Jersey or its potential future subsidiaries to do business and raise capital in the EU and/or increase the regulatory compliance burden on Serinus Jersey. This could restrict Serinus Jersey or its potential future subsidiaries’ future activities and thereby negatively affect returns.

## **The Corporation may Fail to Realize the Perceived Benefits of the Continuance**

The Corporation has pursued the Continuance because it believes that the Continuance will be beneficial to the Corporation’s business and operations, the Shareholders and other stakeholders. The success of the Continuance will depend, in part, on the ability of the Corporation to realize the anticipated benefits associated with the Continuance. The failure to otherwise realize any of the anticipated benefits of the Continuance could impair the operating results, profitability and financial results of Serinus Jersey.

## **Serinus Jersey will be Subject to Anti-Corruption and Anti-Bribery Regulations in the UK**

Serinus Jersey will be subject to anti-corruption and anti-bribery laws and regulations, including the UK Bribery Act 2010. Given the nature of Serinus Jersey’s business, it may be exposed to risks, particularly with respect to suppliers and distributors in emerging markets that are not within Serinus Jersey or its subsidiaries’ control. Serinus Jersey may also be held liable for successor liability violations of laws committed by companies in which Serinus Jersey or its subsidiaries invest in or which they acquire. Moreover, due to the significant amounts of money involved in global supply contracts, there is also potential for suppliers to attempt to bribe Serinus Jersey or its potential future subsidiaries’ employees and sourcing agents. Actual or alleged violations of anti-corruption and anti-bribery laws could result in material adverse consequences, including, but not limited to, civil and criminal sanctions, termination of contracts and arrangements by Serinus Jersey or its subsidiaries’ counterparties, disruptions to Serinus

Jersey or its subsidiaries' business, and reputational harm, all of which may have a material adverse effect on Serinus Jersey or its subsidiaries' financial condition or results of operations.

In addition, any violation of anti-money laundering laws or regulations by Serinus Jersey may also have a material adverse effect on its business, reputation or results of operations.

### **Uncertainties resulting from the EU Code of Conduct on Business Taxation's determination regarding Jersey**

In December 2017 the EU Code of Conduct Group on Business Taxation (the "**Code Group**") determined Jersey to be a cooperative tax jurisdiction and as such Jersey was not included on its list of non-co-operative jurisdictions. Jersey has made a written commitment to address, by the end of 2018, concerns identified by the Code Group. To meet its commitment, Jersey may introduce enhanced reporting obligations or make changes to its legislation on economic substance. As at the date of this Information Circular, it is not clear what reporting obligations will be introduced and what legislative changes will be made; or what the effect of them, if any, will be on the Jersey tax status of Serinus Jersey.

### **Suspension of trading on the WSE may temporarily inhibit liquidity and prohibit trading**

In connection with the change in the ISIN/CUSIP resulting from the Continuance, the WSE may impose the Suspension Period. The Suspension Period may result in the cancellation or delay of orders submitted by investors prior to the Suspension Period if the relevant transactions covered by such orders are not concluded prior the Suspension Period. Holders of Warsaw Shares may lack the liquidity and ability necessary to trade their shares as a result of and during the course of the Suspension Period.

## **RIGHTS OF DISSENT TO THE CONTINUANCE**

Shareholders are entitled to the dissent rights set out in the ABCA and to be paid the fair value of their Shares or if such Shareholder dissents to the Continuance and the Continuance becomes effective (the "**Dissent Rights**"). Neither a vote against passing the Continuance Resolution, nor an abstention or the execution or exercise of a proxy vote against such resolution will constitute notice of dissent, but a Shareholder need not vote against such resolution in order to object. A Shareholder must dissent with respect to all the Shares either held personally by him or on behalf of any one beneficial owner and which are registered in one name. A brief summary of the provisions of the dissent rights of Shareholders under the ABCA is set out below, and is qualified in its entirety by Schedule B.

**Persons who are beneficial owners of the Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that ONLY A REGISTERED SHAREHOLDER IS ENTITLED TO DISSENT.** A Shareholder who beneficially owns the Shares but is not the registered holder thereof, should contact the registered holder for assistance.

In order to dissent, a Shareholder must send to the Corporation in the manner set forth below, a written notice of objection (the "**Objection Notice**") to the Continuance Resolution. On the action approved by the Continuance Resolution becoming effective, the making of an agreement between the Corporation and the dissenting Shareholder as to the payment to be made for the dissenting Shareholder's Shares or the pronouncement of an order by a court, whichever of these three events occurs first, the Shareholder ceases to have any rights as a Shareholder other than the right to be paid the fair value of his or her Shares in an amount agreed to by the Corporation and the Shareholder or in the amount of the judgment, as the case may be, which fair value shall be determined as of the close of business on the last business day before the day on which the resolution from which the dissent was adopted. Until any one of such events occurs, the Shareholder may withdraw his or her dissent or the Corporation may rescind the resolution and in either event, the proceedings shall be discontinued.

If the Continuance is approved, the dissenting Shareholder who sent an Objection Notice, or the Corporation, may apply to the court to fix the fair value of Shares held by the dissenting Shareholder and the court shall make an order fixing the fair value of such the Shares, giving judgment in that amount against the Corporation in favour of the dissenting Shareholders. If such an application is made by a dissenting Shareholder, the Corporation shall, unless a court otherwise orders, send to each dissenting Shareholder a written offer (the “**Offer to Purchase**”) to pay to the dissenting Shareholder, an amount considered by the directors of the Corporation to be the fair value of the subject Shares, together with a statement showing how the fair value of the subject Shares was determined. Every Offer to Purchase shall be on the same terms. At any time before the court pronounces an order fixing the fair value of the dissenting Shareholder’s Shares, a dissenting Shareholder may make an agreement with the Corporation for the purchase of his or her Shares, in the amount of the Offer to Purchase, or otherwise. The Offer to Purchase shall be sent to each dissenting Shareholder within 10 days of the Corporation being served with a copy of the originating notice. Any order of the court may also contain directions in relation to the payment to the Shareholder of all or part of the sum offered by the Corporation for the Shares, the deposit of the share certificates representing the Shares, and other matters.

If the Corporation is not permitted to make a payment to a dissenting Shareholder due to there being reasonable grounds for believing that the Corporation is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the Corporation’s assets would thereby be less than the aggregate of its liabilities, then the Corporation shall, within ten days after the pronouncement of an order, or the making of an agreement between the Shareholder and the Corporation as to the payment to be made for his or her Shares, notify each dissenting Shareholder that it is unable lawfully to pay such dissenting Shareholders for their Shares.

Notwithstanding that a judgment has been given in favour of a dissenting Shareholder by the court, if the Corporation is not permitted to make a payment to a dissenting Shareholder for the reasons stated in the previous paragraph, the dissenting Shareholder by written notice delivered to the Corporation within 30 days after receiving the notice, as set forth in the previous paragraph, may withdraw his or her notice of objection in which case the Corporation is deemed to consent to the withdrawal and the Shareholder is reinstated to his or her full rights as a Shareholder, failing which he retains his or her status as a claimant against the Corporation to be paid as soon as it is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to its Shareholders.

In order to be effective, a written Objection Notice must be received by the Chief Executive Officer of the Corporation, c/o McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue S.W., Calgary, AB, T2P 4K9, prior to the commencement of the Meeting.

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of his or her Shares. The complete dissent provisions of the ABCA are set forth in Schedule B hereto. The ABCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters’ rights. Accordingly, each Shareholder who might desire to exercise the dissenters’ rights should carefully consider and comply with the provisions of the section and consult such Shareholders’ legal advisor.

**It is a condition to the completion of the Continuance that holders of not greater than 3% of outstanding Shares shall have exercised Dissent Rights in respect of the Continuance that have not been withdrawn as of the effective date of the Continuance.**

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

### **Aggregate Indebtedness to the Corporation**

As at the date hereof no executive officer, director, employee or former executive officer, director or employee of the Corporation or of any of its subsidiaries is: (a) indebted to the Corporation or any of its



subsidiaries for any purpose or (b) is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding granted by the Corporation or any of its subsidiaries.

### **Indebtedness of Directors and Officers to the Corporation**

No person that is or was, at any time since the beginning of the Corporation's most recently completed financial year: (i) a director or executive officer of the Corporation, (ii) a proposed nominee for election as a director of the Corporation (iii) or an associate of any such director, executive officer or proposed nominee:

- (a) is, or at any time since the beginning of the Corporation's most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries; or
- (b) is, or at any time since the beginning of the most recently completed financial year has been, the subject of a debt guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate (as such terms are defined in applicable Canadian securities law and securities instruments) of any informed person or proposed director, has had any direct or indirect material interest in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **AUDITOR**

The auditor of the Corporation is KPMG LLP, Chartered Accountants, with offices at 3100, 205 – 5th Avenue S.W., Calgary, Alberta, Canada. KPMG LLP was appointed as the Corporation's auditor on December 31, 2003.

### **MANAGEMENT CONTRACTS**

No management functions of the Corporation or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Corporation or subsidiary.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.serinusenergy.com](http://www.serinusenergy.com). Financial information is provided in the Corporation's consolidated financial statements and MD&A for its most recently completed financial year. A copy of the Corporation's consolidated financial statements, together with the MD&A, will be provided to any Shareholder upon request to the Chief Financial Officer, Ms. Tracy H. Heck, at Suite 1500, 700 - 4th Avenue S.W., Calgary, Alberta, Canada, T2P 3J4, or by telephone at +1-403-264-8877.

**APPROVAL**

The content of this Circular has been approved by the Board.

DATED as of February 5, 2018.

By order of the Board of Directors of Serinus Energy Inc.

(signed) "*Jeffrey Auld*"  
Jeffrey Auld  
Chief Executive Officer

**SCHEDULE A**  
**CONTINUANCE RESOLUTION**

The text of the Continuance Resolution is as follows:

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Serinus Energy Inc. (the "**Corporation**") be and is hereby authorized to:
  - (a) make application pursuant to Article 127K of the *Companies (Jersey) Law 1991*, as amended (the "**CJL**") to the Jersey Financial Services Commission ("**JFSC**") to seek continuance of the Corporation as a Corporation incorporated under the CJL under the name "Serinus Energy Plc" (the "**Continuance**"); and
  - (b) make application to the Registrar under the *Alberta Business Corporations Act* (the "**ABCA**") for the Registrar's authorization to permit the Continuance;
2. Subject to the issuance by the Jersey Registrar of Companies of a certificate of continuance (the "**Certificate of Continuance**") and without affecting the validity of any act previously done by the Corporation under its charter documents or otherwise, the Corporation is hereby authorized to adopt a Memorandum and Articles of Association in such form as is approved by the board of directors of the Corporation as the charter documents of the Corporation (and the Articles of Association shall be the "articles of continuance" under the CJL) and, in connection therewith, all amendments to the existing articles of the Corporation to be implemented by the adoption of the Memorandum and Articles of Association, including the change in the Corporation's name to "Serinus Energy Plc", are hereby approved;
3. Subject to the issuance of the Certificate of Continuance, the repeal of the Corporation's by-law is hereby authorized;
4. Any purchase by the Corporation, prior to the completion of the Continuance, of any shares of any shareholder dissenting to the Continuance be and is hereby sanctioned as a special resolution and the contract resulting from the acceptance by each dissenting shareholder of an offer to purchase made by the Corporation pursuant to section 191(7) of the ABCA, together with the Corporation's and such dissenting shareholder's obligations and rights under the ABCA in relation to such purchase, including the price at which the shares of dissenting shareholders are agreed or otherwise determined by a court to be purchased, shall form the purchase contracts between the Corporation and any shareholders dissenting to the Continuance, and all such contracts, if any, are hereby approved;
5. Notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered in their sole discretion, without further notice to, or approval of, the shareholders of the Corporation, to revoke this resolution and abandon the application for Continuance at any time prior to the issuance of the Certificate of Continuance; and
6. Any one officer or one director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, applications, articles, agreements and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized

thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

## **SCHEDULE B**

### **DISSENT RIGHTS**

Reproduced below is the text of section 191 of the Alberta Business Corporations Act, which entitles Shareholders to object to the Continuance Resolution and sets out the procedure for so doing.

#### **Right to dissent**

191. (1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

- (a) amalgamate with another corporation, otherwise than under section 184 or 187,
- (b) be continued under the laws of another jurisdiction under section 189, or
- (c) sell, lease or exchange all or substantially all its property under section 190.

#### **Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

#### **Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

#### **No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

#### **Objection**

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or

- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

**Corporation or shareholder application to court**

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**Offer to pay**

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
- (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

**Same terms**

(9) Every offer made under subsection (7) shall

- (a) be made on the same terms, and
- (b) contain or be accompanied with a statement showing how the fair value was determined.

**Agreement to pay**

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

**Costs of a subsection (6) application**

(11) A dissenting shareholder

- (c) is not required to give security for costs in respect of an application under subsection (6), and

- (d) except in special circumstances must not be required to pay the costs of the application or appraisal.

**Court directions under a subsection (6) application**

(12) In connection with an application under subsection (6), the Court may give directions for

- (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
- (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
- (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
- (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
- (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
- (f) the service of documents, and
- (g) the burden of proof on the parties.

**Court orders under a subsection (6) application**

(13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**Suspension of rights**

(14) On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

#### **Discontinuance of proceedings**

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

#### **Interest**

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

#### **Notice that subsection (20) applies**

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

#### **Effect where subsection (20) applies**

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

#### **Limitation**

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or



- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.