20 March 2018

Press Release

Serinus Announces 2017 Financial and Operating Results

Serinus Energy Inc. ("**Serinus**", "**SEN**" or the "**Company**"), is pleased to report its financial and operating results for the year ended December 31, 2017.

2017 Highlights

- Production in 2017 has been severely impacted due to labour issues and social unrest in Tunisia. The Chouech Es Saida field has been shut-in since February 28, 2017, initially due to labour issues. In addition, the Sabria field was shut-in from May 22, 2017 until early September 2017, due to social unrest in the southern part of the country. The Company has restarted production at Sabria resulting in average volumes of 396 boe/d in Q4 2017, a decrease of 65% from 1,131 boe/d in Q4 2016, primarily due to the shut-in of the Chouech Es Saida field in Q4 2017 and the performance of the WIN-12 well in Sabria after being shut-in.

- During Q4 2017, Brent prices averaged $61.53 per bbl, as compared to $49.19 per bbl in the comparable period of 2016, an increase of 25%. Average realized crude oil prices were higher in the full year 2017, at $51.48 per bbl, compared to $42.10 per bbl in 2016, reflecting the increase in average Brent prices from $43.55 per bbl in 2016 to $54.25 per bbl in 2017. Average realized crude oil prices were higher in Q4 2017, at $56.43 per bbl, compared to $47.40 per bbl in Q4 2016, reflecting improved benchmark crude pricing in 2017.

- For the three months ended December 31, 2017, funds from operations was an outflow of $6.0 million compared to an outflow of $0.4 million in Q4 2016. The negative funds outflow was primarily attributable to one-time well incident cost of $4.0 million in Romania and lower operating cashflows of $1.5 million from the Tunisian assets. For 2017, funds from operations for continuing operations (excluding Ukraine) was an outflow of $7.9 million, compared to an outflow of $4.7 million in 2016. The additional funds used of $3.2 million in 2017 was due to lower operating cash flows from Tunisia of $4.0 million in 2017 as compared to 2016, one-time well incident costs of $4.0 million, transaction costs of $0.7 million related to the Company's continuance and AIM listing transaction, partially offset by lower G&A of $5.3 million and lower foreign exchange loss of $0.2 million.

- The net loss from continuing operations for the year ended December 31, 2017 was $18.8 million ($0.13 per share), compared to a net loss from continuing operations of $27.5 million ($0.35 per share) in 2016. Included within this loss was asset impairment of $5.0 million (2016: $16.8 million), reflecting an impairment charge taken during Q3 2017 based on sustained low commodity prices and negative technical revisions.

Notes: Serinus prepares its financial results on a consolidated basis. Unless otherwise noted by the phrases "allocable to Serinus", "net to Serinus", "attributable to SEN shareholders" or "SEN WI", all values and volumes refer to the consolidated figures. Serinus reports in US dollars; all dollar values referred to herein, whether in dollars or per share values are in US dollars unless otherwise noted.

- Capital expenditures of $3.2 million and $8.9 million were incurred for the three and twelve months ended December 31, 2017, respectively. The majority of capital expenditures for 2017 were focused on the construction of the Moftinu gas facility in Romania and the reactivation and tie in of wells to this facility. On May 9, 2017, the Company entered into an EPCC contract with Confind S.R. L. for the construction of a 15 MMcf/d gas plant at the Moftinu 1001 well location, construction is ongoing with first production expected in late Q2 2018.
- On December 18, 2017, the Company suffered a well incident whereby during routine operations, to prepare the Moftinu 1001 well for future production, an unexpected gas release occurred and subsequently ignited. The well was subsequently brought back under control on January 6, 2018. Immediately following the capping operation, the Company performed a flow-kill operation and following a period of evaluation determined that the casing bowl assembly had been exposed to sufficient heat that its integrity was questionable. As such the Company has abandoned the Moftinu 1001 well. The costs associated with the above emergency operations are fully provided in the year end 2017 numbers in an amount of $4.0 million. The Company is in the process of completing its insurance coverage claim with its insurance broker. The impact of the well incident is that the construction of the gas facility, which is located on the wellsite of the Moftinu 1001 well, has been delayed with first production now expected late in Q2 2018. The Company has also initiated planning and tendering for the immediate drilling of a replacement well, Moftinu 1007, located approximately 300 metres from the Moftinu 1001 well site. The redrill will form part of the Company's insurance claim.
- As at December 31, 2017, the outstanding principal on the debt held with the European Bank for Reconstruction and Development ("EBRD") was $5.4 million under the Senior loan and $20.0 million under the Convertible loan. Effective October 2017, the terms of the loan facilities with the EBRD were restructured, which the Company believes provides the appropriate balance to be able to meet the debt servicing requirements while also being able to make the capital investments necessary to grow the Company.
- On February 24, 2017 the Company closed an equity offering ("the Offering") for aggregate gross proceeds of CAD$25.2 million (net CAD$24.3 million, after agents' fees of CAD$0.9 million) by issuing 72 million common shares are a price of CAD$0.35 per share.
- The Company has announced its intent to continue to Jersey and seek admission to the AIM market to the London Stock Exchange. On March 7, 2018, the Company's shareholders voted in favour of the continuance to Jersey. The Company is therefore proceeding with the process to continue to Jersey and to list on AIM.

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Summary Financial Results *(US$ 000's unless otherwise noted)*

		Three Months Ending December 31			Year Ending December 31		
		2017	2016	Change	2017	2016	Change
Gross Oil and Gas Revenue		1,895	4,456	(57%)	6,569	15,947	(59%)
Net Income from Continuing Operations		(9,681)	(14,419)	33%	(18,792)	(27,521)	32%
per share, basic and diluted		(0.06)	(0.18)		(0.13)	(0.35)	
Funds from Continuing Operations		(5,972)	(368)	(1523%)	(7,854)	(4,652)	(69%)
per share, basic and diluted		(0.04)	(0.01)	(170%)	(0.06)	(0.06)	5%
Capital Expenditures		3,203	975	229%	8,852	3,651	142%
Average Production (net to Serinus from continuing operations)							
Oil	(Bbl/d)	287	842	(66%)	279	853	(67%)
Gas	(Mcf/d)	652	1,733	(62%)	581	1,628	(64%)
BOE	(boe/d)	396	1,131	(65%)	376	1,124	(67%)
Average Sales Price (from continuing operations)							
Oil	($/Bbl)	$56.43	$47.40	19%	$51.48	$42.10	22%
Gas	($/Mcf)	$6.73	$4.91	37%	$6.25	$4.70	33%
BOE	($/boe)	$52.03	$42.82	22%	$47.88	$38.75	24%

	December 31		December 31	
	2017	2016	2017	2016
Cash & Cash Equivalents	7,252	4,297	7,252	4,297
Working Capital	(6,567)	(38,475)	(6,567)	(38,475)
Long-term Debt	(31,261)	-	(31,261)	-
Shares Outstanding	150,652,138	78,629,941	150,652,138	78,629,941
Average for Period	150,652,138	78,629,941	139,796,985	78,629,941

General & Financial Highlights

- Revenue, net of royalties, from Tunisia for year ended December 31, 2017 decreased to $5.9 million, compared to $14.0 million in 2016, due to lower production partially offset by higher commodity prices.
- For the three months ended December 31, 2017, revenue net of royalties decreased to $1.7 million, from $3.7 million in the comparative period of 2016, due to lower production partially offset by higher commodity prices.
- Total royalties decreased from $2.0 million in 2016 to $0.7 million in 2017. This decrease was due to lower production partially offset by higher commodity prices.
- Serinus made capital expenditures of $8.9 million in 2017, of which $0.4 million and $8.5 million were in Tunisia and Romania respectively.
- In 2017, $1.7 million of the EBRD Senior Loan, including interest, was repaid from scheduled semi-annual installment paid in March 2017. As at December 31, 2017, the principal outstanding under the Senior Loan was $5.4 million.

- The restructured agreements provide relief from covenants until September 2018. All covenant requirements at the Tunisia level have been removed and the debt service coverage ratio at the consolidated level is now only applicable to the Senior Loan. The debt service coverage ratio changed to a minimum of 1.3 times from 1.5 times previously at the consolidated level and is effective from December 2018. The debt to EBITDA ratio has been increased from a maximum of 2.75 times to 10.0 times at September 2018 and December 2018 and then to 2.5 times thereafter. At December 31, 2017, the Company was not subject to any financial covenants.

Operational Highlights

- On a full year basis, production decreased by 67% to 376 boe/d, compared to 1,124 boe/d in the prior year. The decrease year over year was due to the shut-in of both the Chouech Es Saida and Sabria fields. The production volumes at Chouech Es Saida were additionally impacted in Q1 2017 by lower production due to the CS-3 and CS-1 wells which went down in the middle of December and remained off-line in the first quarter pending pump replacement and workovers.
- Production volumes decreased by 65% in the fourth quarter 2017 to 396 boe/d, as compared to 1,131 boe/d in the fourth quarter of 2016. The decrease in production in Q4 2017 was attributable to the shut-in of the Chouech Es Saida field and lower volumes from the WIN-12 well in Sabria.
- In Tunisia, the Company incurred capital expenditures of $0.4 million for the year ended December 31, 2017, which primarily included costs for pumps and parts in preparation of workovers on the CS-1 and CS-3 wells in Chouech Es Saida.
- In Romania, the Company incurred expenditures of $3.2 million and $8.5 million for the three and twelve months ended December 31, 2017, respectively. The expenses consisted of the construction of the Moftinu gas facilities, reactivation of two wells and costs associated with the Bucharest office. The majority of the costs in Q4 2017 relate to the procurement of major components of the gas plant and flowlines and well testing.
- Well incident costs reflect the costs associated with dealing with the emergency situation in Romania. On December 18, 2017, the Company suffered a well incident whereby during routine operations, to prepare the Moftinu 1001 well for future production, an unexpected gas release occurred and subsequently ignited. The well was subsequently brought back under control on January 6, 2018. Immediately following the capping operation, the Company performed a flow-kill operation and following a period of evaluation determined that the casing bowl assembly had been exposed to sufficient heat that its integrity was questionable. As such the Company has plugged and abandoned the Moftinu 1001 well.

Outlook

The Company is focusing on Romania as the impetus for growth over the next several years. The Moftinu gas development project is a near-term project that is expected to begin producing from the gas discovery well Moftinu-1000 and the planned Moftinu 1007 in late Q2 2018. The Company signed an engineering, procurement and construction and commissioning contract on May 9, 2017 and construction of a gas plant with 15 MMcf/d of operational capacity is progressing with expected first gas production late Q2 2018.

The Company is also progressing the drilling program to meet work commitments for the extension to October 2019 and plans to drill three additional development wells (Moftinu-1003 and Moftinu-1004 and Moftinu-1007) The Corporation sees potential production from these wells being able to bring the gas plant to full capacity by late 2018.

In Tunisia, the Company is currently focusing on improving production from Sabria following the shut-in and plans to focus on carrying out low cost incremental work programs to increase production from existing wells, including the Sabria N-2 re-entry and installing artificial lift on another Sabria well, having determined that production at its oil field can be restarted in a safe and secure environment with sufficient comfort that there will be no further production disruptions for the foreseeable future. The Corporation views Sabria as a large development opportunity longer term.

For the Chouech Es Saida field, the Company is evaluating the restart of the field including timing and costs to replace the electric submersible pump for the CS-3 well. The Company 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 to 3 incremental wells for each of Sabria and Chouech Es Saida/Ech Chouech. As well for Chouech Es Saida/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.

Average working interest production in 2018 in Tunisia to the end of February was approximately 393 boe/d (286 bbl/d of oil, 643 Mcf/d of gas).

The Company's production continues to be significantly curtailed in the first quarter of 2018 as a result of the continued shut-in of the Chouech Es Saida field in Tunisia, and the lower volumes from the WIN-12 well in Sabria. The Company is evaluating the restart of the Chouech Es Saida field in the latter part of 2018. Full year production for 2018 is dependent on the successful the restart of production at the Chouech Es Saida field and the security and safety issues in and around our areas of operation, as well as the timing of the above mentioned capital program in Sabria.

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Supporting Documents

The full Management Discussion and Analysis ("**MD&A**") and Financial Statements have been filed in English on www.sedar.com and in Polish and English via the ESPI system, and will also be available on www.serinusenergy.com.

Abbreviations

bbl	Barrel(s)	bbl/d	Barrels per day
boe	Barrels of Oil Equivalent	boe/d	Barrels of Oil Equivalent per day
Mcf	Thousand Cubic Feet	Mcf/d	Thousand Cubic Feet per day
MMcf	Million Cubic Feet	MMcf/d	Million Cubic Feet per day
Mcfe	Thousand Cubic Feet Equivalent	Mcfe/d	Thousand Cubic Feet Equivalent per day
MMcfe	Million Cubic Feet Equivalent	MMcfe/d	Million Cubic Feet Equivalent per day
Mboe	Thousand boe	Bcf	Billion Cubic Feet
MMboe	Million boe	Mcm	Thousand Cubic Metres
CAD	Canadian Dollar	USD	U.S. Dollar

Cautionary Statement:

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

About Serinus

Serinus is an international upstream oil and gas exploration and production company that owns and operates projects in Tunisia and Romania.

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***Translation**: This news release has been translated into Polish from the English original.*

***Forward-looking Statements** This release may contain forward-looking statements made as of the date of this announcement with respect to future activities that either are not or may not be historical facts. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable as of the date hereof, any potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors that could impair or prevent the Company from completing the expected activities on its projects include that the Company's projects experience technical and mechanical problems, there are changes in product prices, failure to obtain regulatory approvals, the state of the national or international monetary, oil and gas, financial, political and economic markets in the jurisdictions where the Company operates and other risks not anticipated by the Company or disclosed in the Company's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties and actual results may vary materially from those expressed in the forward-looking statement. The Company undertakes no obligation to revise or update any forward-looking statements in this announcement to reflect events or circumstances after the date of this announcement, unless required by law.*