Serinus Energy plc

First Quarter Report and Accounts 2021
(US dollars)

FIRST QUARTER 2021 HIGHLIGHTS

OPERATIONAL

- Serinus Energy plc and its subsidiaries ("Serinus", the "Company", or the "Group") have continued to operate safely and effectively through the COVID-19 pandemic, with the successful implementation of operational and monitoring protocols to ensure the health and safety of our employees.
- As announced on 23 February 2021, the Company drilled and completed the M-1008 well. The well was subsequently brought on production on 28 February 2021. The well flowed on test at 4.0 MMscf/d (approximately 667 boe/d) from two perforated zones and has been tied into the Moftinu Gas Plant.
- Serinus is well advanced with construction of the access road and the wellhead and tubulars have been ordered for the Sancrai-1 well. The rig tendering process is underway and the Sancrai-1 well is expected to spud by the end of June.
- The Group has received approval from the working interest partner in the Sabria field in Tunisia to implement the first artificial lift program which is expected to be initiated later in the year.
- The Company has contracted with suppliers to undertake the compression project on the Moftinu field, which is intended to stabilize and extend existing production. Compression on the first well is targeted in the coming months in conjunction with a planned gas plant maintenance shut down.
- Production for the period averaged 2,097 boe/d, comprising:
    - Romania - 1,495 boe/d.
    - Tunisia - 602 boe/d.
    - Production has increased in Tunisia, showing the positive effects of the workover program.
- The Group exited 31 March 2021 with a production rate of 2,178 boe/d, with a March 2021 average of 2,240 boe/d.

FINANCIAL

- The Group continued to see a strong recovery in prices, with net realised price of $40.16/boe, comprising:
    - Realised oil price - $54.03/bbl.
    - Realised natural gas price - $5.98/Mcf.
- The Group's operating netback for the three months ended 31 March 2021 was $23.90/boe, comprising:
    - Romania operating netback - $26.23/boe.
    - Tunisia operating netback - $18.33/boe.
- Funds from operations for the three months ended 31 March 2021 were $2.4 million.
- Capital expenditures of $3.5 million, comprising:
    - Romania - $3.0 million, related to the drilling, completion and tie- in of the M-1008 well and preparation for Sancrai-1.
    - Tunisia - $0.5 million, related to workovers in Sabria and Chouech.
- EBITDA for the three months ended 31 March 2021 was $2.6 million.
- Cash balance as at 31 March 2021 was $5.3 million.

OPERATIONAL UPDATE AND OUTLOOK

Serinus is an oil and gas exploration, appraisal and development company. The Group is the operator for all its assets and has operations in two business units: Romania and Tunisia.

ROMANIA

The Company currently holds one large concession area (approximately 3,000km^2), Satu Mare, located in a highly sought-after hydrocarbon province. The Moftinu Gas Project is what the Group hopes to be the first of many shallow gas developments. The concession is extensively covered by legacy 2D seismic and the Group considers the concession to have multiple sizable prospects available for further exploration.

During the three months ended 31 March 2021, the Company successfully drilled, completed and initiated production from the M-1008 well. This well was drilled to a total depth of 1,000 metres and flowed at 4.0 MMscf/d (approximately 667 boe/d).

The Company has contracted with suppliers to undertake the compression project on the Moftinu field. The project is intended to stabilize and extend existing production. Compression on the first well is targeted in the coming months in conjunction with a planned gas plant maintenance shutdown. The project to drill the first exploration well, the Sancrai-1 well, is underway with work on the access road having begun during the first quarter. Long-lead items have been ordered with an expected spud date by the end of June. The Sancrai-1 well will satisfy the last remaining commitment of the third exploration phase.

TUNISIA

The Company currently holds five concession areas within Tunisia. Of the five concession areas the Company is currently focused on, three of those areas have discovered oil and gas reserves and are currently producing; Sabria, Chouech Es Saida, and Ech Chouech. The largest asset is the Sabria field, which is a large oilfield play that has been historically under-developed. Serinus considers this to be an excellent asset for remedial work to increase production and, in time with proper reservoir studies, to conduct further development operations.

During the three months ended 31 March 2021, the Company continued to complete various workover projects to increase existing production. The Company has received official approval from the working interest partner in Sabria to install the first artificial lift into the field which is expected later during the year.

COVID-19

The health, safety, and wellbeing of all staff continues to be the Company's top priority throughout this difficult time. All Group offices remain closed, as such the Company continues to ensure all employees are able to successfully work from home.

FINANCIAL REVIEW

LIQUIDITY, DEBT AND CAPITAL RESOURCES

During the first quarter of 2021, the Company spent a total of $3.5 million (2020 - $2.7 million) on capital expenditures during the period. These funds were primarily used in Romania, where the Group spent $3.0 million (2020 - $2.1 million) on the drilling, completion and tie-in of the M-1008 well. In Tunisia, the Company spent $0.5 million (2020 - $0.6 million) completing workovers on various wells to enhance current well production. The capital was primarily funded through funds from operations during the quarter. The Company's funds from operations were flat quarter on quarter at $2.4 million (2020 - $2.5 million). Considering the movement in working capital, the cash flows generated from operating activities in 2021 was $1.8 million (2020 – $1.5 million).

The Company is now in a strong position to expand and continue growing production within our existing resource base. The Company is now debt-free and has adequate resources available to deploy capital into both operating segments to deliver growth and shareholder returns.

(US$ 000) **Working Capital**	**31 March 2021**	**31 December 2020**
Current assets	14,627	16,037
Current liabilities	(22,332)	(22,236)
Working Capital deficit	(7,705)	(6,199)

The working capital deficit at 31 March 2021 was $7.7 million (31 December 2020 - $6.2 million).

Current assets as at 31 March 2021 were $14.6 million (31 December 2020 - $16.0 million), a decrease of $1.4 million mainly related to capital expenditures during the quarter. Current assets consist of:

- Cash and cash equivalents of $5.3 million (31 December 2020 - $6.0 million).
- Restricted cash of $1.2 million (31 December 2020 - $1.2 million).
- Trade and other receivables of $8.2 million (31 December 2020 - $8.9 million).

Current liabilities as at 31 March 2021 were $22.3 million (31 December 2020 – $22.2 million), an increase of $0.1 million. Current liabilities consist of:

- Accounts payable of $14.2 million (31 December 2020 - $14.3 million) which includes $6.0 million (31 December 2020 - $6.0 million) related to historic work commitments in Brunei.
- Decommissioning provision of $7.4 million (31 December 2020 - $7.1 million).
    - Brunei - $1.8 million (31 December 2020 - $1.8 million).
    - Canada - $1.1 million (31 December 2020 - $1.0 million) which are offset by restricted cash in the amount of $1.2 million (31 December 2020 - $1.2 million) in current assets.
    - Romania - $0.6 million (31 December 2020 - $0.6 million).
    - Tunisia - $3.9 million (31 December 2020 - $3.7 million).
- Income taxes payable of $0.6 million (31 December 2020 - $0.6 million).
- Current portion of lease obligations of $0.2 million (31 December 2020 - $0.2 million).

FINANCIAL REVIEW – THREE MONTHS ENDED 31 MARCH 2021

FUNDS FROM OPERATIONS

The Group uses funds from operations as a key performance indicator to measure the ability of the Group to generate cash from operations to fund future exploration and development activities. The following table is a reconciliation of funds from operations to cash flow from operating activities:

	Three months ended 31 March	
(US$ 000)	**2021**	**2020**
Cash flow from operations	1,802	1,504
Changes in non-cash working capital	631	950
Funds from operations	2,433	2,454
Funds from operations per share	0.00	0.01

Funds from operations for the three months ended 31 March 2021 was flat at $2.4 million (2020 - $2.5 million). The Company realised a higher average price per boe during the quarter which offset slight production declines. Both operating segments realised positive funds from operations as Romania generated $2.9 million (2020 – $3.5 million) and Tunisia generated $0.6 million (2020 – funds used in operations of $0.2 million). Funds used at the Corporate level were $1.1 million (2020 - $0.9 million) resulting in a net funds from operations of $2.4 million (2020 – $2.4 million).

PRODUCTION

Three months ended 31 March 2021	**Tunisia**	**Romania**	**Group**	**%**
Crude oil (bbl/d)	490	-	490	23%
Natural gas (Mcf/d)	670	8,929	9,599	76%
Condensate (bbl/d)	-	7	7	1%
Total (boe/d)	602	1,495	2,097	100%
Three months ended 31 March 2020				
Crude oil (bbl/d)	478	-	478	20%
Natural gas (Mcf/d)	559	10,401	10,960	79%
Condensate (bbl/d)	-	12	12	1%
Total (boe/d)	571	1,746	2,317	100%

Production volumes for the three months ended 31 March 2021 decreased by 220 boe/d (9%) to 2,097 boe/d (2020 - 2,317 boe/d). The Company's production volumes declined due to natural well declines, partially offset by the addition of the M-1008 well and other workover programs.

Romania's production volumes decreased by 251 boe/d (14%) to 1,495 boe/d (2020 – 1,746 boe/d). This was primarily due to natural well declines, and partially offset from additional production from the M-1008 development well, which was brought into production during the quarter. The Company commenced a compression program which is anticipated to stabilize and extend production from existing wells.

Tunisia's production volumes increased by 31 boe/d (5%) to 602 boe/d (2020 – 571 boe/d). The Company completed workover projects near the end of 2020 and beginning of 2021 which have resulted in increased production. The Company has received official approval from the working interest partner in Sabria to install the first artificial lift into the field which is expected to enhance existing production and will be implemented in the year.

OIL AND GAS REVENUE

(US$ 000)				
Three months ended 31 March 2021	**Tunisia**	**Romania**	**Group**	**%**
Oil revenue	2,381	-	2,381	31%
Natural gas revenue	468	4,698	5,166	68%
Condensate revenue	-	33	33	1%
Total revenue	2,849	4,731	7,580	100%
Three months ended 31 March 2020				
Oil revenue	1,770	-	1,770	22%
Natural gas revenue	312	5,790	6,102	77%
Condensate revenue	-	44	44	1%
Total revenue	2,082	5,834	7,916	100%

Realised Price

Three months ended 31 March 2021	Tunisia	Romania	Group
Oil ($/bbl)	54.03	-	54.03
Natural gas ($/Mcf)	7.77	5.85	5.98
Condensate ($/bbl)	-	49.73	49.73
Average realised price ($/boe)	52.65	35.14	40.16

Three months ended 31 March 2020			
Oil ($/bbl)	40.80	-	40.80
Natural gas ($/Mcf)	6.13	6.02	6.03
Condensate ($/bbl)	-	41.92	41.92
Average realised price ($/boe)	40.14	36.18	37.14

Revenue during the three months ended 31 March 2021 decreased by $0.3 million (4%) to $7.6 million (2020 – $7.9 million) although the Group saw the average realised price increase by $3.02/boe (8%) to $40.16/boe (2020 - $37.14/boe), offset by the decrease in production during the period.

The Group's average realised oil price increased by $13.23/bbl (32%) to $54.03/bbl (2020 – $40.80/bbl), and average realised natural gas prices were relatively unchanged at $5.98/Mcf (2020 - $6.03/Mcf). Pricing has continued to recover and stabilize from the commodity price declines experienced at the onset of the pandemic in March 2020.

Under the terms of the Sabria Concession Agreement the Group is required to sell 20% of its annual crude oil production from the Sabria concession into the local market, which is sold at an approximate 10% discount to the price obtained on its other crude sales. The remaining crude oil production is sold to the international market, through a marketing agreement with Shell International Trading and Shipping Company Limited.

ROYALTIES

	Three months ended 31 March	
(US$ 000)	**2021**	**2020**
Tunisia	445	277
Romania	383	273
Total	828	550
Total ($/boe)	4.38	2.61
Tunisia (% of revenue)	15.6%	13.3%
Romania (% of revenue)	8.1%	4.7%
Total (% of revenue)	10.9%	6.9%

Royalties for the three months ended 31 March 2021 increased by $0.3 million (51%) to $0.8 million (2020 - $0.6 million) while the Group's royalty rate increased to 10.9% (2020 – 6.9%). The increase in the Romanian royalties is related to the royalty reference price exceeding the realised price, compared to the comparative period when the realised price exceeded the reference price. Within the Tunisian royalties is a historic penalty for delayed gas royalty payments of $0.1 million (2020 - $nil). Normalizing for this penalty would result in an average royalty rate in Tunisia of 12.5%.

Currently in Romania, the Company is realising a 7.5% royalty for gas and 3.5% royalty for condensate. The royalty is calculated using a reference price that is set by the Romanian authorities and not the realised price to the Company. Romanian royalty rates vary based on the level of production during the quarter. Natural gas royalty rates range from 3.5% to 13.0% and condensate royalty rates range from 3.5% to 13.5%.

In Tunisia, royalties vary based on individual concession agreements. Sabria royalty rates vary depending on a calculation of cumulative revenues, net of taxes, as compared to cumulative investment in the concession, known as the "R factor". As the R factor increases, so does the royalty percentage to a maximum rate of 15%. During 2021, the royalty rate remained unchanged in Sabria at 10% for oil and 8% for gas. Chouech and Ech Chouech royalty rates are flat at 15% for both oil and gas.

PRODUCTION EXPENSES

(US$ 000)	Three months ended 31 March 2021	2020
Tunisia	1,418	949
Romania	819	1,000
Canada	9	12
Group	2,246	1,961
Tunisia production expense ($/boe)	26.13	18.25
Romania production expense ($/boe)	6.07	6.30
Total production expense ($/boe)	11.88	9.30

The Group's production expenses for the three months ended 31 March 2021 increased by $0.3 million (15%) to $2.2 million (2020 - $1.9 million), being an increase of $2.58/boe (28%) to $11.88/boe (2020 - $9.30/boe). The increase in costs during the period is the result of additional workovers being completed in Tunisia to increase existing production and $0.3 million (2020 - $nil) of historic mining taxes related to Sanrhar and Zinnia. Excluding these one-off historic mining taxes, Group production expense per boe would have been $10.40/boe.

Romania's overall operating costs decreased by $0.2 million (18%) to $0.8 million (2020 – $1.0 million), being a decrease of $0.23/boe (4%) to $6.07/boe (2020 - $6.30/boe). The decreased production costs are the result of continuing cost control measures within Romania.

Tunisia's operating costs increased by $0.5 million (49%) to $1.4 million (2020 - $0.9 million), being an increase of $7.88/boe (43%) to $26.13/boe (2020 - $18.25/boe). The increase is due to workover programs to increase the existing production and also included historic mining taxes of $0.3 million related to Sanrhar and Zinnia. Excluding the mining taxes, production costs were $20.97/boe.

Canada production expenses relate to the Sturgeon Lake assets, which are not producing and are incurring minimal operating costs to maintain the property.

OPERATING NETBACK

Serinus uses operating netback as a key performance indicator to assist management in understanding Serinus' profitability relative to current market conditions and as an analytical tool to benchmark changes in operational performance against prior periods. Operating netback consists of petroleum and natural gas revenues less direct costs consisting of royalties and production expenses. Netback is not a standard measure under IFRS and therefore may not be comparable to similar measures reported by other entities.

($/boe) **Three months ended 31 March 2021**	**Tunisia**	**Romania**	**Group**
Production volume (boe/d)	602	1,495	2,097
Realised price	52.65	35.14	40.16
Royalties	(8.19)	(2.84)	(4.38)
Production expense	(26.13)	(6.07)	(11.88)
Operating netback	18.33	26.23	23.90
Three months ended 31 March 2020			
Production volume (boe/d)	571	1,746	2,317
Realised price	40.14	36.18	37.14
Royalties	(5.33)	(1.72)	(2.61)
Production expense	(18.25)	(6.30)	(9.30)
Operating netback	16.56	28.16	25.23

The Group operating netback for the three months ended 31 March 2021 decreased by $1.33/boe (5%) to $23.90/boe (2020 - $25.23/boe). The main contributing factor to this decrease was increased royalties and production expenses, partially offset by increased realised pricing. Although the operating netback decreased, the Company realised an increase in gross profit of $0.4 million (107%) to $0.7 million (2020 – $0.3 million), due to a significant decrease to depletion as described below.

WINDFALL TAX

(US$ 000)	Three months ended 31 March 2021	2020
Windfall tax	642	1,026
Windfall tax ($/Mcf - Romania gas)	0.80	1.08
Windfall tax ($/boe - Romania gas)	4.79	6.50

Windfall tax within Romania for the three months ended 31 March 2021 decreased by $0.4 million (37%) to $0.6 million (2020 - $1.0 million). This decrease is directly related to the lower gas production during the period.

In Romania, the Group is subject to a windfall tax on its natural gas production which is applied to supplemental income once natural gas prices exceed 47.53 RON/Mwh. This supplemental income is taxed at a rate of 60% between 47.53 RON/Mwh and 85.00 RON/Mwh and at a rate of 80% above 85.00 RON/Mwh. Expenses deductible in the calculation of the windfall tax include royalties and capital expenditures limited to 30% of the supplemental income.

DEPLETION AND DEPRECIATION

(US$ 000)	Three months ended 31 March 2021	2020
Tunisia	1,049	830
Romania	2,075	3,063
Corporate	38	147
Total	3,162	4,040
Tunisia ($/boe)	19.32	15.96
Romania ($/boe)	15.40	19.29
Total ($/boe)	16.73	19.16

Depletion and depreciation expense for the three months ended 31 March 2021 decreased by $0.9 million (22%) to $3.2 million (2020 - $4.0 million), being a decrease of $2.43/boe (13%) to $16.73/boe (2020 - $19.16/boe). The decrease is due a lower depletable base on the Group's assets as well as a decrease in the production described above.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSE

(US$ 000)	Three months ended 31 March 2021	2020
G&A expense	1,052	837
G&A expense ($/boe)	5.57	3.97

G&A costs for the three months ended 31 March 2021 increased by $0.2 million (36%) to $1.0 million (2020 - $0.8 million), being an increase of $1.60/boe (40%) to $5.57/boe (2020 - $3.97/boe) due to higher staff count compared to the comparative period as well as lower overhead recoveries during the period.

G&A costs incurred by the Group are expensed, with certain costs directly related to exploration and development assets being capitalized or reported as production expenses. The G&A expense reported is on a net basis, representing gross G&A costs incurred less recoveries of those costs presented as capital or production expenses.

SHARE-BASED PAYMENT

(US$ 000)	Three months ended 31 March 2021	2020
Share-based payment	88	43
Share-based payment ($/boe)	0.47	0.20

Share-based compensation for the three months ended 31 March 2021 had a slight increase to $0.1 million (2020 – $0.0 million). This is largely linked to the additional stock options granted under the Group's LTIP program during the fourth quarter of 2020.

NET FINANCE EXPENSE

	Three months ended 31 March	
(US$ 000)	**2021**	**2020**
Interest expense on long-term debt	-	787
Amortization of debt costs	-	22
Amortization of debt modification	-	64
Interest on leases	17	29
Accretion on decommissioning provision	88	168
Foreign exchange and other	1	(18)
	106	1,052

Net finance expense for the three months ended 31 March 2021 decreased by $0.9 million (90%) to $0.1 million (2020 – $1.0 million). This decrease is directly linked to the recapitalization of the Company in December 2020, resulting in the Company becoming debt-free. Accretion on decommissioning provision decreased due to the lower discount rates during the period.

TAXATION

For the three months ended 31 March 2021 taxation was $0.4 million (2020 - $0.2 million). The increase is directly related to additional taxable income in Tunisia during the quarter.

FOREIGN CURRENCY TRANSLATION

Foreign currency translation occurs from the revaluation from fluctuations in the foreign exchange rates in entities with a different functional currency than the reporting currency (USD). The revaluation of the condensed consolidated interim statement of financial position to the period-end rates resulted in a loss of $1.4 million (2020 - $1.2 million) through Other comprehensive loss.

GOING CONCERN

These condensed consolidated interim financial statements have been prepared on a going concern basis.

In December 2020 the Group retired $33.0 million of outstanding debt, leaving it debt-free and therefore able to direct its cashflow into operational activities. The Group meets its day-to-day working capital requirements from net operating cash flows, cash balances and equity and as at 30 April 2021 the Group had cash balances of $5.0 million.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that Serinus will continue its operations for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of operations. In assessing the Group's ability to continue as a going concern, the Directors have prepared a base case cash flow forecast under which the Group will have sufficient liquidity for not less than 12 months from the date of approval of these condensed consolidated interim financial statements.

Key inputs in the cashflow forecast include commodity price assumptions, capital expenditures, operating costs and operational performance for each business unit based on the Group's budget as approved by the board of directors. In approving the Group's budget, the Directors have considered the impact of the COVID-19 pandemic on global economic activity, demand for hydrocarbons and the Group's ability to maintain its operations. The Directors have challenged the underlying assumptions incorporated into the budget to satisfy themselves that these represent a robust basis for the base case cash flow forecast and believe the most significant factor that may impact the cashflows in the going concern period under review is the commodity price. The cashflow model has been stressed with a downside scenario incorporating a 25% reduction in commodity prices throughout the forecast period. In doing so the Directors have considered the Group's flexibility as to the timing of its commitment capital, the ability to manage the timing of its discretionary capital expenditure and its operating costs, and, in any reasonable scenario, continue to believe that the Group would have sufficient liquidity for at least the next 12 months.

At 31 March 2021, the Group had a working capital deficit of $7.7 million, however the Directors have considered the circumstances, current status and practical realisations of $11.3 million of current liabilities that relate to long-term historic liabilities and based on this assessment do not believe that these will become due in the going concern period under review.

Therefore, the Directors continue to believe that the Group will have sufficient liquidity to discharge its liabilities in the normal course of business for not less than 12 months from the date of approval of these condensed consolidated interim financial statements. On that basis, the Directors consider it appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

Andrew Fairclough, Chief Financial Officer

12 May 2021

Serinus Energy plc
Condensed Consolidated Interim Statement of Comprehensive Loss
(US$ 000s, except per share amounts)

	Note	**Three months ended 31 March 2021**	**2020**
Revenue		**7,580**	7,916
Cost of sales			
Royalties		**(828)**	(550)
Windfall tax		**(642)**	(1,026)
Production expenses		**(2,246)**	(1,961)
Depletion and depreciation		**(3,162)**	(4,040)
Total cost of sales		**(6,878)**	(7,577)
Gross profit		**702**	339
Administrative expenses		**(1,052)**	(837)
Share-based payment expense		**(88)**	(43)
Total administrative expenses		**(1,140)**	(880)
Decommissioning provision expense		**(56)**	-
Operating loss		**(494)**	(541)
Finance expense		**(106)**	(1,052)
Net loss before tax		**(600)**	(1,593)
Taxation		**(410)**	(170)
Loss after taxation attributable to equity owners of the parent		**(1,010)**	(1,763)
Other comprehensive loss			
Other comprehensive loss to be classified to profit and loss in subsequent periods:			
Foreign currency translation adjustment		**(1,390)**	(1,205)
Total comprehensive loss for the period attributable to equity owners of the parent		**(2,400)**	(2,968)
Loss per share:			
Basic and diluted	4	**(0.00)**	(0.01)

The accompanying notes on pages 14 to 15 form part of the condensed consolidated interim financial statements.

Serinus Energy plc
Condensed Consolidated Interim Statement of Financial Position
(US$ 000s, except per share amounts)

As at	31 March 2021	31 December 2020
Non-current assets		
Property, plant and equipment	**78,401**	77,799
Exploration and evaluation assets	**157**	14
Right-of-use assets	**481**	512
Total non-current assets	**79,039**	78,325
Current assets		
Restricted cash	**1,159**	1,159
Trade and other receivables	**8,199**	8,876
Cash and cash equivalents	**5,269**	6,002
Total current assets	**14,627**	16,037
Total assets	**93,666**	94,362
Equity		
Share capital	**401,426**	401,426
Share-based payment reserve	**25,265**	25,177
Warrants	**97**	97
Accumulated deficit	**(397,420)**	(396,410)
Cumulative translation reserve	**(301)**	1,089
Total Equity	**29,067**	31,379
Liabilities		
Non-current liabilities		
Decommissioning provision	**28,478**	26,950
Deferred tax liability	**12,037**	11,976
Lease liabilities	**367**	422
Other provisions	**1,385**	1,399
Total non-current liabilities	**42,267**	40,747
Current liabilities		
Current portion of decommissioning provision	**7,378**	7,124
Current portion of lease liabilities	**156**	164
Accounts payable and accrued liabilities	**14,798**	14,948
Total current liabilities	**22,332**	22,236
Total liabilities	**64,599**	62,983
Total liabilities and equity	**93,666**	94,362

The accompanying notes on pages 14 to 15 form part of the condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 12 May 2021.

Serinus Energy plc
Condensed Consolidated Interim Statement of Changes in Equity
(US$ 000s, except per share amounts)

	Share capital	Share-based payment reserve	Warrants	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance at 31 December 2019	377,942	23,835	97	(387,113)	(243)	14,518
Comprehensive loss for the period	-	-	-	(1,763)	-	(1,763)
Other comprehensive loss for the period	-	-	-	-	(1,205)	(1,205)
Transactions with equity owners						
Share-based payment expense	-	43	-	-	-	43
Balance at 31 March 2020	377,942	23,878	97	(388,876)	(1,448)	11,593
Balance at 31 December 2020	401,426	25,177	97	(396,410)	1,089	31,379
Comprehensive loss for the period	-	-	-	(1,010)	-	(1,010)
Other comprehensive loss for the period	-	-	-	-	(1,390)	(1,390)
Transactions with equity owners						
Share-based payment expense	-	88	-	-	-	88
Balance at 31 March 2021	**401,426**	**25,265**	**97**	**(397,420)**	**(301)**	**29,067**

The accompanying notes on pages 14 to 15 form part of the condensed consolidated interim financial statements.

Serinus Energy plc
Condensed Consolidated Interim Statement of Cash Flows
(US$ 000s, except per share amounts)

	Three months ended 31 March	
	2021	**2020**
Operating activities		
Loss for the period	**(1,010)**	(1,763)
Items not involving cash:		
Depletion and depreciation	**3,162**	4,040
Taxation	**410**	170
Share-based payment expense	**88**	43
Accretion expense on decommissioning provision	**88**	168
Decommissioning provision expense	**56**	-
Interest expense	**-**	873
Other income	**(1)**	(5)
Gain on disposition of assets	**(8)**	(2)
Unrealised foreign exchange gain	**(9)**	(12)
Change in other provisions	**(14)**	-
Income taxes paid	**(329)**	(1,058)
Funds from operations	**2,433**	2,454
Changes in non-cash working capital	**(631)**	(950)
Cashflows from operating activities	**1,802**	1,504
Financing activities		
Lease payments	**(105)**	(122)
Cashflows used in financing activities	**(105)**	(122)
Investing activities		
Capital expenditures	**(2,447)**	(411)
Proceeds on disposition of property, plant and equipment	**8**	13
Cashflows used in investing activities	**(2,439)**	(398)
Impact of foreign currency translation on cash	**9**	(30)
Change in cash and cash equivalents	**(733)**	954
Cash and cash equivalents, beginning of period	**6,002**	2,780
Cash and cash equivalents, end of period	**5,269**	3,734

The accompanying notes on pages 14 to 15 form part of the condensed consolidated interim financial statements.

1. GENERAL INFORMATION

Serinus Energy plc and its subsidiaries are principally engaged in the exploration and development of oil and gas properties in Tunisia and Romania. Serinus is incorporated under the Companies (Jersey) Law 1991. The Group's head office and registered office is located at 2nd Floor, The Le Gallais Building, 54 Bath Street, St. Helier, Jersey, JE1 1FW.

Serinus is a publicly listed company whose ordinary shares are traded under the symbol "SENX" on AIM and "SEN" on the WSE.

2. BASIS OF PRESENTATION

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the European Union applied in accordance with the provisions of the Companies (Jersey) Law 1991.

These condensed consolidated interim financial statements are expressed in U.S. dollars unless otherwise indicated. All references to US$ are to U.S. dollars. All financial information is rounded to the nearest thousands, except per share amounts and when otherwise indicated.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements are described in Note 5 to the consolidated financial statements for the year ended 31 December 2020. There has been no change in these areas during the three months ended 31 March 2021.

GOING CONCERN

These interim consolidated financial statements have been prepared on a going concern basis.

In December 2020 the Group retired $33.0 million of outstanding debt, leaving it debt-free and therefore able to direct its cashflow into operational activities. The Group meets its day-to-day working capital requirements from net operating cash flows, cash balances and equity and as at 30 April 2021 the Group had cash balances of $5.0 million.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that Serinus will continue its operations for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of operations. In assessing the Group's ability to continue as a going concern, the Directors have prepared a base case cash flow forecast under which the Group will have sufficient liquidity for not less than 12 months from the date of approval of these condensed consolidated interim financial statements.

Key inputs in the cashflow forecast include commodity price assumptions, capital expenditures, operating costs and operational performance for each business unit based on the Group's budget as approved by the board of directors. In approving the Group's budget, the Directors have considered the impact of the COVID-19 pandemic on global economic activity, demand for hydrocarbons and the Group's ability to maintain its operations. The Directors have challenged the underlying assumptions incorporated into the budget to satisfy themselves that these represent a robust basis for the base case cash flow forecast and believe the most significant factor that may impact the cashflows in the going concern period under review is the commodity price. The cashflow model has been stressed with a downside scenario incorporating a 25% reduction in commodity prices throughout the forecast period. In doing so the Directors have considered the Group's flexibility as to the timing of its commitment capital, the ability to manage the timing of its discretionary capital expenditure and its operating costs, and, in any reasonable scenario, continue to believe that the Group would have sufficient liquidity for at least the next 12 months.

At 31 March 2021, the Group had a working capital deficit of $7.7 million, however the Directors have considered the circumstances, current status and practical realisations of $11.3 million of current liabilities that relate to long-term historic liabilities and based on this assessment do not believe that these will become due in the going concern period under review.

Therefore, the Directors continue to believe that the Group will have sufficient liquidity to discharge its liabilities in the normal course of business for not less than 12 months from the date of approval of these condensed consolidated interim financial statements. On that basis, the Directors consider it appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared following the same basis of measurement, accounting policies and methods of computation as described in the notes to the consolidated financial statements for the year ended 31 December 2020.

4. LOSS PER SHARE

(US$ 000s, except per share amounts)	**Period ended 31 March**	
	2021	**2020**
Loss for the period	**(1,010)**	(1,763)
Weighted average shares outstanding:		
Basic and diluted	**1,302,013**	238,881
Loss per share - basic and diluted	**(0.00)**	(0.01)

In determining diluted net loss per share, the Group assumes that the proceeds received from the exercise of "in-the-money" stock options are used to repurchase ordinary shares at the average market price. In calculating the weighted-average number of diluted ordinary shares outstanding for the period ended 31 March 2021, the Group excluded all 33.1 million (2020 – 13.5 million) stock options and 2.3 million (2020 – 2.3 million) warrants as they were anti-dilutive due to the Company being in a loss position.