



18 October 2018

Press Release

## Operational Update

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**Jersey, Channel Islands, October 18, 2018** -- Serinus Energy plc ("**Serinus**", "**SEN**" or the "**Company**") (AIM:SENX, WSE:SEN), announces an operational update.

### **Romania**

The Moftinu gas plant is completed and able to operate at pressure with sustained production, but is waiting for the installation of the Low Temperature Separation ("LTS") unit and the Triethylene Glycol ("TEG") unit (together, the "Units"), as previously announced.

Since 21 August 2018, the Company has been awaiting access codes from Romania's National Pipeline Operator, Transgaz, to start experimental commercial gas production during the commissioning of the gas plant, as is the legal right of the Company. Transgaz has so far denied the Company's gas production into the Transgaz system citing that the gas quality is not according to their network specifications due to minimal quantities of water. The Company believes that the very high quality of gas, in excess of 90% methane, should be acceptable into the Transgaz system. Transgaz has maintained that even the very small percentage of water, 0.21% maximum, means that this gas cannot be injected into the system and that until the Units are in place, no gas sales can be accommodated.

It is the Company's view that Romanian law provides for such minor quality differentials during the proscribed experimental production phase and as such the Company is legally entitled to provide this gas to the system. The Company believes that the gas from the Moftinu wells is within the specifications that would allow Transgaz to accept this gas with no discernible impact on the integrity of the Transgaz System.

The Company will continue to pursue the acceptance of this gas into the Transgaz system. Regardless, the Company will be in a position to remove any minor residual water once the Units are installed and there are no further issues that would prevent the Company moving to full production.

The latest timeline provided by the EPC Contractor is that the Factory Acceptance Tests for the Units will be conducted at the manufacturing facility in Canada on or around 17 November 2018 and the Units will be loaded onto a freighter for shipment to Bremerhaven, Germany, on or around 22 November, with installation, commissioning and production anticipated for December 2018. These Units are being constructed by a subcontractor, AVAL Engineering of Calgary, Canada. AVAL's delivery of the Units is now expected to be more than 11 months after the original delivery date. AVAL has provided project progress reports to our EPC Contractor with six separate delivery dates over the last 11 months, all of

which have been missed. The Company has been required to send senior executives, alongside representatives from our EPC Contractor to inspect the works completed by AVAL as the progress reports from AVAL were unreliable. On consecutive visits, the Serinus team, alongside our EPC Contractor have now been able to verify the progress and are now in a position to have confidence that work is progressing, and the current completion ex-works date can be met. Once the Factory Acceptance Test is completed, the shipment of the Units is estimated to take 10 days to reach Europe, followed by a three-day shipping time by truck to the site. Once the Units have arrived at the site, it is estimated that it will take up to two weeks to install and commission the Units.

## **Tunisia**

Discussions with Tunisian authorities have progressed and the Company believes that, subject to an administrative procedure settlement, it will be in a position to restart the Chouech Es Saida field in Tunisia in Q1 2019. The Company believes that progress has been sufficient that it can now take early steps to re-initiate production in this field. This field has been shut-in since February 2017 due to labour unrest. The Company has started the tendering process for long lead time items and essential production support services. Prior to shut-in, the Chouech Es Saida field produced an average of 488 barrels of oil equivalent in Q4 2016.

### **About Serinus**

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

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

**For further information, please refer to the Serinus website ([www.serinusenergy.com](http://www.serinusenergy.com)) or contact the following:**

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