29 November 2021

Press Release

Interim Results for the nine months ended 30 September 2021

Jersey, Channel Islands, 29 November 2021 -- Serinus Energy plc ("**Serinus**" or the "**Company**") (AIM:SENX, WSE:SEN) announces the release of its interim results for the nine months ended 30 September 2021.

Financial

- Revenue for the nine months ended 30 September 2021 was $25.7 million (30 September 2020 - $18.2 million)
- The Company generated net income of $0.8 million (30 September 2020 – loss of $13.7 million)
- Funds from operations for the nine months ended 30 September 2021 was $7.8 million (30 September 2020 - $5.9 million)
- EBITDA for the nine months ended 30 September 2021 was $8.9 million (30 September 2020 - $6.4 million)
- Gross profit for the nine months ended 30 September 2021 was $4.4 million (30 September 2020 - gross loss $1.7 million)
- Commodity prices remain strong, with October average Brent price of $83.54/bbl and October average Day Ahead Romania BRM gas price of $30.34/Mcf. The Company realised a net price of $52.62/boe for the nine months ended 30 September 2021, comprising:
    - Realised oil price - $61.69/bbl
    - Realised natural gas price - $8.26/Mcf
- The Group's operating netback remained strong for the nine months ended 30 September 2021 and was $34.13/boe (30 September 2020 - $16.51/boe), comprising:
    - Romania operating netback - $37.79/boe (30 September 2020 - $18.18/boe)
    - Tunisia operating netback - $26.05/boe (30 September 2020 - $11.48/boe)
- Capital expenditures of $9.3 million (30 September 2020 - $3.7 million), comprising:
    - Romania - $8.5 million
    - Tunisia - $0.8 million
- Cash balance as at 30 September 2021 was $6.4 million

Operational

- On 23 August 2021 the Company announced that Mr. Stuart Morrison was appointed Chief Operating Officer, bringing over 30 years of operational oil and gas industry experience to the Company

- In Tunisia the Artificial Lift programme continues to be advanced with the first pump, destined to be installed in the Sabria-W1 well, to be delivered in the first quarter of 2022. Immediately upon receipt of the pump the Company will begin the workover activities for the installation of this pump

- Serinus has designed and commenced permitting for a new 2D seismic acquisition programme to support the drilling of up to three prospects adjacent to the Moftinu field. Subject to well permitting approvals, the Company intends to begin this multi-well drilling programme in the latter half of 2022

- Installation of compression on the Moftinu gas field commenced during the last week of October 2021, on the Moftinu-1003 well. It is expected that this and further compression will enhance production from current levels, mitigate production decline and extend field life

- On 07 October 2021 the Company announced that it had incorporated a new gas trading subsidiary, Serinus Energy Romania Trading S.r.l

- Sancrai-1 will remain suspended while analysis of the drilling results, petrophysics and seismic data continues. While this work is ongoing the Company will accelerate the drilling of three prospects adjacent to the Moftinu gas field

- Production for the period averaged 1,810 boe/d, comprising:
    - Romania – 1,242 boe/d
    - Tunisia - 568 boe/d

- Serinus has 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

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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Forward Looking Statement Disclaimer

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.

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

Serinus Energy plc

Third Quarter Report and Accounts 2021

(US dollars)

THIRD QUARTER 2021 HIGHLIGHTS

FINANCIAL

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- EBITDA for the nine months ended 30 September 2021 was $8.9 million (30 September 2020 - $6.4 million)
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- Capital expenditures of $9.3 million (30 September 2020 - $3.7 million), comprising:
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OPERATIONAL

- On 23 August 2021 the Company announced that Mr. Stuart Morrison was appointed Chief Operating Officer, bringing over 30 years of operational oil and gas industry experience to the Company
- In Tunisia the Artificial Lift programme continues to be advanced with the first pump, destined to be installed in the Sabria-W1 well, to be delivered in the first quarter of 2022. Immediately upon receipt of the pump the Company will begin the workover activities for the installation of this pump
- Serinus has designed and commenced permitting for a new 2D seismic acquisition programme to support the drilling of up to three prospects adjacent to the Moftinu field. Subject to well permitting approvals, the Company intends to begin this multi-well drilling programme in the latter half of 2022
- Installation of compression on the Moftinu gas field commenced during the last week of October 2021, on the Moftinu-1003 well. It is expected that this and further compression will enhance production from current levels, mitigate production decline and extend field life
- On 07 October 2021 the Company announced that it had incorporated a new gas trading subsidiary, Serinus Energy Romania Trading S.r.l
- Sancrai-1 will remain suspended while analysis of the drilling results, petrophysics and seismic data continues. While this work is ongoing the Company will accelerate the drilling of three prospects adjacent to the Moftinu gas field
- Production for the period averaged 1,810 boe/d, comprising:
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    - Tunisia - 568 boe/d
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OPERATIONAL UPDATE AND OUTLOOK

Serinus Energy plc and its subsidiaries ("Serinus", the "Company" or the "Group") is an oil and gas exploration, appraisal and development company. The Group is the operator of 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 and 3D seismic and the Group considers the concession to have multiple sizable prospects available for further exploration.

The Company has completed all of its commitments under the third exploration phase, and has received an additional two-year evaluation phase on the Satu Mare Concession until 27 October 2023. The Company has agreed to the following work commitments over the term of this evaluation phase:

- Phase 1: From 28 October 2021 to 27 October 2022, the Company is required to reprocess 160.9 km 2D seismic in the Madaras area at an estimated cost of $100,000; and
- Phase 2: From 28 October 2022 to 27 October 2023, the Company is required to reprocess 30.1 km 2D seismic in the Santau-Nusfalau area at an estimated cost of $50,000.

Serinus has accelerated the design and permitting of additional 2D seismic lines of approximately 105 linear kilometres. The programme will compliment legacy 2D seismic which has already been reprocessed and will tie the acquired modern 2D with the existing 3D data-set. The Company intends to use this programme to refine and expedite the high-rank prospects adjacent to the Moftinu Gas Field. The targeted prospects will form the basis of a near-term multi-well drilling programme expected to commence in the latter half of 2022. Additional interpretation work is also being conducted on the Santau 3D area with a view to confirming drilling locations on prospects that will form the basis for future multi-well drilling campaigns.

During the nine months ended 30 September 2021, the Company successfully drilled, completed and initiated production from the M-1008 well, which was drilled to a total depth of 1,000 metres and flowed at 4.0 MMscf/d (approximately 667 boe/d).

On 15 July 2021 the Company announced that the Sancrai-1 well was a gas discovery and that drilling had been completed at a total planned drilling depth of 1,600 metres, five days ahead of schedule and under-budget. Continuous formation gas shows were recorded over 20 metres of gross pay over four sand intervals from the measured depths of 855 metres to 875 metres. At this drilling interval the measured total gas ranged from 5.5% to 11.1% with an estimated average porosity of between 23% and 27%. Open-hole petrophysical analysis undertaken during the drilling operations has further confirmed this gas-bearing Pliocene sand zone. The Company perforated the well in three zones to test the Pliocene sands and subsequently announced that the testing programme was unable to record the flow of gas. The Company is reviewing all of the drilling results, petrophysics, the 3D and 2D seismic, and all of the gas readings measured from the well and considering re-entry to stimulate the well. However, regulations in Romania required the Company to insert concrete plugs during suspension of the well. Further investigations into the Sancrai-1 well would require a drilling rig to drill out these plugs. The Company has determined that in the near term this cost would be better allocated to new wells.

On 07 October 2021 the Company announced that it had incorporated a new gas trading subsidiary, Serinus Energy Romania Trading S.r.l. The subsidiary will initially trade the Company's Romanian gas production not committed under its marketing agreement with Vitol into the Romanian market. Serinus Energy Romania Trading S.r.l has been created to allow our licensed gas traders to directly access the Romanian gas market and to capture the full value of gas prices in Romania.

The fabrication of the first compressor destined for the Moftinu Field was completed at the end of the period. Delivery and installation were conducted in October with installation planned to coincide with the routine maintenance shut-down on the Moftinu gas plant.

The Company has a deemed 100% working interest in the concession as its partner has defaulted on its obligations under the Joint Operating Agreement. The Company has filed a Request for Arbitration with the Secretariat of the International Court of Arbitration of the International Chamber of Commerce seeking a declaration affirming the Company's rightful claim of ownership of its defaulted partner's 40% participating interest and to compel transfer of that interest to the Company.

TUNISIA

The Company currently holds five concession areas within Tunisia. Of these areas, three 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, on completion of ongoing reservoir studies, to conduct further development operations.

The first Artificial Lift programme will be implemented on the W-1 well in the Sabria field. The first submersible pump will be delivered in the first quarter of 2022. This is a significant achievement by our procurement team who have had to work hard given the effects of COVID-19 on supply chains and workplace restrictions.

Despite a more difficult operating environment in Tunisia as a result of the impact of COVID-19, the Company has conducted further workover operations in the Chouech Es Saida area to replace and standardise pumps in order to increase production.

COVID-19

The Company's top priority remains the health, safety and wellbeing of all our staff. The Group continues to monitor each jurisdiction closely and updates its working practices as local situations and rules evolve, following government recommendations such as enhanced sanitation of work sites, social distancing and wearing of masks. Our offices in London and Calgary are currently open and working in compliance with local recommendations, however in both Romania and Tunisia, recent increases in the infection rate and more limited vaccination coverage has resulted in a return to more stringent measures and routines to ensure a safe working environment for staff. Existing operations have remained in production.

FINANCIAL REVIEW

LIQUIDITY, DEBT AND CAPITAL RESOURCES

During the nine months ended 30 September 2021, the Company invested a total of $9.3 million (2020 - $3.7 million) on capital expenditures before working capital adjustments. In Romania the Group invested $8.5 million (2020 - $2.6 million) on the drilling, completion and tie-in of the M-1008 well and the drilling and completing of the Sancrai-1 exploration well. In Tunisia, the Company invested $0.8 million (2020 - $1.1 million) completing workovers on wells to enhance production.

The Company's funds from operations for the nine months ended 30 September 2021 was $7.8 million (2020 - $5.9 million). Including changes in non-cash working capital, the cash flow generated from operating activities in 2021 was $10.5 million (2020 – $4.3 million). The Company continues to be in in a strong position to expand and continue growing production within our existing resource base. The Company is debt-free and has adequate resources available to deploy capital into both operating segments to deliver growth and shareholder returns.

(US$ 000s) **Working Capital**	**30 September 2021**	**31 December 2020**
Current assets	13,752	16,037
Current liabilities	(21,851)	(22,236)
Working Capital deficit	(8,099)	(6,199)

The working capital deficit at 30 September 2021 was $8.1 million (31 December 2020 - $6.2 million). The increase in working capital deficit is primarily a result of capital expenditures in the period offset by funds from operations.

Current assets as at 30 September 2021 were $13.8 million (31 December 2020 - $16.0 million), a decrease of $2.3 million. Current assets consist of:

- Cash and cash equivalents of $6.4 million (31 December 2020 - $6.0 million).
- Restricted cash of $1.2 million (31 December 2020 - $1.2 million).
- Trade and other receivables of $6.2 million (31 December 2020 - $8.9 million).

Current liabilities as at 30 September 2021 were $21.9 million (31 December 2020 – $22.2 million), a decrease of $0.4 million. Current liabilities consist of:

- Accounts payable of $13.8 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 $6.8 million (31 December 2020 - $7.1 million).
    - Brunei - $1.8 million (31 December 2020 - $1.8 million).
    - Canada - $1.0 million (31 December 2020 - $1.0 million) which is offset by restricted cash in the amount of $1.2 million (31 December 2020 - $1.2 million) in current assets.
    - Romania - $0.1 million (31 December 2020 - $0.6 million).
    - Tunisia - $3.9 million (31 December 2020 - $3.7 million).
- Income taxes payable of $1.1 million (31 December 2020 - $0.6 million).
- Current portion of lease obligations of $0.2 million (31 December 2020 - $0.2 million).

NON-CURRENT ASSETS

Property, plant and equipment ("PPE") decreased to $73.7 million (31 December 2020 - $77.8 million), primarily due to depletion expense in the period of $8.1 million, partially offset by capital expenditures in PPE of $4.6 million. Exploration and evaluation assets ("E&E") increased to $5.0 million (31 December 2020 - $0.01 million), primarily due to expenditures incurred on the Sancrai-1 well.

FINANCIAL REVIEW – NINE MONTHS ENDED 30 SEPTEMBER 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:

	Period ended 30 September	
(US$ 000s)	**2021**	**2020**
Cash flow from operations	10,464	4,326
Changes in non-cash working capital	(2,636)	1,603
Funds from operations	7,828	5,929
Funds from operations per share	0.01	0.02

Romania generated funds from operations of $8.3 million (2020 – $8.0 million) and Tunisia generated $2.8 million (2020 – $0.5 million). Funds used at the Corporate level were $3.3 million (2020 - $2.6 million) resulting in net funds from operations of $7.8 million (2020 – $5.9 million).

PRODUCTION

Period ended 30 September 2021	**Tunisia**	**Romania**	**Group**	**%**
Crude oil (bbl/d)	465	-	465	25%
Natural gas (Mcf/d)	618	7,392	8,010	74%
Condensate (bbl/d)	-	10	10	1%
Total production (boe/d)	568	1,242	1,810	100%

Period ended 30 September 2020				
Crude oil (bbl/d)	465	-	465	19%
Natural gas (Mcf/d)	659	10,965	11,624	80%
Condensate (bbl/d)	-	14	14	1%
Total production (boe/d)	574	1,841	2,415	100%

During the nine months ended 30 September 2021 production volumes decreased by 605 boe/d (25%) to 1,810 boe/d (2020 – 2,415 boe/d). The Company's production volumes reduced through natural well declines as well as COVID-related workover delays.

Romania's production volumes decreased by 599 boe/d (33%) to 1,242 boe/d (2020 – 1,841 boe/d) primarily due to natural well declines. The introduction of the first compressor onto Moftinu-1003 at the end of October 2021, together with compression on further wells, is expected to significantly increase the ultimate recoverable gas from the Moftinu field.

Tunisia's production volumes decreased by 6 boe/d (1%) to 568 boe/d (2020 – 574 boe/d). The Company has experienced workover delays in Chouech due to COVID-related restrictions, while production in Chouech has increased following completion of workover projects at the end of 2020. The first Artificial Lift programme will be implemented on the W-1 well in the Sabria field. The first submersible pump will be delivered in the first quarter of 2022. Installation will begin immediately on receipt of the pump.

OIL AND GAS REVENUE

(US$ 000s)				
Period ended 30 September 2021	**Tunisia**	**Romania**	**Group**	**%**
Oil revenue	7,473	-	7,473	29%
Natural gas revenue	1,482	16,581	18,063	70%
Condensate revenue	-	162	162	1%
Total revenue	8,955	16,743	25,698	100%

Period ended 30 September 2020				
Oil revenue	4,418	-	4,418	24%
Natural gas revenue	1,004	12,623	13,627	75%
Condensate revenue	-	119	119	1%
Total revenue	5,422	12,742	18,164	100%

REALISED PRICE [1]

Period ended 30 September 2021	Tunisia	Romania	Group
Oil ($/bbl)	61.69	-	61.69
Natural gas ($/Mcf)	8.79	8.22	8.26
Condensate ($/bbl)	-	57.72	57.72
Average realised price ($/boe)	60.01	49.37	52.62

Period ended 30 September 2020			
Oil ($/bbl)	34.81	-	34.81
Natural gas ($/Mcf)	5.55	4.20	4.28
Condensate ($/bbl)	-	31.51	31.51
Average realised price ($/boe)	34.52	25.25	27.45

During the nine months ended 30 September 2021 revenue increased by $7.5 million (41%) to $25.7 million (2020 – $18.2 million) as the Group saw the average realised price increase by $25.17/boe (92%) to $52.62/boe (2020 - $27.45/boe).

The Group's average realised oil price increased by $26.88/bbl (77%) to $61.69/bbl (2020 – $34.81/bbl), and average realised natural gas prices increased by $3.98/Mcf (93%) to $8.26/Mcf (2020 - $4.28/Mcf).

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 was sold to the international market.

ROYALTIES

	Period ended 30 September	
(US$ 000s)	**2021**	**2020**
Tunisia	1,198	646
Romania	1,282	661
Total	2,480	1,307
Total ($/boe)	5.08	1.98
Tunisia (% of revenue)	13.4%	11.9%
Romania (% of revenue)	7.7%	5.2%
Total (% of revenue)	9.7%	7.2%

During the nine months ended 30 September 2021 royalties increased by $1.2 million (90%) to $2.5 million (2020 - $1.3 million) while the Group's royalty rate increased to 9.7% (2020 – 7.2%). 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).

Currently in Romania, the Company is incurring 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 Es Saida and Ech Chouech royalty rates are flat at 15% for both oil and gas.

[1] For the nine months ended 30 September 2021, Tunisia realised oil prices are calculated using oil sales volumes of 444 bbl/d (30 September 2020 – 465 bbl/d). As at 30 September 2021 there were 5,893 bbls of oil in inventory (30 September 2020 – nil).

PRODUCTION EXPENSES

(US$ 000s)	Period ended 30 September 2021	2020
Tunisia	3,870	2,972
Romania	2,647	2,909
Canada	34	48
Group	6,551	5,929
Tunisia production expense ($/boe)	25.93	18.92
Romania production expense ($/boe)	7.80	5.76
Total production expense ($/boe)	13.41	8.96

During the nine months ended 30 September 2021 production expenses increased by $0.6 million (10%) to $6.6 million (2020 - $5.9 million), being an increase of $4.45/boe (50%) to $13.41/boe (2020 - $8.96/boe). The increase in costs during the period is the result of additional workovers being completed in Tunisia and $0.3 million (2020 - $nil) of historic mining taxes related to Sanrhar and Zinnia.

Tunisia's production expenses increased by $0.9 million (30%) to $3.9 million (2020 - $3.0 million), being an increase of $7.01/boe (37%) to $25.93/boe (2020 - $18.92/boe). The increase is due to workover programs to increase production and included historic mining taxes of $0.3 million related to Sanrhar and Zinnia.

Romania's overall production expenses decreased by $0.3 million (9%) to $2.6 million (2020 – $2.9 million), being an increase of $2.04/boe (35%) to $7.80/boe (2020 - $5.76/boe). The change in production costs are the result of decreased production, while the Company continues to focus on cost control measures within Romania.

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) **Period ended 30 September 2021**	**Tunisia**	**Romania**	**Group**
Production volume (boe/d)	568	1,242	1,810
Realised price	60.01	49.37	52.62
Royalties	(8.03)	(3.78)	(5.08)
Production expense	(25.93)	(7.80)	(13.41)
Operating netback	26.05	37.79	34.13
Period ended 30 September 2020			
Production volume (boe/d)	574	1,841	2,415
Realised price	34.52	25.25	27.45
Royalties	(4.12)	(1.31)	(1.98)
Production expense	(18.92)	(5.76)	(8.96)
Operating netback	11.48	18.18	16.51

During the nine months ended 30 September 2021 the Group's operating netback increased by $17.62/boe (107%) to $34.13/boe (2020 - $16.51/boe). The increase is due to increased realised prices partially offset by increased royalties as well as increased production expenses in Tunisia. The Company also realised an increase in gross profit of $6.1 million to $4.4 million (2020 gross loss – $1.7 million), largely due to a significant increase in the Company's netbacks as well as a decrease to depletion as described below.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")

Serinus uses EBITDA as a key performance indicator to assist management in understanding Serinus' cash profitability. EBITDA is computed as net profit/loss and adding back interest, taxation, depletion & depreciation, and amortisation expense. EBITDA is not a standard measure under IFRS and therefore may not be comparable to similar measures reported by other entities. During the nine months ended 30 September 2021, the Group's EBITDA increased by $2.5 million to $8.9 million (2020 - $6.4 million). The increase is mainly due to higher netbacks in the current period.

WINDFALL TAX

	Period ended 30 September	
(US$ 000s)	**2021**	**2020**
Windfall tax	4,190	1,152
Windfall tax ($/Mcf - Romania gas)	2.08	0.38
Windfall tax ($/boe - Romania gas)	12.46	2.30

During the nine months ended 30 September 2021 windfall taxes increased by $3.0 million (264%) to $4.2 million (2020 - $1.2 million). This increase is directly related to higher realized gas prices which increased from $4.20/Mcf to $8.22/Mcf.

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 below the 85.00 RON/Mwh threshold.

DEPLETION AND DEPRECIATION

	Period ended 30 September	
(US$ 000s)	**2021**	**2020**
Tunisia	2,801	2,387
Romania	5,153	8,609
Corporate	112	514
Total	8,066	11,510
Tunisia ($/boe)	18.77	15.20
Romania ($/boe)	15.19	17.06
Total ($/boe)	16.52	17.39

During the nine months ended 30 September 2021 depletion and depreciation expense decreased by $3.4 million (30%) to $8.1 million (2020 - $11.5 million), being a decrease of $0.87/boe (5%) to $16.52/boe (2020 - $17.39/boe). The decrease is primarily due to a lower depletable base on the Group's assets and lower production during the period.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSE

	Period ended 30 September	
(US$ 000s)	**2021**	**2020**
G&A expense	3,180	2,526
G&A expense ($/boe)	6.49	3.82

During the nine months ended 30 September 2021 G&A expenses increased by $0.7 million (26%) to $3.2 million (2020 - $2.5 million), being an increase of $2.67/boe (70%) to $6.52/boe (2020 - $3.82/boe) due to higher compliance expenses and impact of foreign exchange rates in the current period.

SHARE-BASED PAYMENT

(US$ 000s)	Period ended 30 September 2021	2020
Share-based payment	119	360
Share-based payment ($/boe)	0.24	0.54

During the nine months ended 30 September 2021 share-based compensation decreased to $0.1 million (2020 – $0.4 million) due to the forfeiture of stock options during the period.

NET FINANCE EXPENSE

(US$ 000s)	Period ended 30 September 2021	2020
Interest expense on long-term debt	-	2,270
Amortization of debt costs	-	87
Amortization of debt modification	-	192
Interest on leases	41	72
Accretion on decommissioning provision	255	504
Foreign exchange and other	16	(10)
	312	3,115

During the nine months ended 30 September 2021 net finance expenses decreased by $2.8 million (90%) to $0.3 million (2020 – $3.1 million). This decrease is directly attributed 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

During the nine months ended 30 September 2021 tax recovery was $0.1 million (2020 - $1.7 million). The decrease in the tax recovery is directly related to additional taxable income in Tunisia during the period.

SHARE DATA

As at the date of issuing this report, the following are the Directors stock options outstanding, LTIP awards, and shares owned up to the date of this report.

	Stock Options	LTIP Awards	Shares
Executive Directors:			
Jeffrey Auld	26,800,000	13,000,000	3,506,752
Andrew Fairclough	1,750,000	7,000,000	1,080,533
Non-Executive Directors:			
Jim Causgrove	100,000	-	400,000
Lukasz Redziniak	-	-	720,000
Jon Kempster [2]	-	-	602,607
	28,650,000	20,000,000	5,402,921

As of the date of issuing this report, management is aware of the following shareholders holding more than 5% of the ordinary shares of the Group, as reported by the shareholders to the Group: Richard Sneller 11.27%, European Bank for Reconstruction and Development 9.90%, and Quercus TFI SA 7.06%.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Group’s website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 $1.8 million (2020 – gain of $0.2 million) through Other comprehensive gain (loss).

[2] Shares held by Catherine Kempster (the spouse of Jon Kempster)

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. As at 31 October 2021 the group had cash balances of $6.8 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 to the base case commodity price assumptions 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 30 September 2021, the Group had a working capital deficit of $8.1 million, however the Directors have considered the circumstances, current status and practical realisations of $11.7 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.

DECLARATIONS OF THE BOARD OF DIRECTORS CONCERNING ACCOUNTING POLICIES

The Board of Directors of the Company confirms that, to the best of their knowledge, the interim condensed consolidated financial statements together with comparative figures have been prepared in accordance with applicable accounting standards and give a true and fair view of the state of affairs and the financial result of the Group for the period ended 30 September 2021.

The Financial Review in this report gives a true and fair view of the situation on the reporting date and of the developments during the period ended 30 September 2021, and include a description of the major risks and uncertainties.

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

	Note	Nine months ended 30 September 2021	2020
Revenue		**25,698**	18,164
Cost of sales			
Royalties		**(2,480)**	(1,307)
Windfall tax		**(4,190)**	(1,152)
Production expenses		**(6,551)**	(5,929)
Depletion and depreciation		**(8,066)**	(11,510)
Total cost of sales		**(21,287)**	(19,898)
Gross profit (loss)		**4,411**	(1,734)
Administrative expenses		**(3,180)**	(2,526)
Share-based payment expense		**(119)**	(360)
Total administrative expenses		**(3,299)**	(2,886)
Decommissioning provision expense		**(18)**	-
Impairment expense	4	**-**	(9,600)
Release of provision	5	**-**	1,905
Operating income (loss)		**1,094**	(12,315)
Finance expense		**(312)**	(3,115)
Net income (loss) before tax		**782**	(15,430)
Taxation recovery		**54**	1,686
Income (loss) after taxation attributable to equity owners of the parent		**836**	(13,744)
Other comprehensive (loss) income			
Other comprehensive (loss) income to be classified to profit and loss in subsequent periods:			
Foreign currency translation adjustment		**(1,828)**	198
Total comprehensive loss for the period attributable to equity owners of the parent		**(992)**	(13,546)
Income (loss) per share:			
Basic	6	**0.00**	(0.06)
Diluted	6	**0.00**	(0.06)

The accompanying notes on pages 18 to 20 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		30 September 2021	31 December 2020
Non-current assets			
Property, plant and equipment	4	**73,660**	77,799
Exploration and evaluation assets		**4,989**	14
Right-of-use assets		**397**	512
Total non-current assets		**79,046**	78,325
Current assets			
Restricted cash		**1,153**	1,159
Trade and other receivables		**6,230**	8,876
Cash and cash equivalents		**6,369**	6,002
Total current assets		**13,752**	16,037
Total assets		**92,798**	94,362
Equity			
Share capital		**401,426**	401,426
Share-based payment reserve		**25,296**	25,177
Warrants		**97**	97
Accumulated deficit		**(395,574)**	(396,410)
Cumulative translation reserve		**(739)**	1,089
Total Equity		**30,506**	31,379
Liabilities			
Non-current liabilities			
Decommissioning provision		**28,398**	26,950
Deferred tax liability		**10,290**	11,976
Lease liabilities		**284**	422
Other provisions		**1,469**	1,399
Total non-current liabilities		**40,441**	40,747
Current liabilities			
Current portion of decommissioning provision		**6,847**	7,124
Current portion of lease liabilities		**179**	164
Accounts payable and accrued liabilities		**14,825**	14,948
Total current liabilities		**21,851**	22,236
Total liabilities		**62,292**	62,983
Total liabilities and equity		**92,798**	94,362

The accompanying notes on pages 18 to 20 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 26 November 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	Cumulative translation reserve	Total
Balance at 31 December 2019	377,942	23,835	97	(387,113)	(243)	14,518
Comprehensive loss for the period	-	-	-	(13,744)	-	(13,744)
Other comprehensive income for the period	-	-	-	-	198	198
Transactions with equity owners						
Share-based payment expense	76	284	-	-	-	360
Balance at 30 September 2020	378,018	24,119	97	(400,857)	(45)	1,332
Balance at 31 December 2020	401,426	25,177	97	(396,410)	1,089	31,379
Comprehensive income for the period	-	-	-	836	-	836
Other comprehensive loss for the period	-	-	-	-	(1,828)	(1,828)
Transactions with equity owners						
Share-based payment expense	-	119	-	-	-	119
Balance at 30 September 2021	**401,426**	**25,296**	**97**	**(395,574)**	**(739)**	**30,506**

The accompanying notes on pages 18 to 20 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)

		Nine months ended 30 September	
		2021	**2020**
Operating activities			
Income (loss) for the period		**836**	(13,744)
Items not involving cash:			
Depletion and depreciation		**8,066**	11,510
Accretion expense on decommissioning provision		**255**	504
Share-based payment expense		**119**	360
Change in other provisions		**70**	-
Decommissioning provision expense		**18**	-
Impairment expense	4	**-**	9,600
Release of provision	5	**-**	(1,905)
Interest expense		**-**	2,528
Other income		**(5)**	(52)
Unrealised foreign exchange gain		**(23)**	(24)
Taxation recovery		**(54)**	(1,686)
Decommissioning expenditures		**(322)**	-
Income taxes paid		**(1,132)**	(1,162)
Funds from operations		**7,828**	5,929
Changes in non-cash working capital	7	**2,636**	(1,603)
Cashflows from operating activities		**10,464**	4,326
Financing activities			
Lease payments		**(217)**	(434)
Repayment of long-term debt		**-**	(2,000)
Cashflows used in financing activities		**(217)**	(2,434)
Investing activities			
Capital expenditures	7	**(9,865)**	(2,983)
Proceeds on disposition of property, plant and equipment		**8**	23
Cashflows used in investing activities		**(9,857)**	(2,960)
Impact of foreign currency translation on cash		**(23)**	33
Change in cash and cash equivalents		**367**	(1,035)
Cash and cash equivalents, beginning of period		**6,002**	2,780
Cash and cash equivalents, end of period		**6,369**	1,745

The accompanying notes on pages 18 to 20 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. The AIM rules do not require compliance with IAS 34 'Interim Financial Reporting' therefore this half year report has not been prepared in order to comply with the provisions of IAS 34.

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 nine months ended 30 September 2021.

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. As at 31 October 2021 the group had cash balances of $6.8 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 to the base case commodity price assumptions 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.

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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.

(US$ 000s, except per share amounts)

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. IMPAIRMENT

At 30 September 2021, Management checked for indicators of impairment or impairment reversals. Management determined that there were no indicators and therefore have not completed an impairment test.

In the comparative period, 30 September 2020, the Company recorded an impairment expense of $9.6 million as the Company completed an impairment test from the weakness and volatility in the commodity prices, as a result of the global COVID-19 pandemic. Management completed impairment tests on all operating CGUs, calculating the estimated recoverable amount based on discounted cash flows, using an after-tax discount rate equal to the weighted average cost of capital of each subsidiary (Romania 12% and Tunisia 22%). Management elected to use a consensus of industry analysts external price forecasts, which are tied to widely-accepted commodity benchmarks. In Romania, management elected to use internal estimates as these represent the most likely outlook of forward gas prices. Management relies on these internal estimates due to the lack of a widely-accepted commodity benchmark, and the inability to tightly correlate to any external benchmark. The following commodity prices were used in the comparative period's discounted cash flow model.

Year	Brent Crude (US$/bbl)	Sabria Gas (US$/Mcf)	Chouech Gas (US$/Mcf)	Romania Gas (US$/Mcf)
2020	42.45	5.91	4.64	3.60
2021	52.24	7.28	5.72	5.25
2022	57.26	7.98	6.27	5.75
2023	59.49	8.29	6.52	5.75
2024	62.97	8.78	6.90	5.75
2025	64.23	8.96	7.04	5.75
2026	65.51	9.14	7.18	5.75
2027	66.82	9.32	7.32	5.75
2028	68.16	9.51	7.47	5.75
2029	69.52	9.70	7.62	5.75
2030	70.91	9.89	7.77	5.75
Remainder	75.28	10.50	8.17	5.75

The following table provides a sensitivity of the estimated impairment expense in the comparative period, with any changes to the key assumptions used in the model.

($ millions)	1% increase to discount rates	1% decrease to discount rates	5% increase to commodity prices	5% decrease to commodity prices
Additional impairment, net of tax	0.9	(0.4)	(2.1)	4.2

The results of impairment tests completed by management in the comparative period were sensitive to changes with regards to any of the key assumptions such as commodity prices, discount rates, expected royalties, future development costs, change in reserves, or the expected future operating costs. Any changes to the assumptions could increase or decrease the expected recoverable amounts from the assets.

5. RELEASE OF PROVISION

The release of provision in the comparative period was related to the elimination of a long-standing disputed payable for $1.9 million in Brunei, which had passed the relevant statute of limitation period.

6. INCOME (LOSS) PER SHARE

	Period ended 30 September	
(US$ 000s, except per share amounts)	**2021**	**2020**
Income (loss) for the period	836	(13,744)
Weighted average shares outstanding:		
Basic shares (000s)	1,140,661	239,286
LTIP awards (000s)	22,500	-
Total basic shares	1,163,161	239,286
Income (loss) per share – basic	0.00	(0.06)
Dilutive stock options	11,295	-
Total dilutive shares	1,174,456	239,286
Income (loss) per share - dilutive	0.00	(0.06)

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 30 September 2021, the Group excluded 0.1 million (2020 – 13.5 million) stock options as they were out of the money and not dilutive.

7. SUPPLEMENTAL CASH FLOW DISCLOSURE

	Period ended 30 September	
	2021	**2020**
Cash provided by (used in):		
Trade and other receivables	2,466	1,045
Accounts payable and accrued liabilities	154	(2,648)
Restricted cash	16	-
Changes in non-cash working capital from operating activities	2,636	(1,603)

The following table reconciles capital expenditures to the cash flow statement:

	Period ended 30 September	
	2021	**2020**
PP&E additions	4,604	3,944
E&E additions (recoveries)	4,706	(222)
Total capital additions	9,310	3,722
Changes in non-cash working capital from investing activities	555	(739)
Total capital expenditures	9,865	2,983