

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities laws and may not be offered or sold within the United States unless an exemption from such registration is available.

The securities offered hereby have not been and will not be publicly offered as defined in Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on prospectuses to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the “Prospectus Directive”) and as implemented in member states of the European Economic Area (the “EEA”), including Poland. Any person making or intending to make any offer of the securities offered hereby within any such EEA member state should do so only in circumstances in which no obligation arises for the Corporation to register the said securities and to publish the prospectus for such offer.

In relation to each member state of the EEA which has implemented the Prospectus Directive (each a “Relevant Member State”) the Corporation (as defined below) has represented, warranted and agreed that it has not made and will not make a public offering of securities offered hereby in that Relevant Member State. For the purposes of this document, the expression “a public offering” in relation to any securities in any Relevant Member State means a communication to a number of persons/entities not lesser than specified in such Relevant Member State’s legislation (e.g. in Poland to at least 150 persons or to an unspecified addressee), or to an unspecified addressee if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and the Council amending the Prospectus Directive, in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities either in the United States or in any Relevant Member State. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Serinus Energy Inc. at Suite 1500, 700-4th Avenue SW, Calgary, Alberta, T2P 3J4, Telephone: (403) 264-8877, and are also available electronically at www.sedar.com.

Short Form Prospectus

New Issue

February 21, 2017

SERINUS ENERGY INC.



\$25,200,000 (72,000,000 Common Shares at \$0.35 per share)

This short form prospectus qualifies the distribution (the “**Offering**”) of 72,000,000 common shares (the “**Common Shares**”) in the capital of Serinus Energy Inc. (the “**Corporation**” or “**Serinus**”) to be issued at a price of \$0.35 per Common Share (the “**Offering Price**”) for aggregate gross proceeds of \$25,200,000 (the “**Total Offering**”). The outstanding Common Shares are currently listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) and the Warsaw Stock Exchange (“**WSE**”) under the symbol “**SEN**”. On January 6, 2017, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares was \$0.38 on the TSX and PLN1.88 on the WSE. On February 17, 2017, the last trading day prior to the filing of this short form prospectus, the closing price of the Common Shares was \$0.44 on the TSX and PLN1.49 on the WSE. The TSX has conditionally approved the listing of the Offered Shares (as defined below) to be distributed under this short form prospectus. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before April 7, 2017.

The Common Shares offered herein (collectively, the “**Offered Shares**”) will be offered for sale on a “commercial reasonable efforts” agency basis, pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) to be entered into between the Corporation and GMP Securities L.P. (the “**Agent**”). Kulczyk Investments SA (“**KI**”), the Corporation’s major shareholder will be purchasing, either directly or indirectly through its affiliates, up to 38,693,049 of the Offered Shares, being up to \$13,542,567.15 of the Offered Shares (the “**KI Shares**”) at the Offering Price (the “**KI Purchase**”) increasing its ownership position from 50.76% to up to 52.18%,

after giving effect to the Offering. The Offering Price was determined based upon arm’s length negotiations between the Corporation and the Agent in the context of the market. See “*Plan of Distribution*”.

	Price to the Public	Agent’s Fee ⁽¹⁾⁽²⁾	Net Proceeds to the Corporation ⁽³⁾
Per Common Share.....	\$0.35000	\$0.01226	\$0.33774
Total Offering.....	\$25,200,000	\$883,053	\$24,316,947

Notes:

- (1) In consideration for the services rendered by the Agent in connection with the Offering, the Corporation has agreed to pay the Agent a cash fee (the “**Agent’s Fee**”) equal to: (i) 6% of the gross proceeds from the sale of the Offered Shares which are not KI Shares or Offered Shares settled directly with the Corporation, which is equal to \$0.021 per such Offered Share; and (ii) 1.5% of the gross proceeds from the sale of the KI Shares, which is equal to \$0.00525 per KI Share.
- (2) Assumes only one sale of Offered Shares for gross proceeds of \$325,521 is being settled directly with the Corporation, and KI purchases 38,693,049 of the Offered Shares.
- (3) After deducting the Agent’s Fee but before deducting the expenses of the Offering, estimated to be \$450,000, which will be paid from the proceeds of the Offering.

The Offering may constitute a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”). The Corporation is relying on the financial hardship exemption included in Section 5.7(e) of MI 61-101 to be exempted from the requirement for a minority shareholder approval. The Corporation has three directors unrelated to KI in respect of the Offering. In connection with its approval of the Offering, the Board (as defined below), including the directors unrelated to KI, acting in good faith, have concluded that: (i) the Corporation is in serious financial difficulty; (ii) the Offering is designed to improve the Corporation’s financial condition; and (iii) the terms of the Offering are reasonable for the Corporation in the circumstances. The Offering is not subject to court approval or court orders that the Offering be effected, under bankruptcy or insolvency law, or any equivalent legislation.

The Corporation is relying on the distribution of securities for cash exemption included in Section 5.5(c) of MI 61-101 to be exempted from the requirement for a formal valuation. Neither the Corporation nor, to the knowledge of the Corporation after reasonable inquiry, the related party in this Offering, being KI, has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed.

As at September 30, 2016, the Corporation was not in compliance with the annual debt service coverage ratio financial covenant at the Tunisia level and the consolidated financial debt to EBITDA ratio financial covenant in the EBRD Tunisia Credit Facility (as defined below). The Corporation anticipates that it will not be in compliance for the period ended December 31, 2016, and may not be in compliance in future periods. The EBRD (as defined below) has formally waived compliance with these ratios for the periods ended September 30, 2016 and December 31, 2016 (the latter subject to the completion of this Offering), and the Corporation is in negotiations with the EBRD to renegotiate the EBRD Tunisia Credit Facility, including amendments to the financial covenants. In the event such renegotiations are not successful and the Corporation continues to be unable to comply with the financial covenants in the EBRD Tunisia Credit Facility, or any of the Corporation’s other covenants or obligations under the EBRD Tunisia Credit Facility, it is possible the EBRD may not waive compliance with such covenants or other obligations for future periods or agree to forbear from exercising its rights under the EBRD Tunisia Credit Facility and related security, which could impact the Corporation’s ability to continue as a going concern and change the Corporation’s intended use of proceeds. See “*Use of Proceeds*” and “*Risk-Factors – The Corporation has significant debt and may be unable to continue as a going concern*”, “*Risk Factors – The Corporation has negative cash flow*”, and “*Risk Factors – The Offering may not improve the Corporation’s financial condition*” below.

The Offering will not be completed unless the Total Offering is raised.

The Offering is not underwritten or guaranteed by any person. The Offering is being conducted on a “reasonable commercial efforts” agency basis, by the Agent who conditionally offers the Offered Shares for sale, if, as and when issued by the Corporation and accepted by the Agent, in accordance with the terms and conditions contained in the Agency Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on

behalf of the Corporation by Osler, Hoskin & Harcourt LLP and on behalf of the Agent by Stikeman Elliott LLP. See “*Plan of Distribution*”.

Subject to applicable laws and in connection with the Offering, the Agent may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

Subscriptions for the Offering will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about February 24, 2017 or on such other date as the Agent and the Corporation may agree upon (“**Closing Date**”). The distribution of the Offered Shares will not continue for a period of more than 90 days after the date on which the Corporation receives a final receipt for this short form prospectus, unless an amendment to this short form prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws; provided that the total period of distribution under the Offering will in any event not exceed 180 days from the date of the final receipt for this short form prospectus. The Corporation has appointed the Agent to hold in trust all subscription funds received until the Total Offering has been raised. If the Total Offering is not raised on or before the day that is 90 days after the date a final receipt is issued for this short form prospectus, or such later date as the Corporation and the Agent may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the securities regulatory authorities issuing a receipt for the amendment), the Agent must return such funds to the subscribers without interest, set-off or deduction. See “*Plan of Distribution*”.

Except in limited circumstances: (i) the Offered Shares will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Offered Shares will not be issued to subscribers; and (iii) subscribers will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased. Subscribers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing are entitled under the *Business Corporations Act* (Alberta) (the “**ABCA**”) to request that a certificate be issued in their name. Such a request will need to be made through the CDS participant through whom the beneficial interest in the securities is held at the time of the request.

An investment in the Offered Shares should be considered highly speculative due to various factors, including the nature of the Corporation’s business and the Corporation’s financial condition. The Corporation’s business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and demand for oil and natural gas and the regulation of the oil and natural gas industry by various levels of government. The oil and natural gas reserves and contingent resources and recovery information incorporated by reference in this short form prospectus are estimates only and the actual production and ultimate reserves recovered from the Corporation’s properties may be greater or less than the estimates contained in this short form prospectus. The success of acquisitions and further exploration or development projects cannot be assured. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. Prospective investors should carefully consider the risk factors described in this short form prospectus under “*Risk Factors*”. “*Advisories – Presentation of Oil and Gas Information*” and “*Advisories – Forward-Looking Statements*”, as well as the risk factors contained in the revised annual information form of the Corporation dated February 21, 2017 for the year ended December 31, 2015 (the “*Revised AIF*”) and in the Corporation’s management’s discussion and analyses, incorporated by reference in this short form prospectus.

Investors should rely only on the information contained in this short form prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Offered Shares in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus. Subject to the Corporation’s obligations under applicable securities laws, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus regardless of the time of delivery of this short form prospectus or of any sale of the Offered Shares.

Messrs. Helmut Langanger, Evgenij Iorich, Sebastian Kulczyk, Dominik Libicki and Łukasz Rędziniak, directors of the Corporation and Mr. Jeffrey Auld, the President and Chief Executive Officer and a director of the Corporation, reside outside of Canada. Each of Messrs. Helmut Langanger, Evgenij Iorich, Sebastian Kulczyk, Dominik Libicki, Łukasz Rędziniak and Jeffrey Auld have appointed the Corporation as agent for service of process at the following address: Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if such person or company has appointed an agent for service of process.

This document is only being and may only be distributed to and directed at (i) persons outside the United Kingdom (the "U.K."); or (ii) persons in the U.K. who (a) are "qualified investors" within the meaning of Section 86(7) of the U.K. Financial Services and Markets Act 2000, as amended (the "FSMA") acting as principal or in circumstances to which section 86(2) of FSMA applies and that also fall within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a)-(d) (high net worth companies, unincorporated associations, etc.) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Financial Promotions Order"); or (b) are otherwise lawfully permitted to receive it (all such persons together being referred to as "relevant persons"). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. By accepting a copy of this short form prospectus and by offering to acquire Offered Shares under the Offering, potential investors in the U.K. will be deemed to have represented that they satisfy the criteria specified in clause (ii) above to be a relevant person. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not a prospectus for the purposes of Section 85(1) of the FSMA and contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the U.K. Companies Act 2006 or otherwise. Accordingly, this document has not been examined or approved as a prospectus by the U.K. Financial Conduct Authority (the "FCA"), under Section 87A of the FSMA and has not been filed with the FCA pursuant to the rules published by the FCA implementing the Prospectus Directive (Directive 2003/71/EC) (the "United Kingdom Prospectus Rules") nor has it been approved by a person authorized under the FSMA for the purposes of Section 21 of the FSMA.

In relation to each Relevant Member State, a public offering of the securities offered under this document may not be made in that Relevant Member State. No public offering of Offered Shares in any Relevant Member State may be concluded prior to the publication of a prospectus in relation to such securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer of such securities to the public in that Relevant Member State may be made at any time: (i) to qualified investors as defined in Article 2(1)(e) of the Prospectus Directive or implementing legislation in the Relevant Member State ("European Qualified Investors"); (ii) to fewer than 100 natural or legal persons, or fewer than 150 natural or legal persons if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and the Council amending the Prospectus Directive; or (iii) in any other circumstances which do not require the publication by the Corporation or the Agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

The Offered Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offered Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering, the Corporation or the Common Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offered Shares.

The Corporation's head office and registered office are located at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Corporation and Stikeman Elliott LLP, counsel to the Agent, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) in force on the date hereof, and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, on the Closing Date provided the Offered Shares are listed on a designated stock exchange (which includes the TSX), the Offered Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“**RRSP**”), registered retirement income funds (“**RRIF**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSA**s”), and, provided the holder of a TFSA or the annuitant under a RRSP or RRIF deals at arm’s length with the Corporation, and does not have a “significant interest” (within the meaning of the Tax Act) in the Corporation or the Offered Shares are “excluded property” (within the meaning of the Tax Act), will not be a “prohibited investment” under the Tax Act for such TFSA, RRSP or RRIF, as the case may be. Prospective holders that hold or intend to hold Offered Shares in a TFSA, RRSP or RRIF, are urged to consult their own tax advisors.

ADVISORIES

General

An investor should read this entire short form prospectus and the documents incorporated by reference herein and consult the investor’s own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Offered Shares offered under this short form prospectus. An investor should rely only on the information contained in this short form prospectus and the documents incorporated by reference herein and is not entitled to rely on parts of the information contained in this short form prospectus or the documents incorporated by reference herein to the exclusion of other parts. The Corporation has not, and the Agent has not, authorized anyone to provide investors with additional or different information. If anyone provides an investor with additional, different or inconsistent information, including statements in the media about the Corporation, the investor should not rely on it.

The Corporation is not, and the Agent is not, offering to sell the Offered Shares offered under this short form prospectus in any jurisdictions where the offer or sale is not permitted. The information contained in this short form prospectus and the documents incorporated by reference herein is accurate only as of the date of this short form prospectus or the particular document incorporated by reference herein, regardless of the time of delivery of this short form prospectus or any sale of such Offered Shares.

Neither the Corporation nor the Agent has done anything that would permit the Offering, or possession or distribution of this short form prospectus, in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe, any restrictions relating to the Offering and the distribution of this short form prospectus.

Caution Regarding Forward-Looking Information and Future-Oriented Financial Information

Certain statements contained in this short form prospectus and in certain documents incorporated by reference into this short form prospectus constitute forward-looking statements. These statements relate to future events or the Corporation’s future plans and performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “predict”, “project”, “should”, “target”, “will” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this short form prospectus should not be unduly relied upon.

In particular, this short form prospectus, and the documents incorporated by reference herein contain forward-looking statements pertaining to the following:

- financial condition and cash flow of the Corporation;
- anticipated non-compliance with the EBRD Tunisia Credit Facility and the EBRD's continued waiver of default of the Corporation under such facility;
- the consequences of the Corporation's significant indebtedness;
- the use of proceeds from this Offering;
- drilling plans and timing of drilling and testing of wells;
- productive capacity of wells, anticipated or expected production rates and anticipated dates of commencement of production;
- the anticipated delivery of the replacement ESP (as defined below) for Well CS-3 on the Chouech Es Saida Concession in Tunisia,
- drilling, completion and facilities costs;
- results of various projects of the Corporation;
- growth expectations within the Corporation;
- access to attractive investment opportunities and success in bidding for and winning new assets;
- timing of development of undeveloped reserves;
- transportation arrangements and markets for oil and/or gas produced from the Corporation's licence areas;
- the performance and characteristics of the Corporation's oil and natural gas properties;
- the quantity of oil and natural gas reserves and resources;
- capital expenditure programs;
- supply and demand for oil and natural gas and commodity prices;
- the impact of governmental regulation on the Corporation relative to other oil and gas companies of similar size;
- expected levels of royalty rates, operating costs, general administrative costs, costs of services and other costs and expenses;
- expectations regarding the debt renegotiation of the EBRD Tunisia Credit Facility, including the conversion of the Convertible Loan (as defined below);
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves and resources through acquisitions, development and exploration;
- treatment under governmental regulatory regimes and tax laws; and
- realization of the anticipated benefits of acquisitions and dispositions.

Statements relating to “reserves” or “resources” are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, including that the reserves and resources described can be profitably produced in the future.

Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to the Corporation and others that apply to the oil and gas industry generally.

Although the Corporation believes that the assumptions and expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such assumptions and expectations will prove to be correct. The Corporation cannot guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. The factors or assumptions on which the forward-looking information is based include:

- the Corporation’s projected capital investment levels;
- the flexibility of capital spending plans and the associated source(s) of funding;
- EBRD’s continued waiver of default of the Corporation under the EBRD Tunisia Credit Facility;
- the consequences of the Corporation’s significant indebtedness;
- resumption of production from Well CS-3 on the Chouech Es Saida Concession in Tunisia;
- the current fiscal regime and the gas price deregulation program of Romania will not experience substantial change;
- the Corporation’s ability to complete the environmental permitting process for the Moftinu Gas Development project and proceed with the construction of such project;
- recovery in oil prices is sustainable over the medium to long term;
- gas infrastructure projects near the southern concessions of Chouech Es Said and Ech Chouech will proceed as proposed;
- the expertise of management of the Corporation in contributing to increased production volumes and the success and revenues of the Corporation;
- estimates of quantities of oil and natural gas from properties and other sources not currently classified as proved reserves;
- the impact of increasing competition;
- the ability of partners to satisfy their obligations;
- the Corporation’s ability to obtain additional financing on satisfactory terms; and
- the Corporation’s ability to attract and retain qualified personnel.

Some of the risks and other factors, some of which are beyond the Corporation’s control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this short form prospectus and in certain documents incorporated by reference into this short form prospectus include, but are not limited to:

- the possibility that the proceeds of the Offering may not be successfully raised and the Corporation may pursue other alternatives, including a sale of all or part of its assets, a corporate sale, a private placement, or a take private transaction;
- significant indebtedness of the Corporation, the possible breach of affirmative covenants in the EBRD Tunisia Credit Facility and the ability of the Corporation to continue as a going concern;
- no guarantee that the Offering will improve the Corporation's financial conditions;
- insufficient cash flow and limited availability of capital;
- no guarantee of positive return or dividend on the Offered Shares;
- proceeds from Offering may be allocated differently than the description in this short form prospectus;
- no assurance that an active public market for the Offered Shares will persist;
- possible future financing of the Corporation;
- variations in foreign exchange rates and interest rates;
- risks associated with the realization of the anticipated benefits of acquisitions and dispositions;
- the availability of certain equipment and services and the Corporation's access to such equipment and services;
- political, social, fiscal, legal and economic risks in the countries in which the Corporation operates;
- the early stage of some of the Corporation's operations;
- risks associated with the exploration, development and production of the Corporation's interests;
- partner or counter-party credit risk, including OEBS's (as defined below) legal dispute with the government of Romania;
- geological, technical, drilling and processing problems and other difficulties in producing activities and the delay in the resumption of production from Well CS-3 on the Chouech Es Saida Concession in Tunisia
- reserves and failure to realize anticipated benefits of exploration activities;
- the effects of regulations (including environmental regulation) and changes in regulatory regimes in the countries in which the Corporation operates;
- the effects of sanctions, including those of the European Union, the Canadian government and the U.S. government on the Corporation's interests;
- risks of the effect of relinquishment obligations under the term of the Corporation's production sharing arrangements and governmental regulatory regimes in countries in which the Corporation operates;
- uncertainties regarding the interpretation and application of foreign laws and regulations;
- general economic conditions;

- volatility in global market prices for oil and natural gas;
- geopolitical volatility in the countries of operations;
- alternatives to and changing demand for petroleum products;
- competition within the oil and natural gas industry for, among other things, capital, acquisitions of reserves, undeveloped land and skilled personnel;
- environmental risks and hazards associated with the oil and gas industry;
- adverse weather conditions in areas where the Corporation conducts operations; and
- other factors described further in “*Risk Factors*” in this short form prospectus, in the Revised AIF and in the Corporation’s management’s discussion and analyses incorporated by reference herein.

Financial outlook information contained in this short form prospectus and certain documents incorporated by reference into this short form prospectus about prospective results of operations, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on the Corporation’s assessment of the relevant information currently available and were approved by management as at the date of the respective document. Readers are cautioned that such financial outlook information contained in this short form prospectus and certain documents incorporated by reference into this short form prospectus should not be used for purposes other than for which it is disclosed herein or therein, as applicable. The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this short form prospectus and the documents incorporated by reference herein in order to provide potential purchasers of the Offered Shares with a more complete perspective on the Corporation’s future operations.

Presentation of Oil and Gas Information

Estimates pertaining to the Corporation’s reserves and contingent resources and the net present value of future net revenue attributable thereto are based upon the the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves of the Corporation and its subsidiaries prepared by RPS Energy Canada Inc. (“RPS”), the Corporation’s independent reserves evaluator, titled “*Evaluation of Tunisian, Ukrainian and Romanian Reserves and Resources as at December 31, 2015*” dated March 14, 2016 and effective December 31, 2015 (the “RPS Report”), which is prepared in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* and the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time. The estimates pertaining to reserves and contingent resources provided in this prospectus and documents incorporated by reference herein are estimates only and there is no guarantee that the estimated reserves and contingent resources will be recovered. Actual reserves, contingent resources and the estimated number of potential undeveloped drilling locations to which reserves or contingent resources have been attributed, may be greater than or less than the estimates provided in this in this prospectus and documents incorporated by reference herein and the differences may be material. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Estimates of net present value of future net revenue attributable to the Corporation’s reserves do not represent fair market value and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by RPS in evaluating Serinus’ reserves and contingent resources will be attained and variances could be material. There is uncertainty that it will be commercially viable to produce any part of the contingent resources. Readers should refer to the Revised AIF for a discussion of the risk and significant factors relevant to the estimates of contingent resources, a description of the Moftinu field, including estimated costs and timelines and timelines and the specific contingencies which prevent the classification of the Corporation’s contingent resources as reserves.

The reserves and resources information contained in this prospectus and documents incorporated by reference herein should be reviewed in conjunction with the Revised AIF which is available on SEDAR and contains important additional information regarding the independent reserve and contingent resource evaluations that were conducted

by RPS and a description of, and important information about, the reserves and resources terms used in this prospectus and documents incorporated by reference herein.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the list of factors above and the risk factors set forth under the heading “Risk Factors” and in the documents incorporated by reference herein are not exhaustive. Before placing any reliance on any forward-looking statements or estimates to make decisions with respect to an investment in securities of the Corporation, prospective investors and others should carefully consider the factors identified above and other risks, uncertainties and potential changes that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In addition, the forward-looking statements or estimates contained in this short form prospectus or in any of the documents incorporated by reference herein are made as of the date of the respective document. Neither the Corporation nor the Agent undertakes any obligation to publicly update or to revise any forward-looking statements except as expressly required by applicable securities laws. The forward-looking statements contained in this short form prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

Conventions

Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

All financial information in this short form prospectus and in the documents incorporated by reference herein has been presented in accordance with Canadian generally accepted accounting principles applicable to public companies at the relevant time, which for certainty, for financial years beginning on or after January 1, 2011, is International Financial Reporting Standards (“IFRS”) applicable to publicly accountable enterprises.

The Corporation’s reporting currency for financial reporting purposes is U.S. dollars.

SELECTED DEFINITIONS

In this prospectus, the terms set forth below have the meanings indicated:

“**contingent resources**” are the quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

“**possible reserves**” are those additional reserves that are less certain to be recovered than Probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

“**probable reserves**” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

“**proved reserves**” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

“reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

ABBREVIATIONS

Crude Oil and Natural Gas Liquids		Natural Gas	
bbbl	barrel	Mcf	thousand cubic feet
bbbl/d	barrels per day	MMcf	million cubic feet
Mbbbl	thousands of barrels	Bcf	billion cubic feet
boe/d	barrels of oil equivalent per day	Mcf/d	thousand cubic feet per day
boe	barrels of oil equivalent of natural gas and crude oil, unless otherwise indicated	MMcf/d	million cubic feet per day
		GJ	gigajoule
Mboe	thousand boe	Tcf	trillion cubic feet
MMboe	million boe		
NGL	natural gas liquids	Mcfe	thousand cubic feet
MMBtu	million British thermal units	kPa	kilopascals, a
Stb	standard stock tank barrel	psi	pounds per square inch, a
Mstb	thousand stock tank barrel	Mcm	thousand cubic metres

Production information is commonly reported in units of barrel of oil equivalent or natural gas equivalent. However, boe’s or Mcfe’s may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl, or an Mcfe conversion ratio of 1 bbl:6 Mcf, is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

CONVERSIONS

To Convert From	To	Multiply By
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471
kilograms	pounds	2.205
pounds	kilograms	0.454
Mcf	thousand cubic metres	0.028
thousand cubic metres	Mcf	35.494
bbbl	cubic metres	0.159
cubic metres	bbbl	6.29
psi	kilopascals	6.895
kilopascals	psi	0.145

NON-IFRS MEASURES

The financial information presented in this short form prospectus and in certain documents incorporated by reference herein has been prepared in accordance with IFRS except for the terms such as “EBITDA”, “funds from operations”, “netback”, “working capital” which are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These non-IFRS measures are presented for information purposes only and should not be considered an alternative to, or more meaningful than information presented in accordance with IFRS. The Corporation believes these may be useful supplemental measures as they are used by the Corporation to measure operating performance and to evaluate the timing and amount of capital required to fund future operations. The Corporation’s method of calculating these measures may differ from those of other companies and, accordingly, they may not be comparable to measures used by other companies.

Serinus calculates “EBITDA”, “funds from operations”, “netback” and “working capital” as applicable to its most closely related IFRS measure.

For more information, see the Corporation’s management’s discussion and analysis of financial results for the year ended December 31, 2015 and management’s discussion and analysis of financial results for the three and nine months ended September 30, 2016, each of which are incorporated herein by reference.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, in this short form prospectus, all references to: (i) “\$”, “CAD\$” or “dollars” are to Canadian dollars; (ii) “US\$” and “U.S. dollars” are to United States dollars; and (iii) “PLN” are to Polish zlotys.

On February 17, 2017, the noon rate of exchange for Canadian dollars in terms of United States dollars, as quoted by the Bank of Canada, was \$1.3116.

	Canadian Dollar (CAD\$) to US\$1.00	Polish Zloty (PLN) to US\$1.00
2014		
Year-end	1.1601	3.5072
Average	1.1045	3.1537
Annual high	1.1643	3.5458
Annual low	1.0614	3.0042
2015		
Year-end	1.3840	3.9011
Average	1.2787	3.7701
Annual high	1.3990	4.0400
Annual low	1.1728	3.5550
2016		
Year-end	1.3427	4.1793
Average	1.3248	3.9435
Annual high	1.4589	4.2493
Annual low	1.2544	3.7193

Source: Bank of Canada (<http://www.bankofcanada.ca/>) and National Bank of Poland (<http://www.nbp.pl/homen.aspx?f=/srodeken.htm>).

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4, Telephone: (403) 264-8877. In addition, copies of the documents incorporated herein by reference may be obtained from the securities commissions or similar authorities in Canada through the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at www.sedar.com.

The following documents of the Corporation, which have been filed with Canadian securities commissions or similar authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the Revised AIF;
- (b) audited consolidated annual financial statements of the Corporation as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditor’s report thereon;
- (c) management’s discussion and analysis of financial results of the Corporation for the years ended December 31, 2015 and 2014;
- (d) management information circular of the Corporation dated June 17, 2016 relating to the annual and special meeting of shareholders held on July 18, 2016;
- (e) unaudited condensed consolidated interim financial statements of the Corporation as at September 30, 2016 and for the three and nine months ended September 30, 2016 and 2015, together with the notes thereto;
- (f) management’s discussion and analysis of financial results of the Corporation for the three and nine months ended September 30, 2016 and 2015;
- (g) the material change report of the Corporation dated February 12, 2016 in respect of the closing of the sale of all of the Corporation’s interests in Ukraine to Resano Trading Ltd. on February 8, 2016 for cash consideration of US\$32.8 million; and
- (h) the material change report of the Corporation dated September 16, 2016 in respect of the resignation of Mr. Timothy Elliott, Mr. Jock Graham, Mr. Norman Holton and Mr. Gary King from the Board of Directors of the Corporation (the “**Board**”) and the appointment of Mr. Jeffrey Auld as the new Chief Executive Office effective August 31, 2016 and the resignation of Mr. Stephen Akerfeldt and Mr. Michael McVea from the Board effective September 1, 2016.

Any document of the type referred to in the preceding paragraph or any document required to be incorporated by reference herein under National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators, including any material change reports (excluding confidential material change reports), consolidated interim financial statements, consolidated annual financial statements and the auditor’s report thereon, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Corporation with the applicable securities commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short

form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

Information contained in or otherwise accessed through the Corporation's website, www.serinusenergy.com or any website, other than those documents incorporated by reference herein and filed on the SEDAR website, does not form part of this Offering.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators) prepared in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing material that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this short form prospectus. The marketing materials may be viewed under the Corporation's profile on SEDAR at www.sedar.com.

Certain information in this short form prospectus modifies information contained in the "template version" (as such term is defined in applicable Canadian securities laws) of the term sheet for the Offering dated and filed January 10, 2017. In particular, the short form prospectus modifies the number of shares offered under the Offering, the price of the Offering, KI's participation in the Offering, the listing of the Offered Shares on the TSX, the Agent's Fee on Offered Shares settled directly with the Corporation, and the closing date of the Offering. The foregoing summary of modifications to the marketing materials is not exhaustive and is qualified by the information in the revised marketing materials. Pursuant to subsection 13.7(7) of NI 41-101, the Corporation has prepared a revised template version of the marketing materials which has been blacklined to show the modified statements, which can be viewed under the Corporation's profile on www.sedar.com.

THE CORPORATION

Serinus is an international oil and gas exploration company led by a management team with a strong international and operational background and with extensive global contacts in the oil and gas business. The Corporation has a diversified asset base with exposure to development and appraisal prospects and significant exploration upside. Its principal assets include oil and gas concessions located in Tunisia and Romania (the "**Tunisia Assets**" and "**Romania Assets**", respectively). The Corporation's average working production (before royalties) in 2016 was approximately 1,124 boe/d. The total corporate exit rate for 2016 was 946 boe/d.

The five Tunisia concessions comprising the Tunisia Assets cover 163,640 gross acres (147,750 net acres). The major exploration and appraisal opportunities are within the Sabria (covering 28,890 gross acres, in which the Corporation holds a 45% working interest), Choueche Es Saida (covering 42,820 gross acres, in which the Corporation holds a 100% working interest) and Ech Choueche (covering 35,860 gross acres, in which the Corporation holds a 100% working interest) blocks. Sabria contains an Ordovician aged oil accumulation, into which only six wells (10, including re-entry attempts) have been drilled. Choueche Es Saida and Ech Choueche are prospective in the Triassic Trias Argilo-Gresex Inferieur sandstone, Devonian Oum Qasa carbonates, and Silurian aged Acacus sands, and there may be potential in the deeper Ordovician, but it has not yet been penetrated in these two blocks. Working interest production from the Tunisia Assets averaged approximately 854 bbl/d and 1.6 MMcf/d in 2016. No major work was carried out in 2016 in Tunisia due to the current cyclically low levels of commodity prices.

Serinus holds a 60% working interest in the Satu Mare concession in northwest Romania (the “**Satu Mare Concession**”), covering 729,000 gross acres. In 2015, the Corporation completed all of the work requirements for the Phase 2 exploration phase, entitling it to exclusive negotiations with National Agency for Mineral Resources of Romania (“**NAMR**”) with respect to an extension of the Satu Mare Concession. Those negotiations were completed in May 2015. In October 2016, the extension was approved with a remaining 18 months to expiry on May 28, 2018. In December 2016, NAMR granted an additional extension approval for phase 3 such that the new start date of the three year addendum has been established as of October 28, 2016 and will expire on October 28, 2019. The work program to be completed during the extension period includes drilling two wells and, at the Corporation’s option, either acquire 120 km² of new 3D seismic data or drill a third well.

Oilfield Exploration Business Solutions S.A. (“**OEBS**”), the owner of the remaining 40% of the Satu Mare Concession, is currently in legal dispute with the government of Romania. OEBS has indicated that it does not wish to participate in future phases under the Satu Mare Concession. Given its legal dispute with the government of Romania, it is yet unclear whether OEBS has the ability to transfer its interest in the Satu Mare Concession to Winstar Satu Mare S.A., an indirect subsidiary of the Corporation (“**Winstar Romania**”). Also, OEBS may not be able to pay for its working interest share of expenditures in respect of the Satu Mare Concession before the legal dispute is resolved. The Corporation is in discussions with OEBS and various government agencies including NAMR to ensure that it ultimately receives that interest.

Historical drilling has been sparse, and the Corporation has an inventory of over 50 leads and prospects.

Further details concerning the Corporation, including information with respect to the Corporation’s assets, operations and history, are provided in the Revised AIF and other documents incorporated by reference into this short form prospectus. Readers are encouraged to thoroughly review these documents as they contain important information about the Corporation.

The Corporation is a “reporting issuer” or the equivalent thereof in each of the provinces of Canada other than Québec. The Common Shares trade on the TSX and the WSE under the symbol “SEN”.

RECENT DEVELOPMENTS

Operational Update

The Corporation is focusing on Romania as the impetus for growth over the next three years. The Moftinu Gas Development project is a near-term project that is expected to begin producing from the gas discovery wells Moftinu 1001 and Moftinu 1000 in early 2018. The Corporation is in the process of completing the environmental permitting process for the project, which includes the construction of a gas plant with 15 MMcf/d of operational capacity. Construction of the project will proceed over 2017. The initial production from the Moftinu 1001 and 1000 discoveries is estimated to be 6 MMcf/d.

A production test of the Pliocene formation (782-796 m KB) in Moftinu 1000 was conducted from November 27 to December 12, 2013. The flow period was three days followed by a 12 day build-up. The final gas rate before being shut in for build up was 1.24 MMcf/d. In addition to the gas production during the test there was water production of 9.8 bbls noted during the test. The test results were analyzed by IHS Fekete Reservoir Solutions and no significant reservoir pressure decline was noted in the analysis.

A production test of the Pliocene formation (734-885 m KB) in Moftinu 1001 was conducted from March 20 to 29, 2015. The flow period was two days followed by a six day build up. The final gas rate before being shut in for build up was 7.30 MMcf/d. In addition to the gas production during the test there was water production of 6.9 bbls and condensate production of 29.6 bbls noted during the test. The test results were analyzed by IHS Fekete Reservoir Solutions and no significant reservoir pressure decline was noted in the analysis.

The Corporation plans to drill three additional development wells (Moftinu 1003, 1004, and 1005) in early 2018. The Corporation sees potential production from these wells being able to bring the gas plant to full capacity in late 2018.

The Romania fiscal regime is very attractive and is a significant reason for the Corporation's focus on the Satu Mare Concession for future growth. The royalty rate is an incremental sliding scale based on quarterly production, with rates ranging from 3.5% to 13.5%. The income tax rate of 16% is reasonably competitive with other jurisdictions. The Romanian Government is currently implementing the gas price deregulation program first announced in 2012. The market was divided into two segments for the deregulation process: industrial and household consumers. The industrial market became fully de-regulated on January 1, 2015, with the gas price in this market now being fully converged with European gas prices. The deregulation of the household sector is expected to be completed in 2018. The Corporation has held preliminary discussions with local gas traders/marketers who indicate a strong industrial market for domestic gas going forward. The competitive fiscal regime and market deregulation and price convergence provide the Corporation with significant confidence in the economics of the Moftinu Gas Development Project.

The Satu Mare Concession, at 729,000 gross acres, also has longer term exploration for the Corporation. Serinus technical evaluations have identified over 25 leads and prospects within the concession area. The Berveni and Nisipeni regions within the concession areas are likely the next areas of focus for the Corporation. Legacy seismic and other data suggest structures analogous to the Moftinu field as well as other play types. Future exploration in these areas will require the acquisition of 3D seismic data.

For Tunisia, the Corporation does see major oil development potential at Sabria and also believes that there exists a multi-year exploration inventory in the southern concessions of Chouech Es Said and Ech Chouech. Resumption of drilling is dependent on the recent recovery in oil prices being sustainable over the medium to long term and that proposed gas infrastructure projects near the southern concessions becomes more certain.

For now in Tunisia, the Corporation will focus on carrying out low cost incremental work programs to increase production from existing well, such as the Sabria Production Enhancement Project. The Corporation views Sabria as a large development opportunity longer term.

For Chouech Es Said/Ech Chouech concessions in southern Tunisia, the Corporation has identified stacked exploration potential across both concession areas. The Silurian Acacus (~3,900m) is an established and significant producing play in Algeria, Tunisia and Libya. The Corporation has identified a new play type named Silurian Tannezuft (~4,300-4,500m) that it has encountered in its historic wells. There is also an Ordovician play (>4,500m) in the Ghadames Basin that is untested on Serinus land in the concession areas.

The Corporation views the level of activity pursued in Tunisia as dependent on the following thresholds being achieved and maintained. In terms of oil prices, incremental vertical wells become economic at Brent oil prices of ~\$45/bbl, with potential multi-leg horizontal wells lowering the threshold to below \$30/bbl in Sabria. The current capacity of surface facilities would only allow for 1-3 incremental wells for each of Sabria and Chouech Es Said/Ech Chouech. As well for Chouech Es Said/Ech Chouech, the STEG El Borma gas plant is nearly at its effective capacity. Further gas developments from this concession may have to be delayed until the completion of the Nawara Pipeline for material gas pipeline capacity to come online.

Change of Board Composition and Executive Officers

Effective August 31, 2016, Mr. Timothy Elliott, the former President and Chief Executive Officer of the Corporation, Mr. Jock Graham, the former Executive Vice President and Chief Operations Officer of the Corporation, Mr. Norman Holton, the former Vice Chairman and a former director of the Corporation since 1993 and Mr. Gary King, a former director of the Corporation since 2007, resigned from the Board. Effective August 31, 2016, Mr. Jeffrey Auld was appointed as the new Chief Executive Office of the Corporation. The Board also decided to appoint Mr. Dominik Libicki and Mr. Auld to the Board effective August 31, 2016. At the Corporation's request, Messrs. Elliott and Graham remained as advisors to assist the Corporation during the transition.

Effective September 1, 2016, Messrs. Stephen Akerfeldt and Michael McVea resigned from the Board. Effective October 22, 2016, Mr. Aaron LeBlanc, resigned from his position as Vice President of Exploration of the Corporation. Effective January 8, 2017, Mr. Jakub Korczak resigned from his position as the Vice President, Investor Relations and Managing Director CEE of the Corporation.

Below is a brief biography of each of Mr. Auld and Mr. Libicki.

Jeffrey Auld

Mr. Auld has a wealth of financial and commercial experience and extensive knowledge of upstream oil and gas development and production. He is currently a director of Lansdowne Oil and Gas plc. His career has involved periods working for exploration and production companies including Premier Oil plc., PetroKazakhstan Inc. and Equator Exploration Limited; as well as time spent in financial institutions such as Goldman, Sachs and Co., Canaccord Genuity Group Inc. and the Macquarie Group. Mr. Auld brings a solid mix of capital markets and upstream development financing experience that will be crucial to the Corporation's future development. Mr. Auld has an undergraduate degree in Economics and Political Sciences from the University of Calgary and a Masters of Business Administration with Distinction from Imperial College, London, United Kingdom.

Dominik Libicki

Mr. Libicki is Chief Investment Officer and Member of the Management Board of KI, the largest shareholder of Serinus. He is a recognized manager in the electronic media, telecommunications and new-tech market and has vast experience of the public markets. He joined KI in January 2016. From 2001 to 2015, Mr. Libicki was the President and Chief Executive Officer of Cyfrowy Polsat S.A., the largest media-telecommunication group in Poland and one of the largest in Europe. He was also the Vice-President of the board of Polkomtel Sp. z o.o. and a member of the supervisory board of Polsat Television. From 2005 to 2008, he was a member of and from 2006 to 2008, the Vice-President of the supervisory board of Polska Telefonía Cyfrowa (operator of the mobile network Era, now TMobile). From 1999 to 2011 he was a member of the board of Polskie Media, broadcaster of the Polish TV channels TV4 and TV6. He also held the position of the President of the Private Media Employers Organization operating within the Polish Confederation, Mr. Dominik holds a Master's Degree from the Environmental Protection Faculty of the Wrocław University of Technology.

Audit Committee

As a result of the resignation of Messrs. King, Akerfeldt and McVea, the Board has appointed Mr. Evgenij Iorich as Chair of the Audit Committee, along with Messrs. Helmut Langanger and Dominik Libicki as members of the Audit Committee. As Mr. Libicki is the Chief Investment Officer and a Board Member of KI, which currently holds approximately 50.76% of the outstanding Common Shares of the Corporation (up to 52.18% following the Offering), Mr. Libicki is not an independent member of the Board. Accordingly, the Corporation intends to rely on the exemption found in Section 3.3(2) of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The Board has determined in its reasonable judgment that Mr. Libicki is able to exercise the impartial judgment necessary to fulfil his duties as an Audit Committee member, and the appointment of Mr. Libicki is required by the best interests of the Corporation and its shareholders. The Board has appointed Mr. Libicki in order to satisfy the minimum member requirements for the Audit Committee found in section 3.1 of NI 52-110. Upon the appointment of Mr. Libicki, the majority of the Audit Committee members remains independent.

Further Extension of Satu Mare Concession

On December 21, 2016, the Corporation announced that the NAMR, the Romanian regulator, granted an additional extension approval for the Phase 3 Extension Addendum (the “**Addendum**”) for the license for the Satu Mare Concession. On October 31, 2016, the Corporation announced the approval of the Addendum but noted that the start of the three year term was retroactively set to May 28, 2015, the date that the Corporation originally applied for the extension. Given that the delay in the ratification of the approval was beyond the Corporation's control, further applications were made to have the start of the three-year period set at the date of approval. The Corporation has been notified by NAMR that the new start date of the three-year Addendum term has been established as of October 28, 2016.

Sale of Ukraine Assets

On February 8, 2016, the Corporation closed the sale of all of the 70% of the outstanding shares of KUBGAS Holdings Limited (“**KHL**”) owned by the Corporation. KHL owns 100% of the shares of KUB-Gas LLC (“**KUB-**

Gas”). KUB-Gas (directly and indirectly through its subsidiary, KUB-Gas Borova LLC) owns 100% of and operates the six licences/permits in Ukraine which contain the Olgovskoye, Makeevskoye, Vergunskoye and Krutogorovskoye gas fields (the “**Ukraine Assets**”).

The political issues in Ukraine commenced January 2014 with the uprising, which developed into a war and led to various fiscal constraints being introduced in the country. The most significant to the Corporation was the introduction of currency controls in September 2014, restricting the Corporation from repatriating cash flow. This effectively curtailed approximately 70% of the Corporation’s operating cash flow generated.

Given the currency controls in place in Ukraine, the fiscal regime and instability of the economic and operating environment, a decision was made by the Board to sell the Ukraine Asset in the summer of 2015 with the sale closing on February 8, 2016. The effective date of the sale was December 31, 2015. Serinus received total cash consideration of US\$33.2 million including all working capital and inter-company adjustments. Subsequent to closing, the Corporation repaid a total of US\$19.2 million of debt to the European Bank for Reconstruction and Development (“**EBRD**”) against its Tunisia and Romania credit facilities. The balance of the proceeds were used to fund development of the Moftinu gas discovery in Romania, corporate general and administrative costs and debt service obligations.

The Corporation is currently facing severe financial difficulties as a result of the combination of political issues in Ukraine which resulted in the sale of the Ukraine Assets, thereby reducing the Corporation’s production and ongoing cash flow; the decline in crude oil prices over the last two years and capital programs funded by debt which have not yielded the anticipated benefits.

Waiver of compliance with debt service coverage ratio financial covenant with respect to the EBRD Tunisia Credit Facility

As at September 30, 2016, the Corporation was not in compliance with the annual debt service coverage ratio financial covenant at the Tunisia level and the consolidated financial debt to EBITDA ratio financial covenant in the EBRD Tunisia Credit Facility. The Corporation anticipates that it will not be in compliance for the period ended December 31, 2016, and may not be in compliance in future periods. The EBRD has formally waived compliance with these ratios for the periods ended September 30, 2016 and December 31, 2016 (the latter subject to the completion of this Offering). The implication of this waiver is that debt repayments will follow their original scheduled repayment terms and EBRD will not be acting on its security. Although the EBRD has previously provided waivers for covenant breaches, there is no certainty this will occur in the future.

The Corporation is in negotiations with the EBRD to renegotiate the EBRD Tunisia Credit Facility, including amendments to the financial covenants. A condition for renegotiating the EBRD Tunisia Credit Facility is that this Offering is completed. The Corporation does not expect that any of the Convertible Loan will be converted into Common Shares as part of such negotiation.

In the event such renegotiations are not successful and the Corporation continues to be unable to comply with the financial covenants in the EBRD Tunisia Credit Facility or any of the Corporation’s other covenants or obligations under the EBRD Tunisia Credit Facility, it is possible the EBRD may not waive compliance with such covenants or other obligations for future periods or agree to forbear from exercising its rights under the EBRD Tunisia Credit Facility and related security. In such a situation, the EBRD could place the Corporation in default, act on its security and the debt may therefore become payable on demand. The EBRD Tunisia Credit Facility is secured by the Corporation’s Tunisian assets, pledges of certain bank accounts plus the shares of the Corporation’s subsidiaries through which the concessions, including those in Romania, are owned, plus the benefits arising from the Corporation’s interests in insurance policies and on-lending arrangements among the Corporation and its subsidiaries. If the Corporation does not seek to raise equity as a means of injecting capital into the Corporation so that investment can be made to increase future cash flows of the Corporation, management believes that the EBRD is unlikely to renegotiate the EBRD Tunisia Credit Facility. This material uncertainty may cast significant doubt with respect to the ability of the Corporation to continue as a going concern. Given the covenants were breached as at September 30, 2016, Serinus has reclassified its long-term debt to current in the financial statements, as required under accounting standards. See “*Risk Factors – The Corporation has significant debt and may be unable to continue as a going concern*”.

Marketing Agreement for the sale of Tunisian oil production

In the second quarter of 2016, the Corporation, through its wholly owned subsidiary Winstar Tunisia B.V. (“**Winstar Tunisia**”), entered into a marketing agreement with Shell International Trading and Shipping Company Limited for the sale of its Tunisian oil production. The term of the agreement is for five years and the pricing mechanism is competitive with realized prices that Winstar Tunisia has received from other purchasers of its Tunisian crude oil. This benefits the Corporation by getting regular crude oil liftings from a large and highly reputable purchaser.

CS-3 Well in Tunisia Temporarily Shut-in

On December 20, 2016, Serinus announced that a failure of the electrical submersible pump (“**ESP**”) for Well CS-3 on the Chouech Es Saida Concession in Tunisia has resulted in a temporary loss of full production from this well. Despite the diligent efforts of the Corporation’s Tunisian technical team, it has been determined that a replacement ESP will be required to bring this well back onto production. The average daily production for the fourth quarter up to December 20, 2016 from this well has been 260 boe/d, with the total Corporation average daily production for the fourth quarter up to December 20, 2016 being 1,159 boe/d. The Corporation has procured a replacement ESP for the CS-3 well, and anticipates that this ESP will be delivered to the Corporation by the end of February. With the delivery of the ESP, the Corporation will begin a workover program on the CS-3 well and install the new ESP in the well. It is estimated that the CS-3 well will be back on production by early April, 2017.

On January 10, 2017, the Corporation shut in production at the Chouech Es Saida field in Tunisia in anticipation of a three-day strike with production stoppage, as voted for by the Corporation’s employees at the Winstar Chouech Es Saida facilities, which began at midnight January 11, 2017. The labour action continued with a sit-in that persisted after the communicated work action, with the Corporation being unable to bring production back online for safety and security reasons. For the two years preceding the shut-in at the Chouech Es Saida field, the Corporation has been engaged in ongoing dialogue with the Tunisia General Trade Union (“**UGTT**”) regarding the need for the Corporation to reduce operating costs at the Chouech Es Saida field due to the economic situation in the sector. Through ongoing dialogue between the Corporation and UGTT, the Corporation agreed to resume production at Chouech Es Saida as an act of good faith in exchange for the ending of the sit-in and the agreement of UGTT to cooperate in the ongoing economic redundancy process. The sit-in ended on January 29, 2017, removing the safety and security concerns the Corporation had in continuing operations of the Chouech Es Saida. The Corporation announced the resumption of production at the Chouech Es Saida field on February 1, 2017. See the following in the Revised AIF: “*Risk Factors – Work Stoppages or Labour Disputes*”; “*Risk-Factors – Political and Geopolitical Instability in Tunisia*”; “*Risks Relating to the Company’s Market Environment – Industry Trends*”.

CERTAIN REGULATORY MATTERS

The Offering may constitute a related party transaction under MI 61-101. The Corporation relies on the financial hardship exemption included in Section 5.7(e) of MI 61-101 to be exempted from the requirement for a minority shareholder approval. The Corporation has three directors unrelated to KI in respect of the Offering. In connection with its approval of the Offering, the Board, including the directors unrelated to KI, acting in good faith, have concluded that: (i) the Corporation is in serious financial difficulty; (ii) the Offering is designed to improve the Corporation’s financial condition; and (iii) the terms of the Offering are reasonable for the Corporation in the circumstances. The Offering is not subject to court approval or court orders that the Offering be effected, under bankruptcy or insolvency law, or any equivalent legislation.

The Corporation is relying on the distribution of securities for cash exemption included in Section 5.5(c) of MI 61-101 to be exempted from the requirement for a formal valuation. Neither the Corporation nor, to the knowledge of the Corporation after reasonable inquiry, the related party in this Offering, being KI, has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed.

Management of the Corporation and the Board have considered a variety of alternatives to alleviate the distressed financial position of Serinus, including renegotiating the terms of the Senior Loan and the Convertible Loan, issuance of additional equity or convertible equity to existing major shareholders, sale of all or a portion of the asset of the Corporation and sale of the Corporation. Management of the Corporation and the Board have concluded that

none of these alternatives could assist the Corporation achieve the desired relieve of its financial hardship, either due to the current market status for international oil and gas properties, including the political events in Tunisia, or the significant amount of time required to complete some of these transactions.

The Board have concluded that the issuance of equity in the public markets is the most reasonable manner to introduce new capital to the business in the circumstances, on the basis that the public nature of the Offering is the most expedient manner to allow new investors and existing shareholders access to new equity of the Corporation on the basis of the disclosures contained herein. The Board also has a commitment from KI that it will participate in the Offering to purchase up to 38,693,049 of the Offered Shares increasing its ownership position from 50.76% to up to 52.18%, after giving effect to the Offering. KI has had no role in the negotiation with the Agent or the pricing of the Offered Shares. The Offering will be publicly marketed and the pricing of the Offered Shares is determined in the context of the market on a best efforts basis.

The TSX has conditionally approved the listing of the Offered Shares to be distributed under this short form prospectus. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before April 7, 2017. The Corporation has not applied for the admission of the Offered Shares for trading on the WSE. See “*Risk Factors - The Corporation has not applied for the admission of the Offered Shares for trading on the WSE*”.

DESCRIPTION OF SHARE CAPITAL

Pursuant to the Articles of the Corporation, the Corporation may issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, there are 78,629,941 Common Shares and no preferred shares issued and outstanding in the capital of the Corporation.

Common Shares

The holder of a Common Share is entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to exercise one vote for each Common Share held at meetings of shareholders of the Corporation, and in respect of all other matters upon which the shareholders of the Corporation are asked to vote upon. The holder of a Common Share is entitled to receive: (a) dividends if, as and when declared by the Board in respect of the Common Shares out of the monies of the Corporation properly applicable to the payment of dividends, the amount of which the Board, in their absolute discretion, may from time to time determine; and (b) *pro rata* the remaining property and assets of the Corporation upon its dissolution, liquidation or winding-up, subject to the rights of shares having priority over the Common Shares.

Preferred Shares

Preferred shares are issuable in series with such rights, privileges, restrictions and conditions attached to each series as the Board, prior to the issuance thereof, shall determine. Each series of preferred shares ranks in priority to all other shares of the Corporation in respect of the payment of dividends and, upon a winding up or liquidation, to receive such assets and property of the Corporation as are distributable to the holders of the preferred shares.

Pursuant to the Articles of the Corporation, the terms of any preferred shares issued by the Corporation from time to time in one or more series shall be determined by the Board who may by resolution fix before the issuance thereof the designation, preferences, rights, privileges, restrictions and conditions attaching to the preferred shares of each series, including the redemption price and conditions of redemption, if any.

CONSOLIDATED CAPITALIZATION

Since September 30, 2016, there has been no material change in the Corporation’s share capital or loan capital.

The following table sets forth the unaudited consolidated capitalization of the Corporation as at September 30, 2016 both before and after giving effect to each of the Offering. This table should be read in conjunction with the unaudited interim consolidated financial statements of the Corporation for the three and nine months ended September 30, 2016, including the respective notes thereto and the management’s discussion and analysis of results

of operations and financial condition for each period, which have been incorporated by reference into this short form prospectus.

Designation	As at September 30, 2016 before giving effect to the Offering	As at September 30, 2016 after giving effect to the Offering
Share Capital		
Common Shares ⁽¹⁾	US\$344,479,288 (78,629,941 Common Shares)	US\$363,019,199 ⁽³⁾⁽⁴⁾ (150,629,941 Common Shares)
Preferred Shares	US\$Nil (Nil Preferred Shares)	US\$Nil (Nil Preferred Shares)
Indebtedness		
Senior Loan ⁽²⁾	US\$6,647,000	US\$6,647,000
Convertible Loan ⁽²⁾	US\$23,361,000	US\$23,361,000

Notes:

- (1) The Corporation is authorized to issue an unlimited number of Common Shares, of which 78,629,941 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares as at September 30, 2016. In addition, under the Corporation's 2016 Stock Option Plan approved on July 18, 2016 (the "**2016 Stock Option Plan**"), a number of options which does not exceed 10% of the Common Shares issued and outstanding (on a non-diluted basis) at any time and from time to time may be reserved for issuance. As at September 30, 2016, the Corporation had 3,804,000 options outstanding pursuant to the 2016 Stock Option Plan. As of the date of this short form prospectus, the Corporation has 3,650,000 options outstanding pursuant to the 2016 Stock Option Plan. The options are exercisable into Common Shares at exercise prices ranging from \$0.32 to \$3.22 per Common Share or US\$3.14 to US\$5.10 per Common Share, as applicable, and expire 5 or 7 years, as applicable, from the date of grant or earlier dependent upon certain events. See "*Prior Sales*".
- (2) In November 2013, the Corporation finalized an agreement for a US\$60.0 million loan facility provided by the EBRD to Serinus with respect to financing the Corporation's capital program for the Tunisia Assets (the "**EBRD Tunisia Credit Facility**"). The proceeds are to be used to fund the capital program being planned for its oil and gas fields in Tunisia. The EBRD Tunisia Credit Facility consists of two separate loan agreements, a senior loan in the amount of US\$40 million (the "**Senior Loan**") and a convertible loan of US\$20 million (the "**Convertible Loan**"). As at September 30, 2016, the outstanding principal on EBRD Tunisia Credit Facility is US\$27.1 million, reflecting the prepayments made as a result of the disposition of the Corporation's assets in Ukraine made in February 2016, regular scheduled repayments made in March and September 2016 and a repayment under the excess cash sweep provision in May 2016.
- (3) After deducting the Agent's Fee but before deducting the expenses of the Offering, estimated to be \$450,000, which will be paid from the proceeds of the Offering, and assuming KI purchases 38,693,049 of the Offered Shares.
- (4) By applying the noon rate of exchange for Canadian dollars in terms of United States dollars, as quoted by the Bank of Canada February 17, 2017

PRIOR SALES

During the twelve month period prior to the date of this short form prospectus, the Corporation granted options exercisable into 3,500,000 Common Shares, the particulars of which are set forth in the following tables:

Option Grants

Date of Grant	Number of Options Issued⁽¹⁾	Exercise Price (\$)
September 22, 2016	3,500,000	\$0.32

Note:

- (1) Each option entitles the holder thereof upon exercise to acquire one Common Share in accordance with the 2016 Stock Option Plan.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES

The Common Shares of the Corporation are traded on the TSX and the WSE. The following table sets forth the price range, closing price and trading volumes of the Common Shares on the TSX and WSE for the periods indicated.

	Closing Price on the WSE (PLN)		Closing Price on the TSX (CAD\$)		Average Daily Trading Volume		
	High	Low	High	Low	WSE	TSX	Total
2017							
February 1 - 17	1.68	1.46	0.50	0.44	238,183	3,031	241,214
January	1.88	1.40	0.45	0.38	321,278	72	321,350
2016							
December	2.03	0.98	0.57	0.22	687,972	5,588	693,560
November	1.07	0.92	0.30	0.23	117,443	4,970	122,413
October	1.18	1.03	0.35	0.30	116,753	2,861	119,613
September	1.26	0.94	0.36	0.27	87,925	1,187	89,112
August	1.30	1.21	0.41	0.34	21,644	5,265	26,910
July	1.33	1.24	0.35	0.33	17,473	810	18,282
June	1.50	1.30	0.40	0.33	37,584	2,787	40,371
May	1.60	1.51	0.55	0.36	25,987	7,480	33,468
April	1.61	1.51	0.55	0.47	93,980	4,454	98,434
March	1.68	1.48	0.59	0.45	79,169	2,271	81,440
February	1.54	1.47	0.59	0.50	29,369	2,109	31,478
January	1.59	1.48	0.53	0.39	61,796	7,481	69,277

On February 17, 2017, the last trading day in Canada and Poland prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$0.44 on the TSX and PLN 1.49 on the WSE.

USE OF PROCEEDS

Completion of the Offering is subject to raising \$25,200,000 of gross proceeds. The estimated net proceeds to the Corporation from the sale of the Offered Shares hereunder, after deducting the applicable Agent's Fee payable to the Agent but before deducting the estimated expenses of the Offering of approximately \$450,000, is \$24,316,947.

The estimated available funds of the Corporation after the Offering, after deducting the applicable Agent's Fee and the estimated expenses of the Offering, as set out below:

Net Proceeds and Other Available Funds	
Gross proceeds from the Offering	\$25,200,000
Less:	
Agent's fee ⁽¹⁾	\$883,053
Estimated expenses of the Offering ⁽²⁾	\$450,000
Net proceeds and other available funds	\$23,866,947

Net Proceeds and Other Available Funds

Net proceeds and other available funds in United States dollars	Approximately US\$18,000,000 ⁽³⁾
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Note:

- (1) Assumes only one sale of Offered Shares for gross proceeds of \$325,521 is being settled directly with the Corporation, and KI purchases 38,693,049 of the Offered Shares.
- (2) Includes, among other things, the Corporation's legal fees, auditors' fees and filing fees with the TSX and other regulatory authorities.
- (3) By applying the noon rate of exchange for Canadian dollars in terms of United States dollars, as quoted by the Bank of Canada on February 17, 2017.

Principal Purposes – Generally

The Corporation intends to apply the net proceeds of the Offering and other available funds to various corporate purposes, as follows:

Purpose	Offering Proceeds
Romania – Moftinu Gas Plant	US\$7,900,000
Romania – Pre-work for 2018 drilling program	US\$1,500,000
Tunisia – Sabria production enhancement	US\$2,800,000
General and Administrative Expenses – Corporate and Romania	US\$5,800,000
TOTAL	US\$18,000,000

In Romania, on October 28, 2016 the Corporation received formal approval from NAMR for the extension of the Satu Mare Concession, which allows the Corporation to re-commence work on the concession. The Corporation intends to construct a gas processing facility with a capacity of 15 MMcf/d, which provides sufficient capacity for the existing wells and also the wells required to be drilled under the Phase 3 work commitments. The Corporation will look to complete the facility and tie-in production from the Moftinu-1001 and Moftinu 1000 wells in early 2018. The Corporation also intends to commence work relating to its Phase 3 work commitments for the Satu Mare concession in Romania, which comprise the drilling of three wells before the expiry of Phase 3 on October 28, 2019. During 2017, the Corporation intends to construct the wellsites and access roads as well as procure long lead items, being tubulars and wellhead equipment, necessary for drilling.

In Tunisia, the Corporation intends to undertake a relatively low cost and low risk program to enhance production by an estimated 400 boe/d. The program includes re-entry of the Sabria N-2 well and an artificial lift Electrical Submersible Pump program on one of the currently suspended Sabria wells. The Sabria N-2 well was drilled in 1980 by the Amoco Corporation and encountered a potential hydrocarbon column of more than 90 meters, however, at the time of drilling, the reservoir was mechanically damaged and the formation was never tested and evaluated appropriately. The vertical re-entry of the well will allow the Corporation to use modern high powered perforating technology in conjunction with field proven standard industry acid squeeze procedures to enable the well to produce. The Sabria N-2 well is located 600 metres away from the best oil producing well in Sabria, the Win-12bis well.

The use of the net proceeds of the Offering by the Corporation is consistent with the Corporation's strategy of growing and developing an oil and natural gas exploration and development company through internal operations and acquisitions.

Due to the nature of the oil and natural gas industry, budgets are regularly reviewed in light of the success of expenditures and other opportunities which may become available to the Corporation. Potential investors are cautioned that notwithstanding the Corporation's current intentions regarding the use of the net proceeds of the Offering, there may be circumstances where a reallocation of funds may be advisable for reasons that management feels are in the Corporation's best interests. While the Corporation anticipates that it will spend the funds available to it as set forth above, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary, depending on future operations on the Corporation's properties or unforeseen events.

Business Objectives and Milestones

The Corporation expects that such proceeds will enable the Corporation to achieve the following business objectives or milestones:

Purpose	Assuming Total Offering		
	Business Objective	Milestone and Related Cost	Estimated Date
Romania – Moftinu Gas Plant	Advancement of the Moftinu development to first gas and cash flow.	Moftinu plant will need to be built and commissioned. Flow lines from wells will need to be completed and tied into plant, gas sales line from plant to sales point will need to be constructed. The cost to achieve the above is estimated to be US\$7.9 million.	Estimate production on stream by early 2018
Romania – Prework for 2018 drilling program	To drill three new wells in Romania to enhance production and to meet work commitments for phase 3 of the Satu Mare Concession.	Construction of wellsites and access roads and the procurement of tubulars and wellhead equipment to be completed by year end 2017. The cost to achieve the above is estimated to be US\$1.5 million.	Late 2017
Tunisia – Sabria production enhancement	Enhancement of production in Sabria significantly.	Re-entry of the Sabria N-2 well and perforate in conjunction with an acid squeeze to bring the well on to production. Artificial lift Electrical Submersible Pump program on one currently suspended Sabria well to bring the well on to production. The cost to achieve the above is estimated to be US\$2.8 million.	Incremental production on stream late 2017

The anticipated dates disclosed in the two tables above are based on the Corporation's estimates as at the date of this short form prospectus, and delays caused by equipment manufacturers, equipment breakdowns or failures, adverse weather, risk associated with exploration, development and production, environmental risks, political instability and other unanticipated events could result in such dates being delayed, in some cases significantly.

In 2016 and to date in 2017, the Corporation has generated negative cash flow from operations, as a result of the disposition of its Ukraine Assets in February 2016 and the termination costs associated with the previous management and closure of the Dubai office. In addition, Tunisian cash flows were severely impacted by the fall in crude oil prices which started their descent mid-2014. The Corporation continues to make debt repayments and incur minimal amounts of capital expenditures. Starting mid-2015, the Corporation began the process of cutting its corporate general and administrative costs, a process that has continued since, which has cost the Corporation a significant amount as largely relates to employee severance costs. In the current low commodity price environment, cash flow generated from the Tunisia Assets after deducting capital expenditures has not been sufficient to cover all corporate expenses, including general and administrative expenses and debt service obligations. Funds received from the sale of Ukraine Assets in February 2016 have helped mitigate this shortfall for a short period of time.

The Corporation is currently in discussions with the EBRD to restructure its debt. Pending such negotiation, it is anticipated that this offering (assuming Total Offering is raised) will enable the Corporation to become cash self-sufficient given current commodity price curves, fiscal regimes and the anticipated results from the development of the assets until 2021, when the Convertible Loan is due to be repaid.

EBRD Debt and Use of Proceeds

As at September 30, 2016, the Corporation was not in compliance with the annual debt service coverage ratio financial covenant at the Tunisia level and the consolidated financial debt to EBITDA ratio financial covenant in the EBRD Tunisia Credit Facility. The Corporation anticipates that it will not be in compliance for the period ended December 31, 2016, and may not be in compliance in future periods. The EBRD has formally waived compliance with these ratios for the periods ended September 30, 2016 and December 31, 2016 (the latter subject to the completion of this Offering), and the Corporation is in negotiations with the EBRD to renegotiate the EBRD Tunisia Credit Facility, including amendments to the financial covenants.

In the event such renegotiations are not successful and the Corporation continues to be unable to comply with the financial covenants in the EBRD Tunisia Credit Facility, or any of the Corporation's other covenants or obligations under the EBRD Tunisia Credit Facility, it is possible the EBRD may not waive compliance with such covenants or other obligations for future periods or agree to forbear from exercising its rights under the EBRD Tunisia Credit Facility and related security, which could impact and change the Corporation's intended use of proceeds. If the EBRD were to place the Corporation into default under the terms of the EBRD Tunisia Credit Facility it could demand that the loan become immediately due and payable. This would adversely affect the Corporation's financial condition, and may require the Corporation to use the proceeds from this Offering to repay the EBRD Tunisia Credit Facility. Approximately US\$30 million is outstanding under the EBRD Tunisia Credit Facility, which exceeds the amount of this Offering. In such a situation, it is possible none of the proceeds of this Offering would be used as outlined above under the headings "*Use of Proceeds – Principle Purposes – Generally*" and "*Use of Proceeds – Business Objectives and Milestones*". In such circumstances, the Corporation may be required to pursue other alternatives, including the issuance of additional equity or convertible equity to existing major shareholders or on a private placement basis, a going private transaction, the sale of all or a portion of assets, the sale of the Corporation. See "*Risk Factors – The Corporation has significant debt and may be unable to continue as a going concern*", "*Risk Factors – The Corporation has negative cash flow*", and "*Risk Factors – The Offering may not improve the Corporation's financial condition*".

PLAN OF DISTRIBUTION

The Offering is being conducted on a "commercially reasonable efforts" agency basis, by the Agent who conditionally offers the Offered Shares for sale, if, as and when issued by the Corporation and accepted by the Agent, in accordance with the terms and conditions to be contained in the Agency Agreement, of 72,000,000 Offered Shares at a price of \$0.35 per Offered Share, for gross proceeds to the Corporation of \$25,200,000.

The Offering Price was determined based upon arm's length negotiations between the Corporation and Agent in the context of the market. The Offering will not be completed unless the Total Offering is raised.

The Corporation's major shareholder KI currently owns 39,909,606 Common Shares representing 50.76% of the Corporation's outstanding Common Shares. KI will be purchasing, either directly or indirectly through its affiliates, up to \$13,542,567.15 of Offered Shares at the Offering Price increasing its ownership position to up to 52.18%, after giving effect to the Offering.

The Agency Agreement will provide, among other things, that the Corporation will pay the Agent the Agent's Fee (a cash fee equal to: (i) 6% of the gross proceeds from the sale of the Offered Shares which are not KI Shares or Offered Shares settled directly with the Corporation, which is equal to \$0.021 per such Offered Share; and (ii) 1.5% of the gross proceeds from the sale of the KI Shares, which is equal to \$0.00525 per KI Share).

The Offering is being made in each of the provinces of Canada other than Québec. The Agent has agreed to distribute the Offered Shares on a "commercially reasonable efforts" agency basis but is not required to subscribe for any Offered Shares. The obligations of the Agent pursuant to the Agency Agreement may be terminated based on its assessment of the state of the financial markets or if certain events set out in the Agency Agreement occur.

The Corporation will agree under the Agency Agreement to indemnify the Agent and its directors, officers, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Agent may be required to make in respect thereof.

Pursuant to policy statements of certain Canadian provincial securities regulators, the Agent may not, throughout the period of distribution, bid for or purchase Common Shares for its own account or for accounts over which it exercises control or direction. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. Such exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and stock exchanges, including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws, pursuant to the first-mentioned exception, in connection with the Offering, the Agent may effect transactions which stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about February 24, 2017 or on such other date as the Agent and the Corporation may agree upon. The distribution of the Offered Shares will not continue for a period of more than 90 days after the date on which the Corporation receives a final receipt for this short form prospectus, unless an amendment to this short form prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws, provided that the total period of distribution under the Offering will in any event not exceed 180 days from the date of the final receipt for this short form prospectus. The Corporation has appointed the Agent to hold in trust all subscription funds received until the Total Offering has been raised. If the Total Offering is not raised on or before the day that is 90 days after the date a final receipt is issued for this short form prospectus, or such later date as the Corporation and the Agent may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the securities regulatory authorities issuing a receipt for the amendment), the Agent must return such funds to the subscribers without interest, set-off or deduction.

The KI Purchase of the KI Shares must be completed concurrently with the sale of the Offered Shares in order for the Offering to close. After giving effect to the completion of the Offering, KI and its affiliates will beneficially own, control or direct up to 78,602,655 Common Shares, representing up to approximately 52.18% of the then issued and outstanding Common Shares.

Pursuant to the Agency Agreement, the Corporation will agree with the Agent not to, directly or indirectly, authorize, issue, sell or grant, or negotiate or enter into any agreement to issue, sell or grant (or announce any intention to do any of the foregoing) any securities of the Corporation including additional debt, Common Shares or any securities convertible into or exchangeable for Common Shares, for a period of 90 days after the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, except in

conjunction with: (i) the Offering; or (ii) the exchange, transfer, conversion or exercise of rights of existing outstanding securities or commitments to issue securities.

In addition, pursuant to the Agency Agreement, the Corporation has agreed to use its reasonable commercial efforts to cause its officers and directors and KI to enter into lock-up agreements in favour of the Agent, pursuant to which each of such individuals and KI will agree, for a period of 90 days after the Closing Date, not to offer, sell, contract to sell, transfer or pledge or otherwise dispose of, any securities of the Corporation, without the prior written consent of the Agent, which consent will not unreasonably be withheld or delayed.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. Except in limited circumstances: (i) the Offered Shares will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Offered Shares will not be issued to subscribers; and (iii) subscribers will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Shares is purchased. Subscribers who are not issued a certificate evidencing the Offered Shares which are subscribed for by them at closing are entitled under the ABCA to request that a certificate be issued in their name. Such a request will need to be made through the CDS participant through whom the beneficial interest in the securities is held at the time of the request.

The TSX has conditionally approved the listing of the Offered Shares to be distributed under this short form prospectus. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before April 7, 2017.

SELLING RESTRICTIONS

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and, accordingly, may not be offered, sold or delivered, directly or indirectly, within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Agency Agreement will permit the Agent to offer and sell the Offered Shares outside the United States in compliance with Regulation S under the U.S. Securities Act. The Agency Agreement will also permit the Agent to offer and sell the Offered Shares in the United States, provided such offers and sales are made in transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable U.S. state securities laws.

This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Shares in the United States. In addition, until 40 days after the commencement of the Offering, any offer or sale of Offered Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

The Offered Shares may not be offered to the public in the U.K. This short form prospectus does not contain an offer or constitute any part of an offer to the public in the U.K. within the meaning of sections 85 and 102B of the FSMA, or otherwise, is not an approved prospectus for the purposes of section 85 of FSMA, and has not been (nor will be) delivered to the FCA or delivered to or approved by any other authority which could be a competent authority for the purposes of the United Kingdom Prospectus Rules.

In the U.K., this short form prospectus is only being distributed to, and is only directed at, persons that are both: (i) qualified investors within the meaning of section 86(7) of FSMA acting as principal or in circumstances to which section 86(2) of the FSMA applies; and (ii) either (a) 'investment professionals' falling within Article 19 of the Financial Promotions Order; (b) 'high net worth entities, unincorporated associations etc', falling within Article 49 of the Financial Promotions Order; or (c) otherwise lawfully permitted to receive it (each such person being referred to as a "relevant person"). This short form prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the U.K. Any person in the U.K that is not a relevant person should not act or rely on this short form prospectus or any of its

contents. Each purchaser of Offered Shares in the U.K will be deemed to have represented to the Corporation and the Agent, and acknowledges that each of the Corporation and the Agent is relying on such representation, that they satisfy the criteria to be a relevant person.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Relevant Member State, a public offering of the Offered Shares may not be made in that Relevant Member State. No public offering of the Offered Shares in any Relevant Member State may be conducted prior to the publication of a prospectus in relation to such Offered Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of Offered Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State: (i) to European Qualified Investors; (ii) to fewer than 100 natural or legal persons, or fewer than 150 natural or legal persons if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU of the European Parliament and the Council amending the Prospectus Directive; or (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Offered Shares shall result in a requirement for the publication by the Corporation or the Agent of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

The Offered Shares may not be publicly offered in Switzerland and will not be listed on the SIX or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offered Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offering, the Corporation or the Common Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the Offering has not been and will not be authorized under CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Offered Shares.

RISK FACTORS

An investment in the Offered Shares should be considered highly speculative due to various factors, including the nature of the Corporation's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves and resources. The Corporation's business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and demand for oil and natural gas and the regulation of the oil and natural gas industry by various levels of government. The oil and natural gas reserves and recovery information incorporated by reference in this short form prospectus are estimates only and the actual production and ultimate reserves recovered from the Corporation's properties and acquisitions may be greater or less than the estimates contained in this short form prospectus and the documents incorporated by reference therein. The success of acquisitions and further exploration or development projects cannot be assured. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Risk factors relating to the Corporation are discussed in the Revised AIF and the Corporation's management's discussion and analyses, which are incorporated by reference in this short form prospectus. These risk factors, together with all of the other information included or incorporated by reference in this short form prospectus, should be carefully reviewed and considered before a decision is made to invest in the securities offered hereunder. Such

risks may not be the only risks facing the Corporation. Additional risks not currently known may also negatively impact the Corporation's business operations and results of operation.

The Corporation has significant debt and may be unable to continue as a going concern

On November 20, 2013 the Corporation finalized the EBRD Tunisia Credit Facility, which consists of the Senior Loan and the Convertible Loan. The Senior Loan was in the amount of US\$40 million, has a term of seven years, and was available in two tranches of US\$20 million each. With the placement of a US\$11.28 million loan facility provided by the EBRD to Serinus with respect to financing the Corporation's capital program for the Romania Assets in the first quarter 2015 to meet its phase 2 commitments, the Senior Loan was reduced by such amount. As at September 30, 2016, the outstanding principal on EBRD Tunisia Credit Facility is US\$21.7 million. Both loan agreements contain a number of affirmative covenants, including maintaining the specified security, environmental and social compliance, and maintenance of specified financial ratios.

As at September 30, 2016, the Corporation was not in compliance with the annual debt service coverage ratio financial covenant at the Tunisia level and the consolidated financial debt to EBITDA ratio in the EBRD Tunisia Credit Facility. The Corporation anticipates that it will again not be in compliance for the period ended December 31, 2016, and may not be in compliance in future periods. The EBRD has formally waived compliance with these ratios for the periods ended September 30, 2016 and December 31, 2016 (the latter subject to the completion of this Offering). The implication of this waiver is that debt repayments will follow their original scheduled repayment terms and EBRD will not be acting on its security. Although the EBRD has previously provided waivers for covenant breaches, there is no certainty this will occur in the future. The Corporation is currently in discussions with the EBRD to renegotiate the EBRD Tunisia Credit Facility, including amendments to the financial covenants. A condition for renegotiating the EBRD Tunisia Credit Facility is that this Offering is completed. The Corporation does not expect that any of the Convertible Loan will be converted into Common Shares as part of such renegotiations.

There is a risk that such renegotiations are not successful and the Corporation continues to violate certain financial covenants or any other covenants in the EBRD Tunisia Credit Facility. In such a situation, the EBRD could place the Corporation in default, act on its security and the debt may therefore become payable on demand. The EBRD Tunisia Credit Facility is secured by the Corporation's Tunisian assets, pledges of certain bank accounts plus the shares of the Corporation's subsidiaries through which the concessions, including those in Romania, are owned, plus the benefits arising from the Corporation's interests in insurance policies and on-lending arrangements among the Corporation and its subsidiaries. If the Corporation does not seek to raise equity as a means of injecting capital into the Corporation so that investment can be made to increase future cash flows of the Corporation, management believes that the EBRD is unlikely to renegotiate the EBRD Tunisia Credit Facility. If the EBRD Tunisia Credit Facility is not renegotiated, and oil, natural gas and other commodity prices remain at depressed levels, the Corporation will not be able to generate sufficient cash flow from its operations to meet its obligations and as such the Corporation may not be able to continue as a going concern. See "*Recent Developments – Waiver of compliance with debt service coverage ratio financial covenant with respect to the EBRD Tunisia Credit Facility*".

Given the covenants were breached as at September 30, 2016, Serinus has reclassified its long-term debt to current in the financial statements, as required under accounting standards.

The Corporation's significant debt could have important negative negatives, such as:

- limiting its ability to obtain additional financing, if needed, or refinancing, when needed, for debt service requirements, working capital, capital expenditures or other purposes;
- increasing its vulnerability to current and future adverse economic and industry conditions;
- requiring the Corporation to dedicate a substantial portion of its cash flows from operations to make payments on its debt;
- causing the Corporation to monetize assets on terms that may be unfavourable to the Corporation;

- causing the Corporation to offer debt or equity securities on terms that may not be favourable to the Corporation or its shareholders;
- reducing funds available for operations, future business opportunities or other purposes;
- limiting the Corporation's flexibility in planning for, or reacting to, changes and opportunities in its business and its industry;
- increasing employee turnover and uncertainty, diverting management's attention from routine business and hindering its ability to recruit qualified employees; and
- placing the Corporation at a competitive disadvantage compared to its competitors that have less debt.

To the extent the Corporation incurs additional indebtedness, some or all of the risk discussed above will increase.

Cash Flows may not be Sufficient

The Corporation is exposed to the risk that internally generated cash flows may not be sufficient to fund capital projects and debt service obligations, additional financing may not be available to the Corporation, or that actual expenditures may exceed those planned.

The Corporation is highly leveraged particularly given its minimal operating cash flow. The debt situation has accumulated since the two well drilling program undertaken in 2013/2014 in Brunei when the Corporation incurred US\$38.6 million of expenditures for two wells that for technical reasons failed to meet the targeted depth. These wells were funded through a combination of cash flow and a Dutco loan for US\$15 million. The Dutco loan was repaid in Q2/Q3 2014 from cash flow generated from operations in Ukraine and Tunisia. This contributed to the Tunisian capital program in 2014/2015 being fully funded from debt to enable the operating cash flow to be repatriated to provide cash for the corporate needs of the business. The US\$11.28 million loan facility provided by the EBRD reduced the reliance on Tunisian cash flow to fund the Romanian capital program, therefore effectively freeing up the Tunisian cash flow for general corporate purposes.

Starting mid-2015, the Corporation began the process of cutting its corporate general and administrative costs, a process that has continued since, which has cost the Corporation a significant amount as largely relates to employee severance costs.

During 2016, the Corporation was in a position whereby its operating cash flow after capital expenditures from its Tunisian assets were insufficient to cover its corporate general and administrative costs and debt service obligations. The proceeds from the sale of Ukraine Assets helped mitigate this shortfall for a short period of time.

At current low commodity prices, it is not anticipated that the cash flow from operations will be sufficient to cover all capital expenditures and debt service obligations of the Corporation. Excluding the proceeds from the Offering, the Corporation anticipates that it will not have sufficient cash to service its next debt repayment due March 2017.

The Corporation has negative cash flow

The Corporation had negative cash flow from operating activities for 2016. The Corporation anticipates that cash flow from operating activities will be positive in 2017, however this will not be sufficient to fund all debt repayments. Lack of cash flow from the operating activities of the Corporation could impede the Corporation's ability to raise capital to the extent required to fund the Corporation's business operations. If the Corporation does not generate sufficient cash flow from its operating activities it will remain dependent upon external financing sources and may need to seek additional financing in order to complete its capital expenditure program as currently planned; in the alternative, if the Corporation cannot obtain additional financing on terms acceptable to it or at all, the Corporation may be forced to reduce its capital expenditure program for 2017. There can be no assurance that financing on satisfactory terms to the Corporation will be available. In addition, to the extent that the Corporation has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities.

Management of the Corporation and the Board have considered a variety of alternatives to alleviate the distressed financial position of Serinus, including renegotiating the terms of the Senior Loan and the Convertible Loan, issuance of additional equity or convertible equity to existing major shareholders, sale of all or a portion of the asset of the Corporation and sale of the Corporation. Management of the Corporation and the Board have concluded that none of these alternatives could assist the Corporation achieve the desired relieve of its financial hardship, either due to the current market status for international oil and gas properties, including the political events in Tunisia, or the significant amount of time required to complete some of these transactions.

The Offering may not improve the Corporation's financial conditions

Management believes that the Offering will enhance the Corporation's liquidity and operating flexibility. However, such belief is based on certain assumptions, including, without limitation, that the reserves and resources of the Corporation can be profitably produced in the future, the Corporation's ability to obtain additional financing on satisfactory terms and the ability to manage costs. Should any of those assumptions prove false, the financial position of the Corporation may be materially adversely affected and the Corporation may not be able to pay its debts as they become due.

Potential Impairment of the Value of the Corporation and/or the Common Shares

The Corporation is relying on the financial hardship exemption included in Sections 5.7(e) of MI 61-101 to be exempted from the requirement for a minority shareholder approval for the Offering. This may, among other factors, provide negative indications of the value of the Corporation and/or the Common Shares.

If the Total Offering is not raised, the Corporation may pursue other alternatives including a sale of all or a portion of its assets, a corporate sale, a private placement or a going private transaction

The completion of the Offering is subject to the completion of definitive binding documentation and satisfaction of a number of conditions, including the raising of the Total Offering. There is no assurance that the Corporation will be successful in raising the Total Offering.

The Corporation has appointed the Agent to hold in trust all subscription funds received until the Total Offering has been raised. If the Total Offering is not raised on or before the day that is 90 days after the date a final receipt is issued for this short form prospectus, or such later date as the Corporation and the Agent may agree and the securities regulatory authorities may approve (subject to the filing of any required amendment to this short form prospectus and the securities regulatory authorities issuing a receipt for the amendment), the Agent must return such funds to the subscribers without interest, set-off or deduction. See "*Plan of Distribution*".

If the Total Offering is not raised, the Offering will not be completed, which will have an adverse effect on the Corporation's business and financial condition, as well as its ability to pursue its current exploration and development programs. The Corporation may pursue alternative strategies for funding the development of the Romania Assets, including the issuance of additional equity or convertible equity to existing major shareholders or on a private placement basis, a going private transaction, the sale of all or a portion of assets, or the sale of the Corporation. A going private transaction would result in the Corporation delisting from the TSX and the WSE and ceasing to be a reporting issuer under applicable Canadian securities laws.

Controlling shareholder is able to exercise significant control over the affairs of the Corporation

The Corporation's major shareholder, KI is a Luxembourg société anonyme. KI currently owns 39,909,606 Common Shares representing 50.76% of the Corporation's outstanding Common Shares, and will be purchasing up to 38,693,049 Offered Shares, increasing its ownership position to up to 52.18% after giving effect to the Offering. As a result, KI will continue to have the ability to control substantially all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of the Corporation and make some future transactions more difficult or impossible without the support of KI. The interests of KI may not coincide with the Corporation's interests or interests of other shareholders. Accordingly, KI could cause the Corporation to enter into transactions or

agreements that other shareholders would not approve or make decisions with which other shareholders may disagree.

The Corporation's partner may not satisfy their obligations

The Corporation's partner and the owner of the remaining 40% of the Satu Mare Concession, OEBS, is currently in legal dispute with the government of Romania. The Fiscal Authority of Romania ("ANAF") has seized a significant portion of Rompetrol's (the parent company of OEBS) assets in Romania including their 40% interest in the Satu Mare Concession. At the Operator's Committee meeting between the Corporation and OEBS held on April 16, 2015, a resolution authorizing the application for the extension of the Satu Mare Concession was brought to a vote. The Corporation voted for the resolution and OEBS voted against the resolution. Pursuant to the Joint Operating Agreement ("JOA") between the partners, OEBS's vote against the resolution invokes them to submit a Notice of Withdrawal from the Concession. OEBS states that they cannot withdraw from the Concession so long as it is under seizure orders by ANAF.

The Corporation has sent cash call notices for the period of June 2015 to December 2016 to OEBS pursuant to the JOA between both companies. OEBS has failed to pay the cash calls within the timeframe defined in the JOA and the Corporation has sent notice to OEBS that it is in default. As such, until the legal dispute is resolved or the Corporation successfully receives OEBS' interest in the concession, the Corporation will continue to fund 100% of the expenditures on the Satu Mare Concession as it has since July 2015.

It is intended that the proceeds of this Offering are to fund 100% of the cost of the capital program for the Moftinu Gas Plant and pre-work for the 2018 drilling program. If Serinus is unable to sustain 100% of the expenditures on the Satu Mare Concession, it will reduce the capital program accordingly. If the matter is not resolved during 2017, then the Corporation will continue to fund expenditures in 2018 to the degree to which cash flows permit. In such event, the drilling of the three commitment wells may be delayed into 2019. The Corporation has until October 28, 2019 to drill the three commitment wells.

As OEBS is in default, management is of the view that the Corporation will be able to enforce its rights to acquire OEBS' 40% Working Interest in the concession pursuant to the terms of the JOA. The Corporation is currently in discussions with OEBS to facilitate the acquisition of OEBS' 40% working interest in the concession. OEBS has indicated that it does not wish to participate in future phases under the Satu Mare Concession.

Given its legal dispute with the government of Romania, it is yet unclear whether OEBS has the ability to transfer its interest in the Satu Mare Concession to Winstar Romania. Also, OEBS may not be able to pay for its working interest share of expenditures in respect of the Satu Mare Concession before the legal dispute is resolved. The Corporation is in discussions with OEBS and various government agencies including NAMR to ensure that it ultimately receives that interest. It is possible that OEBS may not be able to meet its obligations with respect to the Satu Mare Concession (including making its proportionately work interest contribution) and/or successfully resolve its legal dispute with the government of Romania. If this is the case, the Corporation's decision to proceed with the working program there may need to be reviewed or the planned working progress there may be delayed.

Economic and Political Risk

The Corporation's operations are in foreign jurisdictions where there may be a number of risks over which it will have no control. These risks may include risks relating to economic, social or political instability or change, terrorism, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing and petroleum export licensing and export duties as well as government control over domestic oil and gas pricing. In particular, certain areas, such as Tunisia and Romania, present a significant political and economic risk in terms of stability, political and economic uncertainty, terrorism and civil unrest.

Volatility of Market Price of Common Shares

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. The market price of the Common Shares may be volatile. Volatility in the market price of Common Shares may affect

the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Advisories - Forward-Looking Statements*". In addition, the market price for securities on the stock markets, including the TSX, have experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionately related to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares. The Common Shares may, therefore, not be suitable as a short term investment. In addition, the market price of the Common Shares may not reflect the underlying value of the Corporation's net assets. The price at which the Common Shares will be traded and the price at which investors may realize their shares will be influenced by a large number of actors, some specific to the Corporation and its operations, and some which may affect the business sector in which the Corporation operates. Accordingly, investors should be aware that the value of the Common Shares may be volatile and investors may, on disposing of the Common Shares, realize less than their original investment or may lose their entire investment.

A positive return in an investment in the Offering is not guaranteed

There is no guarantee that an investment in the Offering will earn any positive return in the short term or long term. The purchase of the Offering involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Offering is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

No Dividend

The Corporation has not declared or paid any dividends in its three most recently completed financial years, and does not foresee the declaration or payment of any dividends on its Common Shares in the near future. The Corporation currently intends to retain future earnings, if any, to fund the development and growth of its business. As a result, investors will have to rely on capital appreciation, if any, to earn a return on their investment in Common Shares for the foreseeable future.

Use of Proceeds May Vary

The Corporation currently intends to allocate the net proceeds received from the Offering as described under "*Use of Proceeds*" in this short form prospectus. However, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "*Use of Proceeds*" if it is believed it would be in the best interests of the Corporation to do so. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Market Conditions

As a result of the weakened global economic situation and its possible effects on oil, natural gas and other commodity prices, the Corporation, along with all other oil and natural gas issuers, may face reduced cash flow and restricted access to capital until these conditions improve. A prolonged period of adverse market conditions may impede the Corporation's ability to finance planned capital expenditures. In addition, a prolonged period of adverse market conditions may impede the Corporation's ability to refinance its EBRD Tunisia Credit Facility or arrange alternative financing when the EBRD Tunisia Credit Facility becomes due or if the lending limits under the EBRD Tunisia Credit Facility are reduced. In each case, the Corporation's ability to maintain and grow its reserves and fully exploit its properties for the benefit of the shareholders of the Corporation would be adversely affected.

Market for the Offered Shares

The Corporation has applied to list the Offered Shares distributed under this short form prospectus on the TSX. Listing will be subject to the Corporation fulfilling all of the applicable listing requirements of the TSX. There can

be no assurance that an active public market for trading in the Offered Shares will persist and the share price may decline below the issue price for the Offered Shares.

The Corporation has not applied for the admission of the Offered Shares for trading on the WSE

The Common Shares are listed and posted for trading on the WSE to the limit of 78,629,941. Similarly, the registration of the Common Shares in the depository system of the National Securities Depository in Poland (Krajowy Depozyt Papierów Wartościowych S.A.) complies with the said number. Unlike the Common Shares, the Corporation has not applied for the admission of the Offered Shares for trading on WSE.

However, due to the fact that the Common Shares admitted for trading on the WSE will have the same International Securities Identification Number (ISIN) as the Offered Shares, and as such will be assimilated in the securities settlement system (i.e., Euroclear, Clearstream), as a result of such assimilation, the Offered Shares will not be distinguishable from the Common Shares.

As a consequence of the above, in a situation in which any of the shareholders of the Corporation would like to make a transfer of Common Shares in order to trade them on the WSE and as a result of such transfer the said limit would be exceeded, the transfer could not be completed and the shareholder, in fact, could not benefit from the opportunity of trading the Common Shares on the WSE (dual listing) to the moment in which the transfer of Common Shares to the Polish market does not exceed the said limit.

In addition, the WSE is a home market for Common Shares within the territory of the EEA, the relevant provisions shall apply, in particular the Polish *Act on Public Offering, Conditions Governing the Introduction of the Financial Instruments to Organized Trading, and Public Companies of 29 July 2005* (the “**Public Offering Act**”).

Pursuant to the Public Offering Act a shareholder that reaches or exceeds the threshold of 5%, 10%, 15%, 20%, 25%, 33%, 33 1/3%, 50%, 75% or 90% (the “**major holdings of shares**”) of the voting rights in the Corporation shall immediately notify the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) and the Corporation. The notification requirement applies also in the case of a change in the shareholding representing more than 10% of the voting rights, by at least 2% of the voting rights, or a change in the shareholding representing more than 33% of the voting rights, by at least 1% of the voting rights. The obligation described above shall be applicable also to the acquisition of the Common Shares under the Offering.

The notification pertaining to the acquisition of the major holdings of shares should take place not later than within four business days from the date on which the shareholder learns of the change in the proportion of the voting rights held, or on which the shareholder could have learned of it if he had acted with due diligence.

When the acquisition of the Common Shares under the Offering results in exceeding the threshold of 33% of the voting rights in the Corporation, the shareholder shall announce a mandatory tender offer for the sale or exchange of those shares in a number that allows the shareholder to reach 66% of the voting rights or dispose the shares in a number that will reduce the holding to no more than 33% of the voting rights.

Whilst the acquisition of the Common Shares under the Offering results in exceeding the threshold of 66% of the voting rights in the Corporation, the shareholder shall announce a mandatory tender offer for the sale or exchange of all the remaining shares of the Corporation.

The mandatory tender offers referred to in the above shall be announced within three months after exceeding the threshold of 33% or 66%, respectively.

Therefore, there is a risk that the acquisition of a specific amount of Common Shares under the Offering by a shareholder may trigger specific obligations under Polish legislation, in particular the notification requirement or mandatory tender offer that were mentioned in the above.

Future Financing

The Corporation may require future financing through the issuance of equity or debt to fund its future exploration, development and operations. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation. The Corporation's inability to raise funds to support ongoing operations and to fund capital expenditures or acquisitions may limit the Corporation's growth or may have a material adverse effect upon the Corporation. The Corporation cannot predict the size of future issuances of equity or the issuance of debt or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares. The Corporation may complete additional equity financings and such financings may have a dilutive effect on holdings of shareholders of the Corporation.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading "*Advisories - Forward-Looking Statements*".

LEGAL PROCEEDINGS

There are no outstanding legal proceedings material to the Corporation or its subsidiaries to which the Corporation or its subsidiaries is a party or in respect of which any of their respective properties are subject, nor are there any such proceedings known to be contemplated.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of the Corporation and Stikeman Elliott LLP on behalf of the Agent. As at the date hereof, the partners and associates of each of Osler, Hoskin & Harcourt LLP and Stikeman Elliott LLP, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares.

Information relating to the proven and probable reserves of the Corporation in Tunisia and Romania incorporated by reference into this short form prospectus were evaluated by RPS, as an independent third party qualified reserves evaluator. As of the date hereof, to the knowledge of the Corporation, the partners, employees and associates of RPS, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares.

KPMG LLP, Chartered Accountants, are the auditors of the Corporation. KPMG LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, Chartered Accountants, Calgary, Alberta. The registrar and transfer agent for the Common Shares is Computershare Trust Corporation of Canada at its principal office in Calgary, Alberta.

ENFORCEMENT OF LEGAL RIGHTS

Messrs. Helmut Langanger, Evgenij Iorich, Sebastian Kulczyk, Dominik Libicki and Łukasz Rędziniak, directors of the Corporation and Mr. Jeffrey Auld, the President and Chief Executive Officer and a director of the Corporation, all reside outside of Canada. Each of Messrs. Helmut Langanger, Evgenij Iorich, Sebastian Kulczyk, Dominik

Libicki, Łukasz Rędziniak and Jeffrey Auld have appointed the Corporation as agent for service of process at the following address: Suite 1500, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: February 21, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

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

(signed) "*Tracy Heck*"
Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Helmut Langanger*"
Director

(signed) "*Łukasz Rędziniak*"
Director

CERTIFICATE OF THE AGENT

Dated: February 21, 2017

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

GMP SECURITIES L.P.
(signed) "*Nicholas J. Johnson*"