



20 March 2018

Press Release

Serinus Announces 2017 Year End Reserves

Serinus Energy Inc. (“**Serinus**”, “**SEN**” or the “**Company**”) (TSX:SEN, WSE:SEN), announces the results of the 2017 year-end evaluation of its oil and gas reserves. The evaluation was prepared by the independent qualified reserves evaluator RPS Energy Canada Ltd. (“**RPS**”) in accordance with Canadian National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, and includes the reserves and contingent resources in Serinus’ Tunisian and Romanian properties.

Company Gross Reserves – Using Forecast Prices

	2017			2016			YoY Change (%)
	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	Oil/Liquids (Mbbbl)	Gas (MMcf)	BOE (Mboe)	
TUNISIA (Company Working Interest)							
Proved							
Producing	438	1,028	609	1,068	1,985	1,399	-56%
Non-Producing	692	1,544	949	481	1,961	808	18%
Undeveloped	802	1,888	1,117	699	1,641	973	15%
Total Proved (1P)	1,932	4,459	2,675	2,247	5,587	3,178	-16%
Probable	5,044	11,670	6,989	5,169	14,455	7,578	-8%
Total Proved & Probable (2P)	6,976	16,129	9,664	7,416	20,042	10,756	-10%
ROMANIA (Company Working Interest)							
Proved							
Producing	-	-	-	-	-	-	N/A
Non-Producing	-	-	-	-	-	-	N/A
Undeveloped	12	6,111	1,031	-	-	-	N/A
Total Proved (1P)	12	6,111	1,031	-	-	-	N/A
Probable	27	8,686	1,475	-	-	-	N/A
Total Proved & Probable (2P)	39	14,797	2,505	-	-	-	N/A
TOTAL COMPANY							
Proved							
Producing	438	1,028	609	1,068	1,985	1,399	-56%
Non-Producing	692	1,544	949	481	1,961	808	18%
Undeveloped	814	7,999	2,147	699	1,641	973	121%
Total Proved (1P)	1,944	10,570	3,706	2,247	5,587	3,178	17%
Probable	5,071	20,356	8,464	5,169	14,455	7,578	12%
Total Proved & Probable (2P)	7,015	30,926	12,169	7,416	20,042	10,756	13%

Serinus encountered significant external and operational challenges in 2017, although the petroleum industry in general saw a recovery in relative oil prices towards the latter half of the year. The price of Brent Crude started at just over \$56/bbl in early January, trading within a narrow band between \$53/bbl and \$57/bbl until early March before becoming more volatile with steep declines and recovery until the yearly low of \$44.82/bbl on June 21, 2017. Brent Crude prices then began to gradually strengthen from June to the end of the year, reaching the yearly high of \$67.02 on December 21, 2017. Brent crude prices have sustained levels above \$62/bbl in 2018 to date, exceeding \$70/bbl for brief periods of trading

Total corporate 1P and 2P reserves increased in 2017 from 2016 by 17% and 13%, respectively. Recovering commodity prices were the dominant factor in 2017, especially in the latter half. These increased reserves volumes are due to the reclassification of a portion of the gas resources of the Moftinu structure in Romania from Contingent Resources to Reserves, offset by reserve reductions attributed to the Company's Tunisia properties. There were positive and negative revisions which are discussed below.

Tunisia

In Tunisia, 1P reserves decreased by 16%, while 2P reserves decreased by 10%. The technical revisions to reserves are:

- Positive revisions included:
 - Removing SAB N1 workover and replacing with SAB N2, which has a higher EUR at lower cost; and
 - Improvement in SAB 11, WIN 13 and SAB NW1 production performance; and
- Negative revisions included:
 - Reclassifications of Ech Chouech and Sanghar from Reserves to Contingent Resources;
 - Decreased reserves due to reduced production performance at WIN 12bis; and
 - Decreased reserves due to the removal of future development plans for CS-5, CS Sil-10, CS Sil-1 & CS-8bis

Romania

In Romania, the Moftinu Structure was classified as Reserves from its previous classification as contingent resources. Some of the key assumptions of Romanian reserves are:

- Total resources nearly doubled from 2016;
- Reclassification of A1, A2 and A3 sands to reserves from contingent resources;
- The 2017 YE reserves evaluation assumes three additional/replacement development wells; (1003, 1004, 1007) to be drilled and placed on production in 2018, with Moftinu-1006 to be drilled and placed on production in 2019;
- Almost no change to reserves as a result of the Moftinu-1001 uncontrolled well incident;
- ~27 Mboe of gas escaped during the event, or 0.52% of the field's total resources; and
- Replacing Moftinu-1001 with Moftinu-1007 had no material effect on the reserves for the field.

Net Present Value of Future Net Revenues– After Tax, Using Forecast Prices

	2017			2016			YoY Change for PV10
	0%	10%	15%	0%	10%	15%	
	(US\$ millions)			(US\$ millions)			
TUNISIA							
Proved							
Producing	(7.7)	(2.4)	(1.0)	(18.4)	(2.8)	0.8	14%
Non-Producing	(6.6)	3.6	5.4	0.7	4.7	4.9	-23%
Undeveloped	9.3	4.3	2.5	9.9	2.3	0.4	87%
Total Proved (1P)	(4.9)	5.5	6.9	(7.8)	4.2	6.1	31%
Probable	86.3	62.0	43.7	115.7	70.3	49.9	-12%
Total Proved & Probable (2P)	81.4	67.5	50.6	107.9	74.5	56.0	-9%
ROMANIA							
Proved							
Producing	-	-	-	-	-	-	N/A
Non-Producing	-	-	-	-	-	-	N/A
Undeveloped	11.8	9.9	9.1	-	-	-	N/A
Total Proved (1P)	11.8	9.9	9.1	-	-	-	N/A
Probable	40.3	32.2	29.1	-	-	-	N/A
Total Proved & Probable (2P)	52.1	42.1	38.2	-	-	-	N/A
TOTAL COMPANY							
Proved							
Producing	(7.7)	(2.4)	(1.0)	(18.4)	(2.8)	0.8	-14%
Non-Producing	(6.6)	3.6	5.4	0.7	4.7	4.9	-23%
Undeveloped	21.1	14.2	11.6	9.9	2.3	0.4	517%
Total Proved (1P)	6.8	15.4	16.0	(7.8)	4.2	6.1	267%
Probable	126.6	94.2	72.8	115.7	70.3	49.9	34%
Total Proved & Probable (2P)	133.4	109.6	88.8	107.9	74.5	56.0	47%

Net present values for Serinus' Reserves Increased by 267% and 47% for 1P and 2P Reserves, respectively. The contributing factors to the \$11.2 million increase in the 1P PV10 valuation was the classification of Romania Contingent Resources in 2016 to reserves in 2017 and a slight increase in the valuation of Tunisian 1P Reserves.

Contingent Resources

In addition to the 1P and 2P Reserves assigned to the Company's properties in Tunisia and Romania, Contingent Resources are also assigned to the Company's properties,

The Tunisian contingent resources are in the Development Pending sub-class and consist of the commercially recoverable resources in the Ech Chouech and Sanghar fields, which have been on production in the past using conventional primary recovery technology, but are currently shut in due to political uncertainties. The specific contingency which prevents these resources from being classified as reserves is the Company decision to not return the fields to production status at this time given the political risks of social unrest in the area. Return to production, and reclassification to reserves, is forecast to occur in the 2019 or 2020 timeframe. The development costs to bring these contingent resources on to production are US\$0.8 million. The Company has a 100% working interest in all properties attributed with contingent resources.

The Romanian contingent resources are also in the Development Pending sub-class and consist of the resources behind pipe in three specific reservoir sand layers and which are recoverable using conventional primary gas recovery technology. The specific contingency which prevents these resources from being classified as reserves is the Company decision to recompleate a producing well to access recovery of gas resources from these sands, which is forecast to occur during 2019 and 2020. The development costs to bring these contingent resources on to production are estimated at US\$ 0.4 million, US\$1.2 million and US\$1.55 million for the 1C, 2C, and 3C cases respectively.

Company Gross Risked Contingent – Using Forecast Prices

TUNISIA - Contingent Resources (Company Working Interest)							
	Resource Volumes (risked)			AT NPV (risked)			Chance of Development
	Oil/Liquids	Gas	BOE	0%	10%	15%	
	(Mbbbl)	(MMcf)	(Mboe)	(US\$ millions)			
1C Contingent Resources	81.6	69	93.1	(6.5)	(4.1)	(3.3)	90%
2C Contingent Resources	217.4	192	249.4	(4.3)	(0.5)	0.1	90%
3C Contingent Resources	351.5	328	406.2	(1.4)	2.2	2.1	90%
ROMANIA - Contingent Resources (Company Working Interest)							
	Resource Volumes (risked)			AT NPV (risked)			Chance of Development
	Oil/Liquids	Gas	BOE	0%	10%	15%	
	(Mbbbl)	(MMcf)	(Mboe)	(US\$ millions)			
1C Contingent Resources	3.3	1,626	274.4	5.7	4.8	4.4	90%
2C Contingent Resources	15.0	5,673	960.5	26.7	18.1	15.1	90%
3C Contingent Resources	30.0	9,171	1,558.5	45.6	25.3	19.3	90%
TOTAL COMPANY							
	Resource Volumes (risked)			AT NPV (risked)			Chance of Development
	Oil/Liquids	Gas	BOE	0%	10%	15%	
	(Mbbbl)	(MMcf)	(Mboe)	(US\$ millions)			
1C Contingent Resources	84.9	1,695	367.5	(0.8)	0.7	1.1	90%
2C Contingent Resources	232.3	5,865	1,209.8	22.3	17.6	15.2	90%
3C Contingent Resources	381.4	9,499	1,964.6	44.3	27.5	21.4	90%

Notes to Contingent Resources Table:

1. Contingent Resources are those quantities of petroleum estimated, as of December 31, 2017 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.
2. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources.

Serinus will concentrate on the development of the Moftinu Gas Development Project in Romania which is currently under construction with anticipated first gas in late Q2 2018. The Company is also developing the drilling program for the Moftinu-1007, the replacement well for Moftinu-1001 after the recent well control incident and subsequent abandonment, as well as the Moftinu-1003 and Moftinu-1004 wells. The drilling of these wells should meet the work commitments for the extension of the Satu Mare Concession obtained on October 28, 2016.

Reserve Evaluator Price Forecasts

RPS used the following commodity price forecasts in preparing its evaluation of Serinus' oil and gas properties:

	Tunisia Domestic Gas			Romanian Gas Price
	Brent (US\$/Bbl)	Sabria (US\$/Mcf)	Chouech (US\$/Mcf)	(US\$/MMBtu)
2018	62.00	7.24	6.94	5.54
2019	62.00	7.24	6.94	5.54
2020	65.00	7.59	7.27	5.80
2021	69.00	8.06	7.72	6.16
2022	72.50	8.46	8.11	6.47
2023	75.50	8.81	8.45	6.74
2024	78.83	9.20	8.82	7.04
2025	80.41	9.39	9.00	7.18
2026	82.02	9.58	9.18	7.32
2027	83.66	9.77	9.36	7.47
2028	85.33	9.96	9.55	7.62
2029	87.04	10.16	9.74	7.77
2030	88.78	10.37	9.93	7.92
2031	90.55	10.57	10.13	8.08
2032	92.36	10.78	10.33	8.24
2033	94.21	11.00	10.54	8.41
2034	96.09	11.22	10.75	8.58
2035	98.02	11.44	10.97	8.75
2036	99.98	11.67	11.19	8.92

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
UAH	Ukrainian Hryvnia	MMBtu	Million British Thermal Units
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.

All values of net present value of reserves and contingent resources shown in this press release do not necessarily represent fair market value.

Test results are not necessarily indicative of long-term performance or of ultimate recovery. The test data contained herein is considered preliminary until full pressure transient analysis is complete.

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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