



30 January 2018

Press Release

## Operations and Corporate Update

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Serinus Energy Inc. (“Serinus”, “SEN” or the “Company”) (TSX:SEN, WSE:SEN) is pleased to provide an update on its operations in Romania and Tunisia.

### Romania

On 06 January 2018 the Company announced that the Moftinu-1001 well had been safely brought back under control. Immediately following the capping operation, the Company performed a flow-kill operation using weighted mud in order to conduct a post-incident detailed evaluation of the well, particularly with regard to the integrity of the surface well head assembly and casing after the exposure to intense heat. Following a period of evaluation, the Company has determined that the casing bowl assembly had been exposed to sufficient heat that its integrity was questionable. As such the Company has decided to plug and abandon the Moftinu-1001 well. The Company has initiated well cementing operations to permanently kill the well flow and has initiated procedures to formally abandon the well according to the norms and procedures of the National Agency of Mineral Resources (“NAMR”). The Company is in the process of completing its coverage claim with its insurance broker.

Following the decision to permanently plug and abandon the Moftinu-1001 well the Company has initiated planning and tendering for the immediate drilling of a replacement well. The Company’s insurance policy includes coverage for the costs of a replacement well. The Company has identified a new well location approximately 300 metres from the Moftinu-1001 well site. The re-drill will form part of the Company’s insurance claim, which would be submitted post-drilling of the Moftinu-1007 well.

The Company has applied for emergency approval, as allowed under Romanian petroleum legislation governing approvals and operations, in order to expedite the drilling and completion of the Moftinu-1007 well. It is currently anticipated by the Company that after receiving emergency approval authorization, that it will be able to commence drilling in March, with drilling, completion and testing taking up to one month.

The Company has engaged a Romanian consultancy firm that is recognised by the Romanian authorities to conduct a root cause analysis of the Moftinu-1001 incident. In addition, the Company is in the process of engaging an international company to also conduct a root cause investigation on behalf of the Board and shareholders. The results of these investigations will be communicated to the relevant authorities in Romania as well as to the shareholders of the Company. It is anticipated that these investigations will be available to the Company prior to the drilling of Moftinu-1007.

In regards the Moftinu Gas Development Project (the “Project”) following the recent incident with the Moftinu-1001 well, the Company is continuing with remediation operations at the site. Once the site remediation is complete, the Company anticipates resuming construction on the project in early February.

As previously announced, it was the Company’s expectation that the Project would be onstream with first gas in Q1 2018. The Project is now expected to be onstream in late Q2 2018 due to the following reasons:

- the required ongoing remediation of the Project site; and

- the requirement to drill, complete and test the replacement Moftinu-1007 to replace the expected gas production the Moftinu-1001 well was expected to have contributed to the initial Project capacity.

The Company also re-entered, worked-over and tested the Moftinu-1000 well in operations preceding the Moftinu-1001 incident. The workover consisted of a cement squeeze and re-perforation of the producing zones. The Moftinu-1000 well flow test in 2013 was 1.24 million cubic feet per day (“mmcf/d”) and the Company had reason to believe that the existing perforations were of poor quality and restricted the wells production capability. The workover resulted in a new test flow rate of 1.96 mmcf/d, a 57% increase over the 2013 test flowrate.

The Project is now slated to bring on gas production from the Moftinu-1000 and, once drilled, completed and tested, the Moftinu-1007 well. None of the Project specifications have changed as a result of the incident other than timing of first gas, as the Company is still constructing the gas plant at a capacity of 15 mmcf/d, with connecting well flowlines, and a sales gas pipeline connecting to the nearby Transgaz national gas transmission system. As mentioned above, the Project is now expected to achieve first gas in the late second quarter of 2018. The Company will keep the markets apprised of any change to this expected timeline that may occur as the Project construction progresses.

Beyond the work on the Project, the Company is also progressing with the planning and approvals for the future commitment wells. The Company has received approvals from NAMR to drill two exploration commitment wells into the Moftinu Structure: Moftinu-1003 and Moftinu-1004. As well, the Moftinu-1007 well is expected to qualify as a commitment well. The land permitting stage for the Moftinu-1003 and Moftinu-1004 wells have also been completed and it is anticipated that these will be drilled following the drilling of Moftinu-1007. It is planned that all these wells will be drilled by Q3 2018, thereby fulfilling the work commitments for the Addendum. With commercial success, production from Moftinu-1003 and Moftinu-1004 will be added to the experimental production phase of the Moftinu Gas Development Project. The Company is also considering conducting a 3D seismic program in the near future to further identify potential exploration targets within the Satu Mare concession area in order to accelerate production growth in Romania.

## **Tunisia**

Since restarting production at the Sabria field on 06 September 2017 after being shut-in due to social protests, the production at Sabria has been slowly ramping up. Currently three of the four Sabria producing wells have returned to normal production levels, with only the Win12bis well having not yet achieved prior production levels.

The Company is still looking at the timing of bringing the Chouech Es Saida field back on production. However, the recent well incident in Romania and the Company’s need to focus its financial resources on the completion of the Moftinu Gas Development Project, it is expected that the Chouech Es Saida field will not be brought onto production until the latter half of 2018.

Given the recent recovery in oil prices, the Company and its partner, ETAP, are considering the timing and execution of additional capital projects that may boost the Company’s Tunisian production.

## **Corporate**

The Company is progressing its plan for the continuance of the Company from Alberta to Jersey, Channel Islands, and to also list its shares for trading on the AIM market of the London Stock Exchange (“AIM”). The Company will be holding a special meeting of shareholders for 07 March 2018 to approve the continuation to Jersey as well as other matters requiring shareholder approval.

## **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.*

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