Serinus Energy plc

2024 Annual Report and Accounts

2024 HIGHLIGHTS

FINANCIAL

- Revenue for the year ended 31 December 2024 was $15.4 million (2023 - $17.9 million)

- Cash generated from operations for the year ended 31 December 2024 was $1.1 million (2023 - $1.9 million)

- EBITDA for the year ended 31 December 2024 was $1.4 million (2023 - $2.1 million)

- Gross profit for the year was $1.4 million (2023 - $2.5 million)

- The Group recognised impairment on its Romanian assets in the amount of $5.7 million (2023 - $7.0 million) comprising $1.5 million related to the depletion of the Moftinu gas field (2023 - $7.0 million) and $4.2 million for the impairment of the Sancrai-1 exploration well (2023 - $nil)

- The Group's production expense averaged $40.81/boe (2023 - $34.78/boe)

- The Group realised a net price of $77.31/boe for the year ended 31 December 2024 (2023 – $77.58/boe), comprising:
  - Realised oil price - $79.92/bbl (2023 – $79.85/bbl)
  - Realised natural gas price - $11.39/Mcf (2023 – $11.94/Mcf)

- The Group's operating netback decreased during the year ended 31 December 2024, in line with the commodity prices and declining production in Romania, and was $27.07/boe (2023 - $33.89/boe), comprising:
  - Tunisia operating netback – $33.09/boe (31 December 2023 - $40.35/boe)
  - Romania operating netback – negative $37.39/boe (31 December 2023 – negative $2.19/boe)

- Capital expenditures of $1.1 million for the year ended 31 December 2024 (2023 - $5.5 million), comprising:
  - Tunisia - $1.1 million
  - Romania - $nil million

OPERATIONAL

- Production in Chouech Es Saida continues to be stable and benefits from artificial lift programme

- Workovers to replace pumps at the CS-3 and CS-7 wells in Chouech es Saida were completed under time and under budget

- Pump life has been extended in Chouech es Saida and the most recently replaced pumps had in-hole lives just short of four years. Longer pump life improves the economics of the capital allocated to the artificial lift program

- Long lead items for the Sabria W-1 sidetrack have been ordered and received in country. Discussions are on-going with Compagnie Tunisienne de Forage (CTF), the state rig company, regarding availability of rigs to perform this sidetrack

- During 2024, the Group completed three liftings of Tunisian crude oil, the most recent occurring in December 2024 with a volume of 37,758 bbls lifted at an average price of $74.19/bbl. Cash proceeds of $0.7 million were received in January 2025 (net of $2.1 million in monthly prepayments previously received)

- The Group has scheduled the next lifting for June 2025

- Production for the year averaged 555 boe/d, comprising:
  - Tunisia - 500 boe/d
  - Romania – 55 boe/d

- The Group continued its excellent safety record with no Lost Time Incidents in 2024

SERINUS AT A GLANCE

Serinus Energy plc (the "Company" or "Serinus") is an oil and gas exploration, appraisal and development company which is incorporated under the Companies (Jersey) Law 1991. The Company, through its subsidiaries (together the "Group"), acts as the operator for all of its assets and has operations in two business units: Romania and Tunisia.

ROMANIA

In Romania the Group currently holds the 2,950 km^2 Satu Mare Concession. The Satu Mare Concession area includes the Moftinu Gas Project which was brought on production in April 2019 and has produced approximately 9.5 Bcf and $94.5 million of revenue to the end of 2024. In addition to the Moftinu Gas Development Project the Satu Mare Concession holds several highly prospective exploration plays. Serinus' recently completed block wide geological review has highlighted the potential of multiple plays that have encountered oil and gas on the block. Focus is on proven hydrocarbon systems, known productive trends that need further data, and studies of over 40 legacy wells on the concession area that have encountered oil and gas. The Concession is extensively covered by legacy 2D seismic, augmented by the Group's own 3D and 2D seismic acquisition programs that have further refined the identified prospects. Putting this extensive evidence-based analysis together in a block wide review has allowed the Group to identify a pathway towards future exploration growth.

TUNISIA

The Group's Tunisian operations are comprised of two concession areas.

The largest asset in the Tunisian portfolio is the Sabria field, which is a large oilfield with an independently estimated original in-place volume of 445 million barrels-of-oil-equivalent of which 1.7% has been produced to date. Serinus considers this historically under-developed field to be an excellent asset for development work to significantly increase production in the near-term. The Group has embarked on an artificial lift programme whereby the first pumps in the Sabria field will be installed. Independent third-party studies suggest that the use of pumps in this field can have a material impact on production volumes.

The Chouech Es Saida concession in southern Tunisia holds a producing oilfield that produces from four wells, three of which are produced using artificial lift. Chouech Es Saida is a mature oilfield that benefits from active production management. Underlying this oilfield are significant gas prospects. These prospects lie in a structure that currently produces gas in an adjacent block. Exploration of these lower gas zones became commercially possible with the recent construction of gas transportation infrastructure in the region. Upon exploration success these prospects can be developed in the medium term, with the ability to access the near-by under-utilised gas transmission capacity.

OPERATIONAL SUMMARY AND OUTLOOK

CORPORATE

The Group is focused on developing its existing assets and enhancing production by active reservoir management. A critical foundation to the advancement of these projects is the cash flow generation inherent in our production assets. For the year to 31 December 2024, the Group generated cashflow from operating activities of $0.9 million and invested $1.1 million of capital expenditure.

The Group is currently focused on enhancing production from its Tunisian assets. The large underdeveloped Sabria field offers significant opportunities in a well identified oilfield. Investments in artificial lift and, in time, new wells offer near term production growth. The Satu Mare Concession in Romania has excellent exploration potential that can offer the Company another Moftinu style shallow gas development. Work continues and exploration targets have been identified. The Moftinu gas field is a shallow gas field that has initial high production rates followed by natural declines. Managing these declines to extract the most value from the gas in place has allowed the Group to extract $94.5 million of revenue from this field since production began in 2019.

ROMANIA

The Group's Romanian operating subsidiary, Serinus Energy Romania S.A. ("Serinus Romania"), holds the licence to the Satu Mare concession area, covering approximately 2,950 km^2 in the north-west of Romania. The Moftinu Gas Development project began production in 2019. The development project includes the Moftinu gas plant and currently has four gas production wells - M-1003, M-1004, M-1007 and M-1008. During 2024, the Group's Romanian operations produced a total of 121 MMcf of gas, equating to an average daily production of 55 boe/day (2023 - 103 boe/day).

The Moftinu gas field is nearing the end of its natural life. The field has identified existing gas in uncompleted zones that can be completed and produced with higher gas prices and reduced windfall tax. The Group has recognised an impairment of $1.5 million related to Moftinu gas field.

The Group has identified additional gas volumes in uncompleted zones in M-1003 and M-1007. During initial drilling and completion of these wells gas was encountered and logged. The decision was made to complete and produce lower zones until such time as those zones were depleted. Upon depletion of the lower zones the Group can return to these wells, complete the higher zones and produce the incremental gas.

In October 2023, the Group was granted an exploration phase extension to the Satu Mare Concession in Romania. The Moftinu gas field has been declared a Commercial Area, all other areas of the Concession remain Exploration areas. The exploration period extension is in two phases. The first phase of the extension is mandatory and is two years in duration starting on 28 October 2023. The work commitment for the first phase is the reprocessing of 100 kilometres of legacy 2D seismic as well as a 2D seismic acquisition program of 100 kilometres including processing the acquired seismic data. The second phase of the extension is optional and is two years in duration starting on 28 October 2025 with a work commitment of drilling one well within the concession area with no total drilling depth requirement stipulated.

The Canar-1 water injection well is currently disposing of all produced water volumes from the Moftinu field. The use of Canar-1 as a water injection well is delivering significant cost savings in operating expenses due to the elimination of the high costs of trucking produced water volumes for disposal off-site.

The Sancrai-1 exploration well, drilled in 2021, encountered gas, however, the Group was unable to achieve measurable gas flow across the three perforated zones, leading to the well's suspension. Following a comprehensive analysis in 2024, which assessed the up-dip potential, the Group decided to abandon the well. As a result, the Sancrai-1 well was impaired, with an impairment expense of $4.2 million recognised for the exploration asset.

Serinus continued to operate safely and effectively in Romania throughout the year. As at the year-end 2024, the Group had achieved 2,078 accident-free days of continuous operation which is a testament to the professionalism and hard work of our team in Romania.

In February 2023, the International Chamber of Commerce ("ICC") released the final merits award in respect of Serinus Romania arbitration case against its former partner in the Satu Mare Concession in Romania, Oilfield Exploration Business Solutions S.A. ("OEBS"), and has awarded in favour of Serinus.

The decision of the arbitral tribunal has confirmed that, as a result of OEBS' default under the Joint Operating Agreement between the parties ("JOA"), OEBS' 40% participating interest in the Satu Mare Concession in Romania will be transferred to Serinus as of the notification to the parties of the approval by the Romanian Government and the National Agency of Fiscal Administration ("ANAF"). The arbitral tribunal has also directed OEBS to take all necessary actions to formally transfer the 40% participating interest to Serinus. Validity of the ICC Award was acknowledged by the Romanian Court of Appeal in June 2024.

TUNISIA

The Group currently holds two concession areas within Tunisia, through its operating subsidiary in Tunisia, Serinus Tunisia B.V. ("Serinus Tunisia"). These concession areas both contain discovered oil and gas reserves and are

currently producing. The largest asset is the Sabria field. Sabria is a large, conventional oilfield which the Group's independent reservoir engineers have estimated to have approximately 445 million barrels of oil equivalent originally in place. Of this oil in place only 1.7% has been produced to date due to a low rate of development on the field. Serinus has spent extensive time studying the best means of further developing this field and 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 including new wells. Due to a low rate of development on the field, Serinus has spent extensive time studying the best means of further developing this field and 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.

During 2024, the Group's Tunisian operations produced a total of 155 Mbbl of oil and 167 MMcf of gas, equating to an average daily production of 500 boe/day (2023 - 539 boe/day).

The workover to install a pump into the Sabria W-1 well in 2023 encountered unexpected conditions as a result of old drilling mud and tubulars left in the well from operations in 1998. The Group and its partner, Enterprise Tunisienne D'Activite Petroliere ("ETAP"), suspended the workover and have determined that a sidetrack is required to complete the operation. The sidetrack design has been completed and the long lead items have been ordered and received in country.

The Group and ETAP also conducted workover operations on the Sabria N-2 well in first half of 2023. Workover operations were completed on time and within budget. The objectives of the workover were to remove wellbore restrictions, install new production tubing, and remediate reservoir damage around the wellbore. Wellbore restrictions were removed, and new production tubing was installed. The well will need further stimulation to clean up the formation damage and discussions are continuing with the partner on this issue. The well was drilled in 1980 but was damaged during completion and, although in proximity to producing wells, in particular the prolific WIN-12bis well, was not able to flow oil to surface. The Group's engineering analysis estimates that a successful workover and recompletion will initially increase gross production from the Sabria field by approximately 420 boe/d.

Production from the Chouech Es Saida area increased during 2024. This was the result of the Group's active management of the artificial lift systems, optimising production rates. In addition, the active life of the pumping units has been extended, this has increased the pump life from seven months in 2019 to almost four years in 2024.

The Group applied to extend the Ech Chouech licence which expired in June 2022. The Group is continuing its application to regain the licence once the licence process is formalised. The Group remains the only feasible operator for the Ech Chouech concession due to the proximity of the existing Group's facilities at Chouech Es Saida to the Ech Chouech oil field and legal privileges which the Group enjoys as a former title holder granting the Group pre-emptive rights for this concession.

Serinus has operated safely and efficiently in Tunisia throughout the year. By year-end 2024, the Group had reached 3,313 accident-free days without a lost-time injury in Tunisia, demonstrating the professionalism and commitment of our team in Tunisia.

SERINUS INVESTMENT THESIS

Investment in Serinus offers shareholders an ability to access international oil and gas upstream operations with strong cash flow generation through the oil and gas commodity cycle. Our low-cost onshore asset base provides significant near-term production growth opportunities. The size of the existing asset base allows for significant organic growth without incremental asset acquisition cost in areas where our technical knowledge has been refined over the years that Serinus has operated these concession areas. Serinus offers a compelling growth opportunity where risks are mitigated by our extensive experience in our operating areas and the low-cost nature of our assets. The Group's existing assets also include large exploration prospects within close proximity of existing infrastructure. The Group allocates capital to these exploration prospects which if successful can add meaningful production and cash flow to the Group.

Serinus' operations in Romania are focused on the large Satu Mare Concession Area. The Satu Mare Concession Area is located in the northwest of Romania along-side the Hungarian border. This large block contains the Moftinu gas field, and the Group believes that numerous shallow gas opportunities with similar characteristics to the Moftinu field are present in the immediate surrounding area. In addition, the southern portion of the concession offers excellent exploration opportunities for large oil prospects as across the southern boundary of the Satu Mare concession is the Suplacu de Barcau oil field (held by OMV Petrom). This is a significant oilfield estimated to have produced in excess of 100 million barrels.

In Tunisia, the Group's operations are focused on the Sabria and Chouech Es Saida fields. Sabria is a very large conventional oilfield where our independent reservoir engineers have accessed a field with 445 million barrels of oil equivalent originally in place. Of that number approximately 1.7% has been recovered to date. This is a very low recovery factor for a conventional oilfield and the Group expects to increase that recovery factor materially. The Chouech field in southern Tunisia offers attractive opportunities to increase production from existing oilfields through the application of standard oilfield practices. Serinus' Tunisian assets can be typified as existing discovered and producing oilfields where field optimisation provides the path to production, revenue and cash flow growth with no exploration risk. Underlying the Chouech field is the prospective Acacus gas zone. Gas has been discovered and produced from this zone in nearby concessions and recent gas infrastructure developments make this exploration opportunity commercially attractive.

In addition to the strong asset base Serinus has a strong and experienced management team. Within each jurisdiction, we have local professionals managing the operations. Within the Group we have significant technical and commercial experience and are able to apply that experience across our business units.

SERINUS' STRATEGY

VISION

The Group's goal is to transform the potential of its extensive land base in Romania and Tunisia into enhanced shareholder value through the efficient allocation of capital.

STRATEGY

Serinus is focused on significant growth potential within its existing concession and license holdings in Romania and Tunisia through the development of low cost, high return projects, as follows:

1. Leverage Land Position:
    - One concession in Romania with multiple play types and prospects
    - Two exploration and production concessions in Tunisia with all work commitments completed
    - Extensive oil and natural gas exploration and development potential within multiple play horizons

2. Commitment to Shareholders:
    - Cohesive management team with a commitment to enhancing shareholder value
    - Abide by the highest thresholds of disclosure for an AIM-listed Group
    - Extensive experience and a proven track record of the allocation of shareholder capital

3. Manage Risks:
    - Managing surface and subsurface risks through constant evaluation and introduction of new technologies
    - Allocate capital to projects with attractive returns at relatively low risk profiles
    - Operator of all concessions allows for cost control

4. Focus on Growth:
    - Leverage cash flow to grow through expanded exploration and development of the existing asset base
    - Seek acquisitions that will provide synergies at a cost that is accretive to shareholders

CHAIRMAN'S LETTER

Dear shareholders,

2024 was a year defined by our employees. In a year that the Group spent in preparations for drilling operations in 2025 our teams engaged and enthusiastically developed the knowledge and capital required to execute our future operations.

Corporately our teams work diligently to control and reduce costs to maximise the operating cash flow available to our growth plans. Significant reductions in general and administrative costs allow more of our generated cash flow to be allocated to operations which drive value creation.

In Romania our highly capable team maintained the production at the Moftinu gas field and work tirelessly to navigate the often complicated Romanian legal and fiscal environment. Health and safety have always been a priority, and it is admirable that our Romanian team has built and operated the Moftinu gas plant with no lost time injuries for the productive life of the field. Since we first flowed gas from the Moftinu gas field the team has been diligently focused on health and safety. In addition, the team has sought ways to reduce reliance on the Romanian electrical grid by installing solar panels on many of our facilities. Costs savings have been generated by using creative solutions. No better is that illustrated than using the Canar-1 exploration well as a water injection well thereby eliminating the need to truck produced water but rather injecting that water back into the lower reservoirs. This initiative has generated significant cost savings.

The team in Tunisia has been very busy with maintenance of our facilities and upgrading those facilities. Rigorous monitoring of production parameters and pump frequency has allowed for a significant increase in pump life. The longer a pump is able to produce the fewer replacements are required thus adding to the efficiency of capital allocated to our production. The team in Tunisia has been focused on ensuring that all the long-lead items required for the side-tracking of the Sabria W-1 well are in place. This is logistically challenging but critical. Should materials not be in place when a rig becomes available the rig slot could be lost and delays created. I am pleased to say that the team has been diligent in their efforts and all long-lead items are in country ready to begin operations in 2025.

It is reassuring to know that we have been able to develop such a driven and competent team within our Company. It is also impressive to see the collaboration between the technical and financial functions of our business units. Skills that may be common in one of our business units may not be common in another and the collaborative and efficient transfer of those skills is most impressive. This skills transfer is a key feature of the synergies between our operating areas.

In closing I look forward to operations in 2025 safe in the knowledge that our people are diligently working to ensure the best chance of success.

Yours sincerely,

Łukasz Rędziniak, Chairman of the Board of Directors

14 March 2025

LETTER FROM THE CEO

Dear Fellow Shareholders,

As we look back at 2024 we can reflect that the progress that has been made has been significant. Our 2024 results reflect both the challenges and opportunities as we navigate a complex energy landscape in both of our business units.

Operationally 2024 was a year where the Group accrued cash, refined its drilling and development plans and put in place the equipment, manpower and technical knowledge to progress developments in 2025. Critical to our growth plans is the drilling of a side-track on the Sabria W-1 well. This well is the first candidate for the installation of artificial lift in the Sabria field. Initially plans focused on working over this well and installing a pump in the existing bottom hole section. These plans were delayed when, upon entering the lower sections of the well, it was found that the conditions in the well were unsuitable for the installation of a pump. Rather than continue with the work the Group made the decision to perform a side-track. This work will provide the company with a new, clean section in which to install the pump. Work in 2024 continued on design and technical analysis of this project whilst the Group waited for a suitable rig to become available. The rig has been contracted and subject to the performance of drilling ahead of the Group's rig-slot will be active in 2025.

Pump performance in Chouech Es Saida continued to improve demonstrating the positive effect that artificial lift can have on these types of fields. In late 2024 pumps were replaced in the CS-3 and CS-7 wells. These pumps had been in place for almost four years, a dramatic increase in pump life attributable to close monitoring and maintenance. Continued optimisation of pump and well performance has allowed the extraction of material quantities of oil and gas.

In Romania the Moftinu gas field is nearing the end of its natural life. The field has exceeded all third-party engineering estimates of recoverable gas and has allowed the Group to showcase how developments in Romania can be cash flow accretive. Romania is currently politically dynamic with Presidential elections expected in 2025. Work on further projects in Romania will depend on the outcomes of this political situation, however there are considerable opportunities for growth within this concession area. The Group has been engaged with the Romanian authorities in efforts to assist Romania in creating an environment where the vast potential of gas development in Romania can be realised.

Financially the Group continues to provide positive news. Revenue for the full year 2024 was US$15.4 million demonstrating stable production and commodity prices. The Group showed strong cost control and was able to realise EBITDA of US$1.4 million. Reductions in general and administrative costs from US$4.9 million in 2023 to US$3.6 million in 2024 have more than offset the slight decrease in production related to the natural declines in Romania.

Looking ahead we are eager to commence the well side-track at the Sabria W-1 well. We expect this well to demonstrate the efficacy of artificial lift in the Sabria field. Third-party estimates suggest that incremental gross production from the introduction of this pump could exceed 400 boe/d. The potential for additional pumps in the Sabria field is very exciting.

In summary I would like to thank our shareholders for their continued support. Serinus enjoys an asset position that offers excellent opportunities for growth. Our team is engaged and energised and looks optimistically to the future growth of our business.

Yours sincerely,

Jeffrey Auld, Chief Executive Officer

14 March 2025

REPORT FROM THE CFO

LIQUIDITY, DEBT AND CAPITAL RESOURCES

During the year the Group invested a total of $1.1 million (2023 - $5.5 million) on capital expenditures before working capital adjustments. In Tunisia, the Group invested $1.1 million (2023 - $5.0 million) performing workovers and purchasing long lead items for the Sabria artificial lift programme. In Romania, the Group invested $nil million (2023 - $0.5 million) during the year.

The Group's funds from operations for the year ended 31 December 2024 were $1.1 million (2023 - $1.9 million). Including changes in non-cash working capital, the cash flow generated from operating activities in 2024 was $0.9 million (2023 – $1.9 million). The Group is debt-free and continues to pursue opportunities to expand and continue growing production within our existing resource base to deliver shareholder returns.

	Year ended 31 December	
($000)	**2024**	**2023**
Current assets	**8,558**	11,341
Current liabilities	**(17,890)**	(16,926)
Working Capital	**(9,332)**	(5,585)

The working capital deficit at 31 December 2024 was $9.3 million (2023 – $5.6 million deficit).

Current assets as at 31 December 2024 were $8.6 million (31 December 2023 - $11.3 million), a decrease of $2.7 million. Current assets consist of:

- Cash and cash equivalents of $1.4 million (2023 - $1.3 million)
- Restricted cash of $1.1 million (2023 - $1.2 million)
- Trade and other receivables of $5.4 million (2023 - $8.1 million).
- Product inventory of $0.7 million (2023 - $0.7 million)

Current liabilities as at 31 December 2024 were $17.9 million (2023 – $16.9 million), an increase of $1.0 million. Current liabilities consist of:

- Accounts payable and accrued liabilities of $7.4 million (2023 - $9.3 million)
- Decommissioning provision of $9.4 million (2023 - $6.7 million)
    - Tunisia - $7.7 million (2023 - $5.3 million)
    - Romania - $0.9 million (2023 - $0.6 million)
    - Canada - $0.8 million (2023 - $0.8 million) which are offset by restricted cash in the amount of $1.1 million (2023 - $1.2 million) in current assets
- Income taxes payable of $0.9 million (2023- $0.8 million)
- Current portion of lease obligations of $0.2 million (2023 - $0.1 million)

Non-current assets

Property, plant and equipment ("PP&E") decreased to $44.4 million (2023 - $56.0 million). The decrease is due to depletion expense of $3.2 million, a change in the estimate of asset retirement assets of $3.7 million, and an impairment expense of $1.5 million in Moftinu due to natural depletion of the gas field. Also, Santau was reclassified to exploration and evaluation assets resulting in a reduction in PP&E of $4.3 million. The Santau assets, initially transferred from Exploration and Evaluation ("E&E") assets to PP&E in 2017, have been reclassified back to E&E assets to align with IAS 1 requirements, with no impact on the Group's total assets, as Santau relative value has increased due to impairments and depletion of Romania's main producing oil and gas assets (see Notes 11 and 12 of the Financial Statements). The reductions in PP&E were partially offset by capital additions of $1.1 million. E&E assets increased by the Santau reclassification of $4.3 million but this was offset by the $4.2 million impairment of the Sancrai-1 well and totalled $10.7 million (2023 - $10.7 million).

FINANCIAL REVIEW – YEAR ENDED 31 DECEMBER 2024

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:

	Year ended 31 December	
($000)	**2024**	**2023**
Cash flow from operations	**865**	1,875
Changes in non-cash working capital	**243**	66
Funds from operations	**1,108**	1,941
Funds from operations per share	**0.01**	0.02

Tunisia generated funds from operations of $4.9 million (2023 – $7.9 million) and Romania used funds in operations of $0.9 million (2023 – $1.3 million). Funds used at the Corporate level were $2.9 million (2023 - $4.7 million) resulting in net funds from operations of $1.1 million (2023 – $1.9 million).

PRODUCTION

Year ended 31 December 2024	**Tunisia**	**Romania**	**Group**	**%**
Crude oil (bbl/d)	423	-	423	76%
Natural gas (Mcf/d)	457	331	788	24%
Condensate (bbl/d)	-	-	-	-
Total (boe/d)	500	55	555	100%
Year ended 31 December 2023				
Crude oil (bbl/d)	458	-	458	71%
Natural gas (Mcf/d)	484	617	1,101	29%
Condensate (bbl/d)	-	-	-	-
Total (boe/d)	539	103	642	100%

During the year, production volumes decreased by 87 boe/d (14%) to 555 boe/d (2023 – 642 boe/d) primarily due to a combination of natural production declines and the shut-in of wells in Moftinu. Romania's production volumes decreased by 48 boe/d (47%) to 55 boe/d (2023 – 103 boe/d) while production in Tunisia decreased by 39 boe/d (7%) to 500 boe/d as result of the oil fields' maintenance programme. Ongoing workover programmes continue in the Chouech Es Saida field as part of active production management.

OIL AND GAS REVENUE

($000) Year ended 31 December 2024	Tunisia	Romania	Group	%
Oil revenue	12,345	-	12,345	80%
Gas revenue	1,972	1,084	3,056	20%
Condensate revenue	-	-	-	-
Total revenue	14,317	1,084	15,401	100%
Year ended 31 December 2023				
Oil revenue	13,313	-	13,313	74%
Gas revenue	1,879	2,683	4,562	26%
Condensate revenue	-	-	-	-
Total revenue	15,192	2,683	17,875	100%

REALISED PRICE

Year ended 31 December 2024	Tunisia	Romania	Group
Oil ($/bbl)	79.92	-	79.92
Gas ($/Mcf)	11.79	10.72	11.39
Condensate ($/bbl)	-	-	-
Average realised price ($/boe)	78.51	64.34	77.31
Year ended 31 December 2023			
Oil ($/bbl)	79.85	-	79.85
Gas ($/Mcf)	10.65	13.05	11.94
Condensate ($/bbl)	-	-	-
Average realised price ($/boe)	77.45	78.30	77.58

Revenue during the year decreased to $15.4 million (2023 – $17.9 million) as the Group saw the average realised price decrease to $77.31/boe (2023 - $77.58/boe) and production decline in Romania.

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 periodic liftings. In 2024, the Group completed three oil liftings (2023 – two liftings).

ROYALTIES

($000)	Year ended 31 December 2024	2023
Tunisia	**1,831**	**1,929**
Romania	**48**	**125**
Total	**1,879**	**2,054**
Total ($/boe)	**9.43**	**8.91**
Tunisia oil royalty (% of oil revenue)	**12.8%**	**12.7%**
Romania gas royalty (% of gas revenue)	**4.4%**	**4.7%**
Total (% of revenue)	**12.2%**	**11.5%**

Royalties decreased to $1.9 million (2023 - $2.1 million) while the Group's average royalty rate increased to 12.2% (2023 – 11.5%).

In Romania the royalty is calculated using a reference price that is set by the Romanian authorities and not the realised price to the Group. The reference gas prices during 2024 remained higher than the realised price by 40%. Romanian royalty rates vary based on the level of production during a quarter. Natural gas royalty rates range from 3.5% to 13.0%.

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 2024, the royalty rate remained unchanged in Sabria at 10% for oil and 8% for gas. Chouech Es Saida royalty rate was flat at 15% for both oil and gas.

PRODUCTION EXPENSES

($000)	Year ended 31 December 2024	2023
Tunisia	**6,453**	5,349
Romania	**1,665**	2,633
Canada	**12**	31
Group	**8,130**	8,013
Tunisia production expense ($/boe)	**35.38**	27.27
Romania production expense ($/boe)	**98.87**	76.84
Total production expense ($/boe)	**40.81**	34.78

During the year production expenses increased by $0.1 million (1%) to $8.1 million (2023 - $8.0 million). Per unit production expenses increased by $6.03/boe (17%) to $40.81 (2023 - $34.78).

Tunisia's production expenses increased from the prior year by $1.2 million to $6.5 million (2023 - $5.3 million), with per unit production increasing to $35.38/boe (2023 - $27.27/boe) mainly due to the increase of roads maintenance in Chouech Es Saida field as consequence of weather condition changes resulting in increased frequency of sandstorms.

Romania's overall operating costs decreased to $1.7 million (2023 – $2.6 million), with per unit production expenses increasing to $98.87/boe (2023 - $76.84/boe) due to naturally declining production and the impact of inflation in 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.

	Year ended 31 December 2024		
($/boe)	**Tunisia**	**Romania**	**Group**
Sales volume (boe/d)	498	46	544
Realised price	78.51	64.34	77.31
Royalties	(10.04)	(2.86)	(9.43)
Production expense	(35.38)	(98.87)	(40.81)
Operating netback	33.09	(37.39)	27.07

	Year ended 31 December 2023		
($/boe)	**Tunisia**	**Romania**	**Group**
Sales volume (boe/d)	537	94	631
Realised price	77.45	78.30	77.58
Royalties	(9.83)	(3.65)	(8.91)
Production expense	(27.27)	(76.84)	(34.78)
Operating netback	40.35	(2.19)	33.89

The Group operating netback decreased to $27.07/boe (2023 – $33.89/boe) due to lower realised prices in Romania and higher per unit production expenses.

The Group generated a gross profit of $1.4 million (2023 – $2.5 million) due to increased average realised price in Tunisia offset by increased production costs.

EARNING BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION ("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 and 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 year ended 31 December 2024, the Group's EBITDA decreased to $1.4 million (2023 - $2.1 million).

WINDFALL TAX

	Year ended 31 December	
($000)	**2024**	**2023**
Windfall tax	**340**	783
Windfall tax ($/Mcf - Romania gas)	**3.36**	3.81
Windfall tax ($/boe - Romania gas)	**20.17**	22.84

During 2024, the Group incurred windfall taxes in Romania of $0.3 million (2023 - $0.8 million), a decrease of $0.5 million. This decrease is directly related to decreased production and lower realised gas prices which decreased from an average realised price of $13.05/Mcf in 2023 to $10.72/Mcf in 2024.

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

($000)	Year ended 31 December 2024	2023
Tunisia	**3,188**	3,582
Romania	**340**	866
Corporate	**125**	124
Total	**3,653**	4,572
Tunisia ($/boe)	**17.48**	18.26
Romania ($/boe)	**20.16**	25.27
Total ($/boe)	**18.34**	19.84

Depletion and depreciation expense decreased by $0.9 million (20%) to $3.7 million (2023 - $4.6 million), being a per unit decrease of $1.50/boe to $18.34/boe (2023 - $19.84/boe). The decrease in expense is primarily due to a lower depletable base on the Group's assets and declining production in Romania.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSE

($000)	Year ended 31 December 2024	2023
G&A expense	**3,409**	4,928
G&A expense ($/boe)	**17.12**	21.39

G&A costs decreased during the year by $1.5 million (31%), totalling $3.4 million (2023 - $4.9 million). This reduction was driven by lower personnel expenses, decreased professional services fees, and the implementation of cost control measures across the Group.

SHARE-BASED PAYMENT

($000)	Year ended 31 December 2024	2023
Share-based payment	**221**	3
Share-based payment ($/boe)	**1.11**	0.01

Share-based compensation increased to $221 thousand (2023 – $3 thousand) due to the Company granting 6,537,280 ordinary shares of nil par value to directors and senior management under the Company's long term incentive plan.

NET FINANCE EXPENSE

($000)	Year ended 31 December 2024	2023
Interest on leases	**126**	76
Accretion on decommissioning provision	**1,667**	1,801
Foreign exchange and other	**(1,000)**	46
	793	1,923

Net finance expense for 2024 decreased to $0.8 million (2023 – $1.9 million) predominantly due to foreign exchange gains and other income.

IMPAIRMENT

At 31 December 2024, the Group completed an impairment assessment to determine if there were any indicators of impairment or impairment reversals. In Tunisia, there were no indicators of impairment or impairment reversals identified at Sabria or South Tunisia. The Group had applied to extend the Ech Chouech licence but this expired in June 2022. The Group intends to continue its application to regain the licence once the licence application process is formalised. No indication has been received that the Group will not be successful once the process to re-apply becomes available and as such has made the judgement that it will be able to regain the Ech Chouech licence and therefore no impairment has been charged to this asset.

In Moftinu, the Group determined that there were indicators of impairment and recognised an impairment expense of $1.5 million. The primary impairment indicators in Romania during 2024 included reduced gas prices throughout the year, natural depletion of the Moftinu gas field reflecting on life of shallow gas fields and the fiscal regime in Romania.

The Sancrai-1 exploration well was drilled in 2021 and encountered gas; however, the Group was unable to achieve a measurable gas flow across the three perforated zones. As a result, the well was suspended. Following a comprehensive analysis at the 2024 year-end, which included assessment of up-dip potential, the decision was made to abandon the well. Consequently, the Sancrai-1 well was impaired, and the Group recognised an impairment expense of $4.2 million related to the exploration asset.

TAXATION

For the year ended 31 December 2024, income tax expense amounted to $1.1 million (31 December 2023 - $1.7 million). The decrease was driven by lower taxable income and the recovery of tax basis in Tunisia during the year.

SOLIDARITY TAX

On 29 December 2022, the Government of Romania published Emergency Ordinance no.186/2022 detailing measures to implement Council Regulation (EU) 2022/1854 regarding the emergency intervention to introduce a solidarity contribution for companies that carry out activities in the oil, natural gas, coal and refinery sectors. This additional tax in Romania is calculated at a rate of 60% applied to the Group's annual profit, in excess of 20% of its average profits for the financial years 2018-2021. The solidarity tax applies for the financial year 2022 only.

The Group does not believe that the solidarity tax is applicable to its operations in Romania, has received legal advice to support that position and will continue challenging the legality of this additional tax. Throughout 2024 and early 2025, the Group has continued contesting the Romanian tax authority's decision to impose a Solidarity Tax, arguing that the tax is not applicable to its 2022 profits due to retroactivity, excessive taxation, and violations of legal principles. Despite filing administrative and legal challenges, including a preliminary claim and suspension request, both were denied, the Group is currently awaiting the Romanian court's reasoning before pursuing further appeals, possible constitutional challenge, and international arbitration.

If the Group were to consider the tax applicable for 2022, then the amount due is estimated to be approximately $0.76 million, while for 2023 and 2024 there is no solidarity tax since the operations in Romania are in annual loss position. Consistent with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Group has assessed that the Solidarity Tax is not applicable and, accordingly, has not recognised a provision for this tax in its financial statements.

FOREIGN CURRENCY TRANSLATION

Foreign currency translation occurs from fluctuations in the foreign exchange rates in entities with a different functional currency than the reporting currency (USD). Functional currency of Serinus Tunisia remained USD and the management do not envisage any triggers which could lead for its change in foreseeable future. Functional currency of Serinus Romania was Romanian Leu (RON) up to 31 December 2022 subsequent to which management considered changed circumstances and economic environment in Romania and concluded that functional currency of the Group's Romanian business unit should be changed from RON to USD in 2023. In making this conclusion, management considered all primary and secondary indicators for determination of the functional currency in accordance with IAS 21 *The Effects of Changes in Foreign Currency Exchange Rates*. Particularly, management considered cash flow indictors of Serinus Romania, its sales price and sales market indicators, expense indicators, financing indicators, degree of autonomy, as well as intra-Group transactions and arrangements.

GOING CONCERN

The Directors have considered the going concern of the Group and are satisfied that the Group has sufficient resources to operate and to meet its commitments in the normal course of business for not less than 12 months from the date of these consolidated financial statements. Directors have considered the Group's net liability position and the mitigating factors, which support the Group's ability to continue as a going concern (see Note 2 of the Financial Statements). On that basis, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis.

Vlad Ryabov, Chief Financial Officer

14 March 2025

REVIEW OF OPERATIONS

ROMANIA

- Satu Mare Block – 2,950 km^2 of onshore land.
- Located within the Pannonian Basin on trend with discovered and producing oil and gas fields and close to infrastructure.
- Multiple play types that have produced or are producing along the same trend, including shallow amplitude-supported gas reservoirs; conventional siliciclastic oil reservoirs; and fractured-basement oil and gas reservoirs.
- Serinus operates with a 100% working interest which is owned and operated through the wholly owned subsidiary Serinus Energy Romania S.A. The Group has completed all of its commitments under the fourth exploration phase of the Satu Mare Concession Agreement. In October 2023, the Group received a four year exploration period extension divided into two phases. The first phase of the extension is mandatory and is two years in duration starting on 28 October 2023. The work commitment for the first phase is the reprocessing of 100 kilometres of legacy 2D seismic as well as a 2D seismic acquisition program of 100 kilometres including processing the acquired seismic data. The second phase of the extension is optional and is two years in duration starting on 28 October 2025 with a work commitment of drilling one well within the concession area with no total drilling depth requirement stipulated.

SATU MARE CONCESSION – HISTORY

- Serinus farmed-in to the Satu Mare Concession in 2008 and earned 60% working interest by funding 100% of work commitments for Exploration Phases 1 and 2.
- The Group has a 100% working interest in the concession as its partner has defaulted on its obligations under the Joint Operating Agreement. The Group filed a Request for Arbitration with the Secretariat of the International Court of Arbitration of the International Chamber of Commerce ("ICC") seeking a declaration affirming the Group's rightful claim of ownership of its defaulted partners' 40% participating interest and to compel transfer of that interest to the Group. In 2023 Serinus announced that it had received confirmation from the ICC that as a result of its partners' default under the Joint Operating Agreement, the defaulted partners' 40% participating interest in the Satu Mare concession will be transferred to Serinus Romania, directing the defaulted partner to take all necessary actions to formally transfer the 40% participating interest to Serinus.
- Serinus has completed all the phase 1 and 2 work commitments, as follows:
  - Acquired two 3D seismic surveys covering a total of 260 km^2 (80 km^2 Moftinu & 180 km^2 Santau Surveys).
  - Drilled four wells resulting in Moftinu gas discovery (Madaras-109, Moftinu 1000, 1001 & 1002bis wells).
- Completion of Phase 2 entitled Serinus to enter Exploration Phase 3.
- The Phase 3 work program included the following commitments:
  - To drill two wells: one well to a depth of 1,000m and one well to a depth of 1,600m.
    - Serinus drilled M-1007 (a re-drill of M-1001) and M-1003 (1,600m).
  - Renegotiated commitment - to drill two exploration wells: one well to a depth of 1,000m and one well to a depth of 1,600m. These wells replaced the previous commitment of 120 km^2 of 3D seismic.
    - The M-1008 well was drilled in February 2021 and qualified as the 1,000m commitment well and the Sancrai well was drilled in the second half of 2021 which qualified as the 1,600m well.
- The Group completed all of its commitments under the third exploration phase of the Satu Mare Concession Agreement, and in October 2021, received an additional two-year evaluation phase on the Satu Mare Concession until 27 October 2023. The Group agreed to the following work commitments over the term of this evaluation phase:
  - Phase 1: From 28 October 2021 to 27 October 2022, the Group was 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 Group was required to reprocess 30.1 km 2D seismic in the Santau-Nusfalau area at an estimated cost of $50,000.
- The Phase 1 work commitment was completed in 2022 and Phase 2 was completed early in 2023.
- The greater Moftinu gas field area has been declared a commercial field.
- In October 2023, the Group has received an additional exploration phase extension of the Satu Mare Concession in Romania. The extension is in two phases. The first phase of the extension is mandatory and is two years in duration starting on 28 October 2023. The work commitment for the first phase is the reprocessing of 100 kilometres of legacy 2D seismic as well as a 2D seismic acquisition program of 100 kilometres including processing the acquired seismic data. The second phase of the extension is optional and is two years in duration starting on 28 October 2025 with a work commitment of drilling one well within the concession area with no total drilling depth requirement stipulated.

Serinus generated the first gas production in the region in April 2019, after the successful completion of the Moftinu Gas Plant. The Moftinu Gas Project is the development of the shallow (800-1,000m), multi-zone Moftinu gas field.

The field has relatively low drilling and completion costs, with strong initial well production rates. Serinus also built a three-kilometre sales line that ties-in the Moftinu Gas Plant into the Transgaz pipeline, Abramut. The infrastructure created by Serinus in the Satu Mare area represents a very important addition and investment which has established the Group as one of the most significant investors in the area.

The Moftinu gas plant was designed at a capacity of 15 MMcf/d and can accommodate up to six flowlines. During 2024, production was predominantly comprised from well M-1004 averaging 0.3 MMcf/day (2023 – 0.6 MMcf/d). The Group continues to explore future drilling locations both within the existing field of Moftinu, and throughout the rest of the Satu Mare concession. The Group believes there are similar shallow gas fields to the Moftinu gas field, providing Serinus with additional low-cost shallow gas reserves.

TUNISIA

The Group currently holds two Tunisia concessions, each of which currently produces oil and gas (Sabria and Chouech Es Saida). This production has been sustained with a low-cost, low-risk development program, but has significant growth opportunities over the medium to long-term. The Group has no outstanding work commitments.

License	Serinus Working Interest	Approximate Gross Area (acres)	Expiry
Sabria	45% (ETAP 55%)	26,196	November 2028
Chouech Es Saida	100%	42,526	December 2027
Ech Chouech	100%	35,139	Expired June 2022
Sanrhar	100%	36,879	Relinquished 2021
Zinnia	100%	17,471	Relinquished 2021

The Group applied to extend the Ech Chouech licence which expired in June 2022. The Group is continuing its application to regain the licence once the licence process is formalised. The Group remains the only feasible operator for the Ech Chouech concession due to the proximity of the existing Group's facilities at Chouech Es Saida to the Ech Chouech oil field and legal privileges which the Group enjoys as a former title holder granting the Group pre-emptive rights for this concession.

Sabria

- Produced over 7.2 million boe (gross) to date.
- Large Ordovician light oil field with stable production from its large reserve base and long reserves life index.
- The Ordovician reservoir at Sabria contains 445 million bbl OIIP (P50), into which only eight wells (12 including re-entries) have been drilled. The reservoir comprises a large stratigraphic trap with a continuous oil column that spans the Upper Hamra, Lower Hamra and the El Atchane formations.
- Installation of artificial lift in the Sabria W-1 well will require a sidetrack. The sidetrack design has been completed and the procurement process for the long lead items was finalised. Plans for additional production enhancement through artificial lift are in place for other wells in the field.

Chouech Es Saida

- Produced over 4.0 million boe to date from the TAGI Formation in the Triassic reservoir.
- The deeper Silurian Acacus sands and the Tannezuft fan, which have been penetrated successfully and produced hydrocarbons from two wells in the concession, hold enormous growth potential for Serinus.
- The Silurian Acacus sands, which are hydrocarbon-charged in the Chouech block, are emerging in Southern Tunisia as a major new oil, condensate and gas play with exploration success rates of nearly 100%.
- The Group continued to optimise the performance of the pumps in Chouech Es Saida wells in 2024, resulting in steadily improving performance from the field.

RESERVES

GROUP NET 1P & 2P RESERVES – USING FORECAST PRICES

	2024			2023			
	Oil & Liquids (Mbbl)	Gas (MMcf)	Boe (Mboe)	Oil & Liquids (Mbbl)	Gas (MMcf)	Boe (Mboe)	Change
Tunisia							
Proved (1P)	2,900	6,710	4,018	2,220	4,070	2,898	38.65%
Probable	2,360	5,260	3,237	1,910	4,930	2,732	18.48%
Proved & Probable (2P)	5,260	11,970	7,255	4,130	9,000	5,630	28.86%
Romania							
Proved (1P)	0.95	1,310	219	0.4	1,100	183	19.67%
Probable	0.66	910	152	0.2	1,080	180	-15.56%
Proved & Probable (2P)	1.61	2,220	371	0.6	2,180	363	2.20%
Group							
Proved (1P)	2,901	8,020	4,238	2,220	5,170	3,081	37.54%
Probable	2,361	6,170	3,389	1,910	6,010	2,912	16.38%
Proved & Probable (2P)	5,262	14,190	7,627	4,130	11,180	5,993	27.26%

The upward revision in Group reserves was attributable to reclassification of certain volumes in Tunisia from Contingent Resources to Reserves and increased commodity prices that more than offset 2024 production. Given that the Ech Chouech licence had expired in June 2022, the Group reserves for the year ended 31 December 2024 and 2023 do not include reserves attributed to Ech Chouech. The Group had applied to extend the Ech Chouech licence but this expired and the Group intends to continue its application to regain the licence once the licence application process is formalised. No indication has been received that its application would not be successful once the process to re-apply becomes available and as such the Group has made the judgement that it will be able to regain the Ech Chouech licence and therefore no impairment has been charged to this asset. For the year ended 31 December 2021, the reserves report attributed 253Mboe of 2P Reserves to Ech Chouech.

CONTINGENT RESOURCES

The Tunisian contingent resources are related to two further potential development wells. Currently the specific contingency which would convert these contingent resources to reserves is the Group committing to the development program and setting out a development plan.

The Romanian contingent resources consist of the resources in two specific reservoir sand layers which are expected to be recovered from existing wells, but which will require additional completion work or future recompletion prior to the start of production. The specific contingency which would convert these resources to reserves is the Group's decision to recomplete the producing wells to access recovery of the gas resources from these sands, which is forecast to occur once production from the current producing sands have become depleted.

GROUP GROSS UNRISKED CONTINGENT RESOURCES – USING FORECAST PRICES

	2024			2023			
	Oil & Liquids (Mbbl)	**Gas** (MMcf)	**Boe** (Mboe)	**Oil & Liquids** (Mbbl)	**Gas** (MMcf)	**Boe** (Mboe)	**Change**
Tunisia							
1C Contingent Resources	400	1,000	567	500	1,500	750	-24.44%
2C Contingent Resources	1,000	2,900	1,483	1,600	4,300	2,316	-35.95%
3C Contingent Resources	1,900	5,300	2,783	2,800	7,900	4,116	-32.38%
Romania							
1C Contingent Resources	-	2,500	417	-	2,500	417	0.0%
2C Contingent Resources	-	4,300	717	-	4,300	717	0.0%
3C Contingent Resources	-	7,000	1,167	-	7,000	1,167	0.0%
Group							
1C Contingent Resources	400	3,500	983	500	4,000	1,167	-15.74%
2C Contingent Resources	1,000	7,200	2,200	1,600	8,600	3,033	-27.46%
3C Contingent Resources	1,900	12,300	3,950	2,800	14,900	5,283	-25.23%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Serinus is an oil and gas exploration, development and production Group whose strategic purpose is to develop and produce hydrocarbon natural resources. These business activities provide the energy essential to many of the processes and materials that support our daily lives but ultimately contribute to many of the environmental issues which are of concern to us today and in the future.

Climate change is an increasingly prominent issue, both globally and for our industry. Thirty percent of our production is natural gas which we view as a transition fuel towards a low-carbon economy. Our gas production is primarily utilised in the generation of electricity and as such displaces coal in that energy mix. In all net-zero carbon scenarios oil and gas will remain essential elements of energy supplies for decades to come, our role in this process is to deliver our operations as cleanly and efficiently as possible.

Whilst extractive industries are essential to our modern way of life, we are strongly aware of the wider range of responsibilities that industries such as ours have. In addition to the management and protection of the environment in those countries in which we operate we also have a clear responsibility to the welfare and the safety of our employees, our investors and stakeholders, local communities that may be impacted by our business, host governments and all of our business partners.

The COVID-19 pandemic reminds us that risk management needs to be dynamic and able to adapt to new threats and the Group quickly implemented stringent and effective protocols to protect our workforce from the risk of infection across all of its offices and operations, which included, amongst other measures, testing, on-site care and support, amended shift patterns and alternate working days. Safety of our staff and contractors remains a key concern.

Therefore, a long-term goal of the Group is to be a positive influence in the regions in which we operate through good corporate stewardship of our assets, our people and their communities. It is a key component of the ethos of Serinus that we maintain responsible and sustainable development while adhering to the highest operating standards and financial discipline. We carry out our operations in full compliance with relevant regulations and comply with all safety and environmental requirements and aim to conduct our business in an environmentally responsible manner. The Group has established an Environmental, Social and Governance ("ESG") Committee, led by the Chief Executive Officer, supported by other key personnel, and overseen by the Board, which reviews the policies and metrics under which we operate and measure ourselves and also evaluates the environmental framework being adopted and recommended, such as that of the Taskforce on Climate-Related Financial Disclosure ("TCFD"), in order to determine how we may best comply with these evolving disclosures.

Whilst the TCFD is currently voluntary for smaller companies, we are applying governance, risk management and strategy processes to manage climate-related financial risks and develop this within our ESG strategy and integrate into the corporate strategy, growth plans, capital allocation, operations and executive management key performance indicators.

The Sustainable Development Goals ("SDGs") as set out by the United Nations, particularly SDG 13 (Climate Action), are often referenced as reporting criteria for many energy companies. Serinus will continually evaluate at the Board level, through our ESG Committee, how this may be incorporated into our ESG reporting in an appropriate and relevant manner in the future.

ENVIRONMENT

Serinus has existing concession and licence holdings in Romania and Tunisia. Both asset portfolios cover extensive acreage but in vastly different topographic settings with the Satu Mare licence covering 2,949 km^2 in the north-west of Romania, across primarily agricultural farmland, while the two Tunisian concessions are located in the central and southern regions of the country in both remote desert and populated, agricultural environments.

Serinus' goal is to manage the distinct local environmental requirements of its operations in full compliance with the relevant regulations and to reduce our carbon footprint by minimising emissions and waste and mitigate the potential impact of our operations on the environment.

ROMANIA

Serinus Energy Romania has continued to present an excellent HSE track record through 2024, with a zero-frequency rate (per one-million-man hours worked) for Total Recordable Injuries across all sites (2023 - zero for Serinus Romania employees) and in January 2025 the Moftinu Gas Plant reached 2,109 accident-free days of continuous operation. There have been no spills or environmental incidents at the Moftinu Gas Plant since its commissioning in 2019. Serinus Romania has maintained full compliance with all of its regulatory and environmental obligations.

Serinus Energy Romania completed its annual certification inspection and is certified for ISO 14001:2015 (Environmental Management Systems), ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Occupational Health and Safety).

During 2024, energy use from grid electricity at the Moftinu Gas Plant was 314 MWh, 0.83% of the annual production of 37,827 MWh, compared with 315 MWH in 2023, which was 0.45% of that year's annual production of 69,910MWh.

Nine solar panels have been installed at the Moftinu gas plant which generated 27.44kWh of energy in 2024, offsetting the equivalent of 9.007kg of CO_2 emissions. Serinus Energy Romania continues to assess opportunities to expand its utilisation of solar power on its available sites.

During 2024, energy use from grid electricity at the Moftinu Gas Plant was 314 MWh which was 0.83% of the annual production of 37,827 MWh, compared with 315 MWh in 2023 which was 0.45% of the annual production of 69,910 MWh, compared with 317 MWh in 2022, which was 0.12% of that year's annual production of 267,582 MWh and compared with 314 MWh in 2021, which was 0.04% of that year's annual production of 747,015 MWh. Nine solar panels have been installed at the Moftinu gas plant which generated 27.44kWh of energy in 2024, offsetting the equivalent of 9,007kg of CO_2 emissions. Serinus Energy Romania continues to assess opportunities to expand its utilisation of solar power on its available sites

Flue gas emissions tests are performed annually, in accordance with the requirements specified in the environmental permit. The most recent test was undertaken in October 2024 which monitored an average CO_2 emission level of 0.55% of total flue gas, below the benchmark CO_2 threshold of 3.8%.

A Fugitive Emissions Monitoring Report was undertaken by a European accredited emission monitoring and pipeline integrity organisation, The Sniffers (www.the-sniffers.com), for the Moftinu Gas Plant in October 2024. The Group collected data and presented its report in accordance with the Environmental Protection Agency of the United States ("US EPA") "Method 21" EPA-453/R-95-017. The Sniffers has been accredited ISO 17025 by BELAC (the Belgian accreditation body) on 17 December 2017 for the Method: "EPA 21 Protocol for equipment leak emission estimates, 1995, EPA-453/R-95-017". All data and calculations were generated by proprietary software designed by The Sniffers called Sniffers Full Emission Management Platform "SFEMP". Measured parts per million values are converted to emission loss (kg/year). These calculations are based on US EPA "Correlation factors for Petroleum Industry". This method uses conversion factors depending on the source type and the measured value. The monitoring exercise completed a Leak Detection and Repair programme through which it identified a total of 2,760 potential emission sources, of which 26 were not accessible (a source of emission that cannot be measured as it cannot be reached physically or safely without additional tools and is recalculated to be representative of all sources) and 2,734 were accessible.

Of the 2,734 accessible potential emission sources identified, there were 30 registered leaks, being 1.09% of accessible sources and resulted in an emission loss of 3,025 kg/year. 22 leaks were detected above the Repair Definition threshold (the threshold concentration indicating obligatory repair of leaking sources which under the US EPA definition is 10,000 parts per million volume), amounting to 3,101 kg/year. The report concluded that a successful repair of the leak above Repair Definition could reduce the emission loss by 2,817 kg/year, equating to 95.87% of the total emission. The leaks have been repaired.

TUNISIA

Serinus Tunisia maintained a strong HSE track record through 2024, with a zero-frequency rate (per one-million-man hours worked) for Total Recordable Injuries across all sites (2023 – zero for Serinus Tunisia employees). There were no environmental incidents at Sabria and two minor incidents at Chouech Es Saida which were addressed and repaired. Serinus Tunisia has maintained full compliance with all of its regulatory and environmental obligations.

Environmental monitoring has been undertaken across all of our Tunisian fields since 2014 in compliance with legal requirements and the Group's responsibilities to the local environment. The annual environmental report for 2024 was submitted to the Agence Nationale de Protection de l'Environnement ("ANPE") in February 2025.

During 2024, the annual environmental monitoring was undertaken by Le Centre Mediterraneen d'Analyses ("CMA") at the Sabria and Chouech Es Saida fields, assessing: air emissions from stacks at both fields; air quality monitoring; groundwater monitoring; produced water; fresh water; soil sampling and noise pollution. The environmental monitoring programme for remote locations is reviewed by local management and implemented at all sites.

Stack air emission analysis and air quality monitoring was conducted at Sabria and Oum Chiah in September 2024. Analysis of the results demonstrated that the Group was in compliance with approved thresholds of groundwater and soil contaminants and required solid waste management. The Group's own review of air emissions showed compliance in all areas, in accordance with the air quality limits set by Decree No. 2018-447 of 18 May 2018 and Decree No.2010-2519 of 28 September 2010, except for carbon monoxide ("CO") emissions from older fixed equipment. The Group has investigated mitigation measures and a short and medium-term action plan with an enhanced preventative maintenance programme has been implemented to address this, including the refurbishment and overhaul of affected equipment. Ground water monitoring is conducted on a yearly basis from existing water wells drilled at Sabria. No evidence of pollution has been reported. Five piezometer wells were drilled at Sabria to monitor the ground water table in 2014 which continue to be monitored.

The water disposal project manages produced water production at Sabria. This formation water has high salinity (360 grams/litre) with traces of heavy metals. Until 2015, disposal at Sabria was conducted by discharge into lined surface pits for natural evaporation of fluids. The low efficiency of natural evaporation together with the ongoing need to construct additional lined pits led to the introduction of automated fracturing evaporator technology in 2015 and which has enabled the acceleration of evaporation of produced water through an automated and a more efficient process. At Sabria, 32,015 m^3 of produced water was disposed of in 2024 (2023 – 37,581 m^3) and at Chouech Es Saida 189,985 m^3 of produced water was evaporated from lined surface pits in 2024 (2023 – 196,770 m^3). The Group is exploring alternative solutions for the environmentally responsible disposal of produced water.

A review of environmental management at the Sabria fields was conducted by First North African Consultancy for the Environment ("FNAC" www.fnac-environment.com), an engineering consultancy, in September 2020. This was designed to review compliance at Sabria with Tunisian environmental regulations and analyse underground water and soil pollution in proximity to the water disposal project. The scope of this work included: the recovery, analysis and assessment of environmental and technical documents and reports related to the evaporation ponds; the analysis of all previous waste pit treatment operations and related reports; analysis of existing red register (hazardous waste) and blue register (domestic waste); coring and sampling investigations of the potential impacted areas (soil and underground water) within the Sabria field; water sampling and laboratory analysis from existing piezometers and production water discharge; and the performance of an environmental monitoring program of the potential impacted areas within Sabria field. The program was conducted in conjunction with representatives of ANPE and the environmental reports were submitted to ANPE. Results from the assessment showed below threshold levels of potential pollutants set under Tunisian regulations and equivalency with both groundwater and soil control samples. These demonstrated the efficacy of the water disposal project and the process of produced water storage in evaporation pits, with no evidence of leakage or overflow from the pits into the soil or groundwater. Subsequent to this review, recommendations from the report have been, and continue to be, implemented. The Group began air emissions monitoring at Sabria and Chouech in August 2015 and continues to do so.

Waste management procedures have been implemented in all locations in Tunisia and monitor a comprehensive range of waste products including industrial waste (dry cell batteries, lead acid batteries, empty gas cylinders, oil filters, used oil, contaminated waste, used fluorescent lighting), resource waste (diesel consumption), hazardous waste (sewage, medical waste), domestic waste (food waste, plastic bottles, cooking oil, paper) and office waste (plastic bottles, paper, printer cartridges, batteries). For example, 1,164 kg of paper and plastic bottles were recycled in the Tunis office in 2022, which decreased to 784 kg of paper and plastic bottles being recycled in 2023 and maintained at the same level 788 kg in 2024, as a result of training and greater awareness of wastage. Electricity consumption at the Tunis office in 2024 was 92,904 kWh lower than 2023 (110,337 kWh). At Sabria electricity consumption was 603,467 kWh (2023 – 601,259 kWh). Chouech is not connected to the electricity grid and power at Chouech is provided by on site gas generators. Fresh water consumption in 2024 at Sabria was 13,960 m^3 (2023 – 15,820m^3) and at Chouech, 21,716 m^3 (2023 – 26,498 m^3). Diesel consumption across all operational locations was 143 m^3 a 5 % decrease over 2024 (150m^3) but remains a significant reduction from 2019 (305m^3) reinforced by a combination of greater awareness of wastage, training, optimisation and more efficient transport management.

SOCIAL

Serinus seeks to ensure the health, safety, security and welfare of our employees and those with whom we work and to ensure that we have a workforce that is performing at its best and to contribute to the economic and social development of the countries in which we operate. Serinus Energy Romania has been certified for ISO 45001:2018 (Occupational Health and Safety).

The safety, security and welfare of all of our colleagues is a key priority for the Group and governs the manner in which we aim to conduct our business. Serinus has emergency response plans in place for all projects and assets. These plans are reviewed for relevance and updated by senior management annually. The plans are communicated to the workforce and personnel receive training to ensure they are competent to carry out their emergency roles. This is supplemented by periodic refresher training. Drills and training exercises are routinely carried out. Where relevant, the Group monitors the security situation at a local level and ensures that personnel are aware and appropriate measures are taken and updated as required. In Tunisia the HSSE team ensures the effective implementation of the Emergency Preparedness and Response Procedures and maintains and updates the Security Emergency Response Plan on a regular basis. In Romania, personnel at both the head office and on-site at the Moftinu gas plant receive monthly HSSE training for both local regulatory requirements and corporate policies.

We undertake a range of activities to continuously improve our HSE Management Plan to ensure that the Group's policy commitments are applied. Routine monitoring is undertaken to assess and improve performance and periodic audits are conducted. Our procedures are set out as corporate standards that define the Group expected practices within the whole organisation. The standards have been shared across the organisation and employees and contractors are trained as required at country level. In 2024, a total of 33 HSSE training drills and asset protection drills took place in Tunisia and 180 HSSE training sessions took place in Romania. Regular HSSE audits are undertaken to review policies and procedures with 45 internal HSSE and regular inspections audits completed in Tunisia in 2024 (2023 – 24) and an annual audit was undertaken by Lloyds Register for ISO certifications in Romania.

The Emergency Response Plan is recirculated to the Serinus team involved, prior to the launch of any major works campaign. These circulations are further supplemented by periodic refresher training, with drills and training exercises regularly carried out. In Romania, there have been no accidents since commencing production in 2019. There had been 2,078 days without accidents as at 31 December 2024. In Tunisia, there were 3,313 days with no accidents as at 31 December 2024. In 2024, there were no Lost Time Injuries recorded across both Tunisia and Romania operations, and we maintain a continuous focus on providing a safe working environment for our workforce. Our goal is to maintain this high level of safety and efficiency.

Our Code and Policies commit us to providing a workplace free of discrimination where all employees can fulfil their potential based on merit and ability. We value a diverse workforce and are committed to providing a fully inclusive workplace, which ensures we recruit and retain the highest calibre candidates while providing the right development opportunities to ensure existing staff have rewarding careers. Both the Romanian and Tunisian business units are led and managed by Romanian and Tunisian nationals respectively, and we currently have no expatriates in either of the business units. Our Romanian business is led by Ms. Alexandra Damascan and 17% of the staff in Romania are women, while in Tunisia 39% of the local head office are female. We value a diverse and equal opportunities workforce, and we aim to recruit locally in all jurisdictions as we believe in the quality of our staff and the available pool of talent in each local market.

Serinus' Anti-Slavery and Human Trafficking Policy commits the Group to act ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. The Group is also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the UK Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards. The prevention, detection and reporting of slavery in any part of our business or supply chains is the responsibility of all those working for the Group or under our control and they are encouraged to raise concerns about any issue or suspicion of slavery in accordance with our Whistleblowing policy.

Serinus Tunisia developed its Corporate Social Responsibility (CSR) program in conjunction with local communities and stakeholders to identify those areas which would make a significant impact to those groups, focussing on support for healthcare, education and culture in the local areas within which it operates. It has managed a program since 2013 to undertake this, with support and contributions for providing medical equipment to hospitals, repairing classrooms and school facilities, providing books for school libraries, improving nurseries and sponsoring local cultural events. Serinus Tunisia also participated in projects with local and regional authorities and other oil and gas companies operating in its areas, such as the Kébili CSR Consortium with which it has been involved with since 2015 and which promotes the regional development of the Governorate of Kébili, in collaboration with the regional authorities, the Ministry of Industry, Energy and Mines, ETAP and the oil and gas companies operating in the region (the "Kébili CSR Consortium"). Since 2015 the Kébili CSR Consortium has supported education programs, restored schools and providing facilities and infrastructure, health initiatives, purchasing medical equipment and renovations, and other social projects. The CSR program for Kébili also includes a cultural component with a specific focus on

encouraging women to preserve the local handicraft traditions amongst others by setting up and equipping a handicraft centre for women in Kébili. This project has a training and development component and will ensure the economic empowerment of women.

Social tensions and political instability in Tunisia, particularly in the southern regions, over the past few years has impacted the ability to execute many of these initiatives and CSR programs, but these initiatives have been an important part of maintaining the Group's relationships with local stakeholders throughout this period and it is expected that with renewed stability it will become possible to resume such support in the coming years.

GOVERNANCE

The Group recognises the importance of good corporate governance and is managed under the direction and supervision of the Board of Directors. As required under the AIM Rules, we have adopted and comply with a recognised corporate governance code, being the Quoted Companies Alliance Corporate Governance Code (the "Code") and set out a summary of how we comply with it on pages 31 to 34 of the Annual Report.

Serinus currently operates in Romania and Tunisia. Romania is allocated a mid-score on Transparency International's most recently published Corruption Perception Index ("CPI") and is ranked 65th out of 180 countries in the 2024 CPI with a score of 46, while Tunisia is ranked 92nd with a score of 39 on the same CPI. Neither country is designated as high risk, Romania is within the European Union, and both have well-evolved legal systems in place, however the Group's policies, procedures and working practices need to remain fit for purpose and be regularly reviewed and updated as required. The Group maintains internal control systems to guide and ensures that our ethical business standards for relationships with others are achieved.

Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. Our Anti-Bribery and Corruption ("ABC") programme is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, annual training for all personnel, requisite compliance declarations from all associated persons, Gifts and Hospitality declaration and comprehensive 'whistleblowing' arrangements.

RISK MANAGEMENT STATEMENT

The Group is subject to several potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the responsibility of the Board of Directors, and the Group has developed a range of internal controls and procedures in order to manage the risks. The following list outlines the Group's key risks and uncertainties and provides details as to how these are managed.

POLITICAL AND REGULATORY RISK

Operating in multiple jurisdictions poses a variety of political, regulatory and social environments, and risks, such as social unrest, political violence, corruption, expropriation, changes in the taxation environment and non-compliance with laws and regulations. Currently the Group is doing the following in order to mitigate this risk:

- Actively monitors political developments and maintains relationships with government, authorities and industry bodies, as well as with other stakeholders.
- Weekly reports assessing security, social unrest and political developments are provided to the Executive management team to allow for real time reaction to dynamic situations.
- Manages compliance with laws, regulations, taxes and contractual obligations by employing the requisite skills or engaging consultants to supplement internal knowledge.
- Internal policies and procedures, as well as monitoring of performance, help mitigate risks of non-compliance.
- Actively involved with the regulatory bodies of both operating units to ensure commitments are agreed upon and concessions may be extended as required.

OPERATIONAL AND DEVELOPMENT RISK

The nature of oil and gas operations brings risks such as equipment failure, well blow-outs, fire, pollution, performance of partners/contractors, delays in installing property, plant or equipment, unknown geological conditions and failure to achieve capital costs, operating costs, production or reserves. Staff recruitment, development and retention is also key to managing operational risk. Currently the Group is doing the following in order to mitigate this risk:

- Has extensive monitoring and review of HSE and crisis management policies and procedures.
- Follows strict tendering protocols, physical inspection of all contractor fabrication facilities and extensive financial due diligence of counterparties is designed to minimise contractor performance and counterparty credit risk.
- Carries adequate levels of insurance.
- Rigorous review processes when selecting vendors and contractors. Once engaged as a contractor the Group monitors contractor performance to ensure contractor compliance with Group policies.
- Rigorously monitors costs, actual to budget trends and adjusting forecasts on a frequent basis.
- Employs geological and technical experts to review data and work programs and undertakes an annual reserves review.
- Training and development opportunities are considered for all staff.
- Executive directors and senior staff have notice periods of between six and twelve months to ensure sufficient time to transfer responsibilities in the event of departure.
- Succession planning is considered regularly at board level.
- The Remuneration Committee meets at least once a year and as additionally required to evaluate compensation and incentivisation plans to ensure they remain competitive.

AVAILABILITY OF FINANCING

The risk that the Group will not be able to raise funds through debt or equity if required. Currently the Group is doing the following in order to mitigate this risk:

- Monitor the cash position by producing monthly cash projections to determine future cash flow requirements.
- Maintain a public listing of its equity on the Alternative Investment Market of the London Stock Exchange in order to access capital, if required.
- The Group is currently debt-free, with a low operating cost base and has continued to generate positive cashflows during 2024.
- The Board considers the structure and differing capital costs of a variety of possible sources of funds as well as the timing and access to the various capital markets.

FINANCIAL RISK

The Group is subject to commodity price volatility, interest rates, foreign exchange rate volatility and credit risk of counterparties. Currently the Group is doing the following in order to mitigate this risk:

- Actively monitoring the business, preparing monthly forecasts with various sensitivities (commodity prices, interest rates, foreign exchange rates) to ensure the Group can sustain all macroeconomic changes.
- Careful cost management to preserve financial flexibility in the event of economic or commodity price downturns.
- The Group has restructured its balance sheet and is now debt-free to create greater financial flexibility.
- Exposure to both oil and gas pricing diversifies commodity price risk.
- The Group's financial risk policies are set out in Note 4 to the financial statements.

ENVIRONMENTAL

Investor and lender sentiment may become adverse towards the oil and gas sector. Longer term reduction in demand for oil and gas may result in lower oil and gas prices. Currently the Group is doing the following in order to mitigate this risk:

- The Group's production in Romania is 100% gas, providing exposure to a cleaner, transition fuel.
- The Group's main source of production in Romania is a modern energy, emission efficient and highly automated gas plant limiting the environmental impact of the Group's production.
- The Group has in place strict emissions and environmental monitoring. Routine monitoring and third-party inspections for emissions, ground water contamination, solid waste management and soil protection are routinely performed in excess of all local government guidance.
- The Group's strategy is to maintain a low operating cost base in order to maintain operational flexibility in the event of lower commodity prices.

BOARD OF DIRECTORS AND MANAGEMENT TEAM

BOARD OF DIRECTORS

Łukasz Rędziniak

Chairman, Independent Director, Chair of Remuneration Committee, Member of the Environmental, Social, & Governance Committee

Appointed March 2016

Mr. Rędziniak is a graduate of the Faculty of Law and Administration of the Jagiellonian University.

Mr. Rędziniak is an Attorney and member of the District Bar Association in Warsaw. Between 1990 and 1991 he worked as an Assistant at the Faculty of Law and Administration of the Jagiellonian University. During the years 1991-1992 he was an in-house Lawyer at Consoft Consulting sp. z o.o. From 1997 to 2000 he worked as an Attorney - individual practice closely co-operating with Dewey Ballantine sp. z o.o. In the years 1993-2007 he worked in the law firm Dewey and LeBoeuf LLP and in 2001 he was appointed as a partner. Then, in the years 2007-2009 he was Undersecretary of State in the Ministry of Justice of the Republic of Poland. Since 2009 he was a Partner and Managing Partner at the Warsaw office at Studnicki, Płeszka, Ćwiąkalski, Górski sp. k. ~~In~~ Between 2013 and 2022, he worked as a Member of the Management Board at Kulczyk Investments S.A. He currently serves on the Management Board of Kulczyk Privatstiftung as well as Supervisory Board of Qemetica SA.

James Causgrove

Independent Director, Chair of the Reserves Committee, Member of the Audit Committee, Member of the Remuneration Committee, Member of the Environmental, Social, & Governance Committee

Appointed September 2017

Mr. Causgrove is an experienced Oil and Gas executive with over 40 years' experience. On March 31, 2019, Mr. Causgrove retired as COO of Harvest Operations Corporation and is now the President and principal consultant for Causgrove Energy West with a focus on energy opportunities in Western Canada. Mr. Causgrove offers both excellent technical engineering and business experience along with a strong track record in management and leadership in the oil and gas sector. Since 1979, working for first Chevron Corporation, then Pengrowth Energy Corporation, and finally Harvest Operations Corporation, Mr. Causgrove has gained experience and skills in virtually all facets of the oil and gas business; with a particular technical focus on drilling, production, operations, and midstream. Mr. Causgrove gained excellent field and technical experience with Chevron working in both the Canadian head office as well as many field offices and field sites. As well as his technical roles Mr. Causgrove spent time working in Joint Ventures, Human Resources, Strategic and Business Planning, and in the Midstream business. Mr. Causgrove gained valuable business insights as first a technical leader, then as a middle manager, and finally as an executive for Chevron, Pengrowth, and Harvest. In his roles as COO at Harvest and as Vice President at Pengrowth, Mr. Causgrove worked as part of the senior leadership team and worked closely with the Board of Directors.

Mr. Causgrove graduated with a Chemical Engineering degree from the University of Alberta and has earned his P. Eng designation in Alberta. Mr. Causgrove also holds the ICD.D designation from the Institute of Corporate Directors (ICD) in Canada.

Natalie Fortescue

Independent Director, Chair of the Environmental, Social, & Governance Committee, Interim Chair of the Audit Committee, Member of the Reserves Committee

Appointed March 2021

Ms. Fortescue is a chartered accountant and experienced capital markets professional with a background in corporate finance and investor relations. After a long investment banking career at Investec and as a corporate partner at Oriel Securities (now Stifel Europe), she joined Genel Energy plc to establish and lead an Investor Relations function. Following this, Ms. Fortescue spent six years at Premier Oil Plc in various corporate finance roles including capital markets transactions and debt refinancings. Ms. Fortescue has spent over 20 years advising companies on corporate finance transactions, fundraising, strategy, debt refinancing and restructurings, investor relations and the impact of corporate transactions on stakeholders. Current directorships/partnerships: FUTH Consulting Limited, Clean Power Hydrogen plc, Trustee of GB Wheelchair Rugby.

Ms. Fortescue has an undergraduate degree in Accounting and Finance from Kingston University.

Jeffrey Auld

Chief Executive Officer, Executive Director

Appointed September 2016

Mr. Auld has been involved with the international oil and gas business for over 30 years. In that time, he has managed companies and acted as an advisor to companies operating in the emerging markets oil and gas business. Mr. Auld has a depth of experience in corporate finance, mergers and acquisitions and strategic management.

Mr. Auld began his career in Canada and moved to the United Kingdom in 1995. He was the Commercial Manager for New Ventures for Premier Oil plc. Mr. Auld left Premier Oil and joined the Energy and Power team within the Mergers and Strategic Advisory group of Goldman, Sachs and Co. When Mr. Auld left Goldman Sachs, he joined PetroKazakhstan, a NYSE listed Group with assets in Kazakhstan, as a Senior Vice-President. After his time at PetroKazakhstan Mr. Auld became the Head of European Energy for Canaccord Genuity in London. Prior to joining Serinus Mr. Auld was the Head of EMEA Oil and Gas at Macquarie Capital in London.

Mr. Auld has an undergraduate degree in Economics and Political Sciences from the University of Calgary and a Masters of Business Administration with Distinction from Imperial College, London.

SENIOR MANAGEMENT

Vladislav Ryabov
Chief Financial Officer, Serinus Energy plc

Mr. Ryabov joined Serinus Energy Plc in March 2023 as Group Financial Controller and was promoted to Chief Financial Officer in September 2023. Mr. Ryabov started his career in public practice with Deloitte CIS in 2001 where he qualified as an accountant and in November 2007 moved to Deloitte UK in London. Mr. Ryabov's experience is spanning a variety of sectors including over nine-year tenure in public practice with Deloitte and over twelve years in the natural resources sector for oil & gas exploration and production operations in emerging markets, followed by most recent finance director role in the Saudi investment Group, all contributing to his development into experienced finance professional.

Mr. Ryabov has a Masters Degree in Finance and Banking as well as Bachelor's Degree in Finance and Accounting from the Tashkent State University of Economics.

Stuart Morrison
Chief Operating Officer, Serinus Energy plc

Mr. Morrison has over 36 years of oil and gas industry operational experience in numerous senior management roles. Early in his career he worked as a Petroleum and Reservoir Engineer with BP Research, British Gas, Sun Oil and Oryx Energy UK prior to joining Premier Oil in 1997. At Premier, Mr. Morrison assumed a variety of technical and management positions such as Chief Petroleum Engineer, Business Development Manager and Exploration Manager in corporate roles and business units such as the Middle East and Falkland Islands.

Mr. Morrison has a Masters Degree in Petroleum Engineering and a Bachelor's Degree in Chemical Engineering, both from Heriot-Watt University (Edinburgh).

Calvin Brackman
Vice President, External Relations & Strategy

Mr. Brackman has more than 25 years' experience in the oil & gas industry, both in the public and private sector. He started his career working for the Department of Natural Resources of the Government of Canada, before moving to a senior position in the Minerals, Oil & Gas Division of the Government of the Northwest Territories. In 2003, Mr. Brackman moved to London, UK, to join PetroKazakhstan Inc. as Director of Government Relations. In this position he developed and implemented strategies to reduce the Group's surface risk. Following the sale of PetroKazakhstan to CNPC in 2005, Mr. Brackman moved back to Canada and started a successful consulting practice, providing expert advice to various international companies and governments. In December 2016, he joined Serinus in his current role, working with the Group's management team and business units to develop and implement the Group's exploration and development strategies and oversee government and stakeholder relations.

Mr. Brackman has a Masters Degree in Economics from the University of Waterloo and a Bachelor's Degree in Economics from the University of Calgary.

Alexandra Damascan
President, Serinus Energy Romania S.A.

Ms. Damascan has been with Serinus Energy Romania since 2008 and as a senior executive with expertise in all areas of the global oil and gas industry. Ms. Damascan has been an integral piece to bringing the Romanian assets from the exploration phase to production in 2019. Prior to joining Serinus, Ms. Damascan was a partner in a medium size Romanian Group which handled technical and legal translations and language interpretation for different journals and professional magazines.

Ms. Damascan graduated from the Oil and Gas Institute as a Petroleum Engineer. Ms. Damascan also has a degree in Political Economics, an MBA in Business Transactions from the Academy of Economic Studies, a Law Degree and LLM in International Arbitration from the Romanian-American University and an MBA in Oil & Gas from the Oil and Gas Institute in Ploiesti, Romania. Ms. Damascan has also a Ph.D in Mining, Oil and Gas, from the Oil and Gas Institute in Romania.

Haithem Ben Hassen
President, Serinus Energy Tunisia B.V.

Mr. Ben Hassen joined Serinus Energy Tunisia B.V. in November 2014 as a Senior Project Engineer and was then promoted to Project Manager in May 2015. In January 2018, he was promoted to President of Serinus Energy Tunisia B.V. He has been responsible for the completion of numerous capital projects undertaken by Serinus Energy Tunisia B.V. He was also appointed to handle the technical aspect of the Moftinu Development Project in Romania.

Mr. Ben Hassen has over 20 years of experience in the oil and gas industry, as well as power plants and renewable energies. He has a very well-rounded breadth of knowledge including; project management, engineering, construction, completions, handover and closeout and operating, contract review, business plan development and budgeting and forecasting.

Mr. Ben Hassen has a degree in Mechanical Engineering from the École Polytechnique of Montréal in Canada.

CORPORATE GOVERNANCE STATEMENT

CHAIRMAN'S INTRODUCTION

The Group is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Group in order to effectively implement the business model which is the exploration and production of hydrocarbon resources from its current concessions in Romania and Tunisia.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Group faces as we seek to create sustainable growth over the medium to long-term. It is the role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Group's corporate governance model. The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code").

The report that follows sets out in summary terms how we comply with the Code to be read in conjunction with the Statement of Compliance with QCA Corporate Governance Code available on our website at

https://serinusenergy.com/shareholder-information

As an issuer listed on the Warsaw Stock Exchange, Poland ("WSE"), the Group was subject to, and followed, the recommendations and rules contained within the "Code of Best Practice for WSE Listed Companies 2021". These rules were adopted by the WSE Supervisory Board on 29 March 2021 (Resolution No. 13/1834/2021) and are accessible at:

https://www.gpw.pl/best-practice2021

https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/en/DPSN2021_EN.pdf

PRINCIPLE 1: ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES THE LONG-TERM VALUE FOR SHAREHOLDERS

- The Group's strategy is defined in the "Serinus Strategy" section of this Annual Report.
- The objective is to grow the hydrocarbon production of the Group through efficient allocation of shareholder capital to produce long-term return on investments for shareholders.
- In order to capitalise on the available opportunities and to mitigate the key challenges facing the Group, the Group has assembled a high-quality Board of Directors, and set of advisers with relative experience in the upstream oil and gas environment. The Group has been structured to give the Board the necessary oversight of all investment decisions of the Group.
- The long-term commercial success of the Group, meaning the capability to generate positive net revenues on a sustainable basis, will depend on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves.

PRINCIPLE 2: SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Group is committed to listening and communicating openly with its shareholders to ensure that its strategy, business model, and performance are clearly understood. Providing an open environment with investors and analysts allows us to build our relationships with these audiences, while providing the opportunity to further share our business model and allows us to drive our business forward. The initiatives taken by the Group to keep investors and analysts informed are as follows:

- Presenting quarterly results presentations online
- Investor roadshows
- Participating in online interviews
- Attending investor conferences
- Hosting capital markets days
- Timely disclosure of material information
- Regular reporting

The Directors understand the importance of building relationships with institutional shareholders and will make presentations when appropriate. The Directors welcome all feedback and concerns from shareholders and will implement the appropriate action as required. The Board is in active communication with the management team to ensure they are up to date on all recent corporate activities.

The Annual General Meeting ("AGM") is one forum for dialogue with shareholders and the Board. The results of the AGM are subsequently published on the Group's website.

PRINCIPLE 3: TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG TERM SUCCESS

Key stakeholders are as follows:

- Shareholders.
- Employees.
- Communities in which we operate (landowners, local authorities and local citizens).

Engaging with all stakeholders strengthens our relationships and allows for better business decisions to ensure the Group delivers on our commitments to all parties.

The Group also actively engages stakeholders near our operations as follows:

- Regular meetings with local authorities and governments providing progress updates as required.
- Town hall meetings are held with local citizens as required to discuss development plans.
- We seek the input of the communities in identifying the funding needs of different community initiatives.

PRINCIPLE 4: EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

- The Group has a risk register that outlines the key financial and operational risks which has been circulated to all management and Board members. A summary of these risks is included in the Risk Management Statement of this annual report.
- The Audit Committee monitors the integrity of the financial statements.
- The Audit Committee focuses particularly on compliance with legal requirements, accounting standards and the relevant rules for the listings the Group resides (AIM and Warsaw).
- The Board acknowledges that the Group's international operations may give rise to possible claims of bribery and corruption. The Board has adopted a zero-tolerance policy toward bribery and has reiterated its commitment to carry out business fairly, honestly, and openly.
- The Group has also adopted a share dealing code, in conformity with the requirements of Rule 21 of the AIM Rules for Companies.
- All material contracts are required to be reviewed and signed by a Director and reviewed by our external counsel.

PRINCIPLE 5: MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board comprises of a non-executive, independent Chairman, one Executive Director and two non-executive independent Directors. The Board is satisfied that it has a well-diversified and balanced team with varying levels of expertise in different facets of the business. This allows the Board to act effectively and efficiently in the best interests of the Group.

Directors' attendance at Board and Committee meetings during 2024 was as follows:

Director	Board	Audit Committee	Remuneration Committee	Environmental Social & Governance Committee	Reserves Committee
Total Meetings	**7**	**4**	**6**	**2**	**5**
Łukasz Rędziniak	6	1	6	2	1
Jeffrey Auld	6	4	1	2	5
James Causgrove	7	4	6	2	5
Natalie Fortescue	7	4	2	2	5
Jon Kempster[1]	3	2	4	-	-

[1] Jon Kempster resigned in July 2024.

Key Board activities this year included:

- Continued an open dialogue with the investment community.
- Discussed and evaluated strategic priorities and shareholder growth opportunities.
- Discussed internal governance processes.
- Reviewed the performance of the Group's advisers.
- Reviewed the Group's risk profile.
- Reviewed feedback from shareholders post quarterly and full year results.

The Group has effective procedures in place to monitor and deal with conflicts of interest. Since the non-executive Directors perform their duties on a part-time basis, the Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests must be reported to and, where appropriate, agreed with the rest of the Board. The executive director is full time with the Group.

The Group's Board has a broad range of relevant experience suitable for issues pertaining to the oversight of a publicly listed oil and gas Group. These include financial, legal, capital markets and technical. The Board of Directors and Management team section of this annual report contains the biographies and experience of each of the Directors and key management personnel.

PRINCIPLE 6: ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

Members of the Board are listed in the Board of Directors section of this Annual Report which also details their experience, skills and personal qualities. The Corporate Secretary of the Group during 2024 was Fairway Trust Limited. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including financial, legal, capital markets and technical skill sets. As the Board is a strong believer in diversity, the Board has one female director, Natalie Fortescue, and the President of the Romanian operations is Alexandra Damascan.

All Directors receive regular and timely information on the Group's operational and financial performance. Board members are provided with agendas and related materials in advance of all meetings. The Group's management provides the Board with a Monthly Directors' Report that contains share price performance, key financial and operating indices, cash flow forecast, capital expenditures, budget variance reports and commentary on the opportunities and risks facing the Group.

New Directors have access to the entire management team and other Directors to further develop their understanding of the business operations and risks. The Directors are encouraged to seek independent advice to ensure they are able to fulfil their duties at the expense of the Group.

PRINCIPLE 7: EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Group is constantly assessing the individual contributions of all Board members to ensure each member:

- Is actively contributing to the success of the Group.
- Is fully committed.
- Is maintaining their independence.

A process of formal Board and Committee evaluation was conducted during the last financial year by way of a comprehensive internal survey. The Board appreciates that an annual evaluation of the Board is crucial for effective governance and development of the Board's capabilities and effectiveness.

Periodically the non-Executive Directors discuss relevant succession planning with the CEO. These discussions focus on key individual risk as well as broader succession issues.

PRINCIPLE 8: PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Group maintains and annually reviews a handbook that includes clear guidance on what is expected of every employee. Adherence to these standards is a key factor in the evaluation of performance within the Group.

PRINCIPLE 9: MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Board meets at least four times annually in accordance with its scheduled quarterly meeting calendar. This may be supplemented by additional meetings if, and when required. During the year ended 31 December 2024, the Board met for seven scheduled meetings.

The Board and the Committees are provided with the agenda and other appropriate material on a timely basis in order to prepare for each meeting. Any Director may challenge Group proposals and after all relevant discussions, proposals are voted on. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by the Group's management.

The Board is responsible for the long-term success of the Group. There is a formal schedule of matters reserved for the Board. It is responsible for overall group strategy, approval of major investments, approval of the annual and interim results, annual budgets, and Board structure. It monitors the exposure to key business risks and reviews the annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Group.

The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board and implementing and overseeing the projects as they are approved by the Board. The terms of reference for the Chairman and CEO are on the Group's website at https://serinusenergy.com/shareholder-information.

The Board is supported by the audit, remuneration, ESG and reserves committees:

- The Audit Committee is responsible for the financial reporting and internal control principals of the Group, oversight of the CFO and the finance team and maintaining a relationship with the Group's auditors.
- The Remuneration Committee is responsible for the consideration, development and implementation of policy on executive remuneration and fixing remuneration packages of individual directors, so that no director shall be involved in deciding his or her own remuneration. The committee ensures remuneration is aligned to the implementation of the Group strategy and effective risk management, considering the views of shareholders, and is also assisted by executive pay consultants as and when required.
- The ESG Committee ensures the Group maintains the highest standards in environmental, social, and governance. The Committee is responsible for the composition of the Board of Directors and that the Board maintains proper levels of governance suitable to the size and activities of the Group.
- The Reserves Committee is responsible for overseeing the evaluation of the Group's petroleum and natural gas reserves, requiring a "Competent Person" (as such term is defined in "Note for Mining and Oil & Gas Companies" issued by AIM) to prepare a report (the "Report") of an evaluation of the Group's petroleum and natural gas reserves, and periodically meeting with the Competent Person and management to discuss the Report's preparation and results.

PRINCIPLE 10: COMMUNICATE HOW THE GROUP IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Group communicates with shareholders through the Annual Report and Accounts, full-year and quarterly announcements and the AGM. Corporate announcements, results and presentations are available on the Group's corporate website, www.serinusenergy.com. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Group's brokers. The Group communicates with institutional investors frequently through briefings with management. In addition, analysts' notes, and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

For the Group's shareholder meetings, any resolutions voted by shareholders that have a significant number of dissenting votes the Group will provide, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

REMUNERATION COMMITTEE REPORT

This remuneration report has been prepared by the Remuneration Committee and approved by the Board. This report sets out the details of the remuneration policy for the Directors and discloses the amounts paid during the year.

MEMBERSHIP

- Łukasz Rędziniak – Chairman
- James Causgrove

RESPONSIBILITIES

The aim of the Remuneration Committee is to:

- Attract, retain and motivate the executive management of the Group.
- To offer the opportunity for employees to participate in share option schemes to incentivise employees to enhance shareholder value and to retain employees.

To achieve the above, the Committee considers the following categories of remuneration:

- Annual salary and associated benefits.
- Share option plan and long-term share-based incentive plan.
- Performance based annual bonuses.

The terms of reference of the Remuneration Committee are set out below:

- To determine and agree with the Board the overall remuneration policy of the Chairman of the Board, the executive directors and other members of the executive management as designated by the Board to consider.
- Review the ongoing appropriateness and relevance of the remuneration policy.
- Approve the design and targets for, any performance related pay schemes and approve the total annual payments made under such schemes.
- Review the design of all share incentive plans for approval by the Board and determine whether awards will be made under the share incentive plans, including the number of awards to each individual and the performance targets to be used.
- To review and approve any, and all, termination payments.
- To review and monitor the remuneration trends across the Group and if required undertake a benchmarking exercise to compare against a peer group, obtaining reliable, up to date third party remuneration.

2024 ACTIVITY

The Committee met six times throughout the year (2023 – three times).

EXECUTIVE DIRECTORS' REMUNERATION

Compensation for the executive Directors is shown in US dollars[2] in the table below.

Director	Salaries	Benefits[3]	2024 Total	2023 Total
Jeffrey Auld	447,541	138,212	585,753	601,694

The 2024 compensation package above for the executive Director included salaries and benefits and are short-term in nature.

EXECUTIVE DIRECTORS' SHARE CAPITAL

The following tables outline the share options outstanding and shares[4] owned as at 31 December 2024 for the executive Directors. There have been no changes between 31 December 2024 and 14 March 2025.

Director	Share Options	LTIP Awards[5]	Shares
Jeffrey Auld	2,230,000	959,505	4,992,954

Stock Options

Director	Grant date	Strike Price	Share Options
Jeffrey Auld	22 Dec 2020	£0.20	1,880,000
Jeffrey Auld	27 May 2019	£0.20	100,000
Jeffrey Auld	03 Dec 2018	£0.20	250,000
			2,230,000

LTIP Awards

Director	Grant date	LTIP Awards
Jeffrey Auld	23 Oct 2024	959,505
		959,505

[2] The average GBP:USD rate for the year was 0.7821 (2023 – 0.8021).
[3] Benefits include annual performance bonus, medical insurance and UK pension scheme contributions.
[4] 2023 shares and options consists of share options, shares issued in lieu of salary, and LTIP awards. Share options are priced at the fair value on the grant date, calculated using Black Scholes, and amortised over the vesting period. Shares issued in lieu of salary, were issued at the average share price over the period related to the salary forgone. The LTIP awards were priced using the closing share price on the issuance date and have no vesting conditions. Both the shares issued in lieu and LTIP awards are fully expensed at date of issuance.
[5] Each LTIP award represents a right to acquire a share of the Group at $nil consideration.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive Directors receive a £30,000 annual fee, with each Chair receiving an additional £10,000 fee.

Director	Fees[6]	Share Options	2024 Total	2023 Total
Łukasz Rędziniak	63,934	-	63,934	62,338
James Causgrove	51,148	-	51,148	49,870
Natalie Fortescue	57,541	-	57,541	49,870
Jon Kempster[1]	25,574	-	25,574	49,870
	198,197	-	198,197	211,948

Łukasz Rędziniak, Chairman of the Remuneration Committee

14 March 2025

[6] The average GBP:USD rate for the year was 0.7821 (2023 – 0. 8021).

AUDIT COMMITTEE REPORT

This report addresses the responsibilities, the membership and the activities of the Audit Committee in 2024 up to the approval of the 2024 Annual Report and 2024 year-end Financial Statements.

MEMBERSHIP

- Natalie Fortescue – Interim Chairman
- James Causgrove

RESPONSIBILITIES

The main responsibilities of the Audit Committee are the following:

- Monitor the integrity of the annual and interim financial statements.
- Review the effectiveness of financial and related internal controls and associated risk management.
- Manage the relationship with our external auditors including plans and findings, independence and assessment regarding reappointment.

2024 ACTIVITY

The Committee met four times throughout the year (2023 – four times).

The Committee, together with the CFO, is responsible for the relationship with the external auditor. PKF Littlejohn LLP is the Group's auditor.

For the 2024 fiscal year-end, the Committee has reviewed the following significant financial reporting issues:

1. Carrying value of E&E and PP&E Assets
2. Decommissioning provisions
3. Corporate Risk Register
4. Going concern (see page 16 of this Annual Report or Note 2 of the Financial Statements)
5. Cash flow forecasts

As part of its oversight responsibilities, the Committee reviewed the effectiveness and suitability of the external auditor, PKF Littlejohn LLP, considering the auditor's independence, objectivity, and performance. The Committee discussed key audit matters with the auditor, including significant accounting judgments, the application of critical accounting policies, and areas of audit focus such as impairment assessments, decommissioning provisions, and going concern assumptions. Additionally, the Committee considered the auditor's approach to addressing risks, their findings, and their recommendations for enhancing financial reporting processes. Based on these discussions and its overall assessment, the Committee remains satisfied with the auditor's performance and independence.

INTERNAL CONTROLS AND RISK MANAGEMENT, WHISTLEBLOWING AND FRAUD

The Committee maintains a proactive approach to monitoring internal financial controls and risk management. During 2024, the Committee conducted a comprehensive review of internal controls within the financial reporting process, with particular emphasis on the recently implemented ERP system (Oracle NetSuite) and continued assessing the corporate risk register and whistleblowing arrangements.

Natalie Fortescue, Interim Chairman of the Audit Committee

14 March 2025

REPORT OF THE DIRECTORS

The Directors' present their report, together with the audited consolidated financial statements of Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Group is oil and gas exploration and development.

DIRECTORS AND DIRECTORS' INTERESTS

Directors who held office during the year, their remuneration and interests held in the Group are detailed in the Remuneration Report. Directors' biographies for those holding office at the end of the year are detailed in the Board and Management Team section of this annual report.

SUBSTANTIAL SHAREHOLDERS

As of the date of issuing this report, management is aware of the following shareholders holding more than 3% of the ordinary shares of the Group, as reported by the shareholders to the Group:

Xtellus Capital Partners Inc	29.98%
Crux Asset Management	6.38%
Michael Hennigan	7.48%
Quercus TFI SA	6.07%
Jeffrey Auld	3.92%
Marlborough Fund Managers	3.15%
Spreadex LTD	3.20%

RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated Statement of Comprehensive Loss. The results are further discussed in the CFO Report on pages 10 to 16 of this Annual Report.

The Directors do not recommend payment of a dividend in respect of these financial statements (2023 - $nil).

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The directors have elected to prepare accounts under IFRS as adopted by the United Kingdom for all purposes except for the financial statements for the purposes of the Warsaw Stock Exchange filing which are prepared under European Union ("EU") endorsed IFRS.

Under Group law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Group and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether they have been prepared in accordance with IFRSs as adopted by the United Kingdom, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business (note 2).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT OF DISCLOSURE TO AUDITORS

As far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that they ought to have undertaken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITORS

PKF Littlejohn LLP has indicated its willingness to continue in office, and a resolution that they are appointed will be proposed at the next annual general meeting.

On behalf of the Board

Jeffrey Auld, Chief Executive Officer

14 March 2025

PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERINUS ENERGY PLC

Opinion

We have audited the group financial statements of Serinus Energy Plc (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of The Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- Assessing any key cost and income streams included in the group cash flow forecast which has been prepared by the directors for a period of no less than twelve months from the date of approval of these financial statements. We reviewed management's sensitised versions of the cash flow forecast to assess whether a downturn could lead to future concerns.
- Challenging and critiquing the directors' assumptions included in the cash flow forecast and agreeing the inputs to evidence obtained during the course of the audit and the understanding of the business obtained during the course of the audit.
- Assessing management's price forecasts for oil and gas respectively to obtain an understanding of the appropriateness of these price inputs.
- Reviewing and considering the adequacy of the disclosure within the financial statements relating to the directors' assessment of the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. No significant changes have come to light through the audit fieldwork which has required a revision of our materiality figure.

We calculated group materiality at 1.5% of gross assets (2023: 1%), which resulted in a figure of $964,000 (2023: $785,000). Gross assets were determined as an appropriate basis for materiality because the principal focus of the group in 2024 remained on the development of its oil and gas assets in Tunisia and Romania.

Overall Materiality for the significant components of the group ranged from $396,500 to $634,000 (2023: $210,000 to $500,000), based on 1.5% (2023: 1%) of gross assets for each component.

Group performance materiality was set at $674,000, up from $510,250 in the prior year due to the increase in overall materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of $48,000 (2023: $39,250), calculated as 5% of overall materiality. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain. These included, but were not limited to the carrying value of both the production assets and exploration & evaluation assets, and the completeness and accuracy of the decommissioning provision. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our group audit scope focused on the principal areas of operation, being Romania and Tunisia. Each component was assessed as to whether they were significant or not significant to the group by either their size or risk. The parent Company and two operating subsidiaries were considered to be significant due to identified risk and size. We have performed the audit of the parent Company that is registered in Jersey. The two key components are located in Romania and Tunisia and have been subject to full scope audits by component auditors. As group auditors we maintained oversight and regular contact with the component auditor throughout all stages of the audit and we were responsible for the scope and direction of their work.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Carrying value of development and production assets (see notes 11 and 12)	
The group's total development and production assets are highly material and are key to the group's operations. The total net book value of development and production assets has decreased from $66.7m as at 31 December 2023 to $55.1m as at 31 December 2024, mainly due to impairments recognised during the year. Management are required to assess at the end of the reporting period as to whether there are any indications of impairment in line with IAS 36. If such indicators are identified, the entity is required to estimate the recoverable amount. The assessments undertaken by management in undertaking these impairment reviews include significant judgements and estimates. These key judgements and estimates relate toproved and probable reserves, forecasted commodity prices, expected production, future development costs and discount rates. There is the risk that the group's development and production assets are impaired and that the judgements and estimates made in the calculations are inappropriate.	The audit team obtained a detailed understanding of the business of Serinus Energy plc, to ensure that appropriate audit procedures were performed. As part of the audit work performed, the audit team specifically: • Held meetings with management to assess and challenge their assertions related to the operating activity and development of the assets undertaken in the year and future plans; • Considered Managements' conclusions in respect of the appropriate identification of the Group's cash generating units '(CGUs') against the requirements of the accounting standard; • Examined licence concession agreements and supporting documentation in order to assess that appropriate legal and beneficial ownership percentages had been considered by Management in their CGU assessment; • Obtained the most recently available communication with regards to the Ech Chouech licence and an understanding of whether the costs capitalised in relation to this licence should be carried on the balance sheet; • Reviewed Management's impairment indicators assessment for each CGU against the criteria in the accounting standard in order to determine whether their assessment is complete and in accordance with the requirements; • Performed an independent assessment of financial and non-financial data for potential impairment indicators; • Compared the actual operating performance for each CGU for the year back to the Group's historic figures in order to assess whether the CGUs

	operated in line with forecasts and in order to assess the Group's ability to forecast reliably; • Assessing the competence of the internally prepared reserve report and reviewing the reasonableness of the key inputs in the report by comparing the data to publicly available data; • Obtained and reviewed the key inputs in the Group's Discounted Cash Flow models and challenged the reasonableness of the key inputs included in the models such as oil prices, reserves, capex, interest rates and discount rates; and • Tested the mathematical integrity of the Group's model and ensured that the basis of preparation of the model is in line with our expectations. Based on the audit work performed and the challenge of management we do not consider the carrying value of development and production assets to be materially misstated. It is however important to draw users' attention to the fact that the net value ($4.6m) of the Ech Chouech licence area is dependent on the successful renewal of this licence. Failure to obtain the necessary licence renewals may result in an impairment to the carrying value of the linked development and production assets held.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the industry sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from AIM Rules for Companies January 2021, The Companies (Jersey) Law 1991, IFRSs, Health and Safety Regulations and License requirements and local laws and regulations applicable in the jurisdictions where the group has operations. The team remained alert to instances of non-compliance with laws and regulations throughout the audit.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to: enquiries of management; review of minutes of meetings; review of Regulatory News Service announcements and correspondence.
- We have also discussed among the engagement team how and where fraud might occur and any potential indicators of fraud. We then challenged the key assumptions made by management in respect of their significant accounting estimates (see key audit matter).
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- The component auditors performed audit procedures for each of the components, based on the instructions issued to them by us. This included reviewing journal entries for evidence of material misstatement due to fraud; reviewing accounting estimates, judgements and assumptions for evidence of management bias; and performing a review of the bank transactions to ensure appropriate authorisation.
- The audit team was in constant communication with the component auditors during the component audits, including regular discussions on those areas that were of concern to the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilitieshttp://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-forhttps://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1). This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 05 November 2024. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
14 March 2025

15 Westferry Circus
Canary Wharf
London E14 4HD

Serinus Energy plc
Consolidated Statement of Comprehensive Income for the year ended 31 December 2024
(US$ 000s, except per share amounts)

	Note	2024	2023
Revenue	6	**15,401**	17,875
Cost of sales			
Royalties		**(1,879)**	(2,054)
Windfall tax		**(340)**	(783)
Production expenses		**(8,130)**	(8,013)
Depletion and depreciation	11, 13	**(3,653)**	(4,572)
Total cost of sales		**(14,002)**	(15,422)
Gross profit		**1,399**	2,453
Administrative expenses		**(3,409)**	(4,928)
Share-based payment expense	7	**(221)**	(3)
Total administrative expenses		**(3,630)**	(4,931)
Impairment expense	11,12	**(5,666)**	(6,965)
Release of provision	23	**-**	-
Decommissioning provision recovery	18	**68**	16
Gain on disposal of assets		**37**	-
Operating loss		**(7,792)**	(9,427)
Finance expense	8	**(793)**	(1,923)
Net loss before tax		**(8,585)**	(11,350)
Tax expense	9	**(1,128)**	(1,672)
Loss after taxation attributable to equity owners of the parent		**(9,713)**	(13,022)
Other comprehensive income		**-**	-
Total comprehensive loss for the year attributable to equity owners of the parent		**(9,713)**	(13,022)
Loss per share:			
Basic	10	**(0.08)**	(0.11)
Diluted	10	**(0.08)**	(0.11)

The accompanying notes on pages 51 to 74 form part of the consolidated financial statements

Serinus Energy plc
Consolidated Statement of Financial Position as at 31 December 2024
(US$ 000s, except per share amounts)

As at	Note	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	11	**44,441**	56,032
Exploration and evaluation assets	12	**10,666**	10,703
Right-of-use assets	13	**664**	498
Total non-current assets		**55,771**	67,233
Current assets			
Restricted cash	14	**1,135**	1,171
Trade and other receivables	15	**5,402**	8,137
Product inventory	16	**653**	698
Cash and cash equivalents	14	**1,368**	1,335
Total current assets		**8,558**	11,341
Total assets		**64,329**	78,574
Equity			
Share capital	17	**401,641**	401,426
Share-based payment reserve	7	**25,108**	25,560
Treasury shares	17	**-**	(458)
Accumulated deficit		**(409,091)**	(399,378)
Cumulative translation reserve		**(3,372)**	(3,372)
Total equity		**14,286**	23,778
Liabilities			
Non-current liabilities			
Decommissioning provision	18	**18,251**	24,004
Deferred tax liability	19	**12,081**	12,125
Lease liabilities	20	**504**	424
Other provisions	21	**1,317**	1,317
Total non-current liabilities		**32,153**	37,870
Current liabilities			
Current portion of decommissioning provision	18	**9,446**	6,720
Current portion of lease liabilities	20	**177**	137
Accounts payable and accrued liabilities	22	**8,267**	10,069
Total current liabilities		**17,890**	16,926
Total liabilities		**50,043**	54,796
Total liabilities and equity		**64,329**	78,574

The accompanying notes on pages 51 to 74 form part of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 March 2025 and were signed on its behalf by:

Natalie Fortescue
Director, Chair of the Audit Committee

Jeffrey Auld
Director

Serinus Energy plc
Consolidated Statement of Shareholder's Equity for the year ended 31 December 2024
(US$ 000s, except per share amounts)

	Note	Share capital	Share-based payment reserve	Treasury Shares	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance at 31 December 2022		**401,426**	**25,557**	**(455)**	**(386,356)**	**(3,372)**	**36,800**
Income for the year		-	-	-	(13,022)	-	(13,022)
Other comprehensive loss for the year		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(13,022)	-	(13,022)
Transactions with equity owners							
Share-based payment expense		-	3	-	-	-	3
Shares purchased to be held in Treasury		-	-	(3)	-	-	(3)
Balance at 31 December 2023		**401,426**	**25,560**	**(458)**	**(399,378)**	**(3,372)**	**23,778**
Income for the year		-	-	-	(9,713)	-	(9,713)
Other comprehensive loss for the year		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(9,713)	-	(9,713)
Transactions with equity owners							
Share issuance		-	-	-	-	-	-
Share-based payment expense		-	221	-	-	-	221
Options exercised		215	(673)	458	-	-	-
Balance at 31 December 2024		**401,641**	**25,108**	**-**	**(409,091)**	**(3,372)**	**14,286**

The accompanying notes on pages 51 to 74 form part of the consolidated financial statements

Serinus Energy plc
Consolidated Statement of Cash Flows for the year ended 31 December 2024
(US$ 000s, except per share amounts)

	Note	2024	2023
Operating activities			
Income for the year		**(9,713)**	(13,022)
Items not involving cash:			
Depletion and depreciation	11, 13	**3,653**	4,572
Impairment expense	11, 12	**5,666**	6,965
Share-based payment expense	7	**221**	3
Tax expense	9	**1,128**	1,672
Accretion expense on decommissioning provision	18	**1,667**	1,801
Change in other provisions	21	**-**	(41)
Foreign exchange (gain) / loss		**(705)**	192
Decommissioning provision recovery		**(68)**	(16)
Other income		**23**	(59)
Gain on disposal of assets		**(37)**	-
Income taxes paid		**(727)**	(192)
Funds from operations		**1,108**	1,875
Changes in non-cash working capital	25	**(243)**	66
Cashflows from operating activities		**865**	1,941
Financing activities			
Lease payments	20	**(376)**	(184)
Proceeds from equity issuance		**90**	-
Shares purchased to be held in treasury	17	**-**	(3)
Cashflows used in from financing activities		**(286)**	(187)
Investing activities			
Capital expenditures	25	**(464)**	(5,298)
Proceeds on disposition of property, plant and equipment		**-**	-
Cashflows used in investing activities		**(464)**	(5,298)
Change in cash and cash equivalents		**115**	(3,544)
Cash and cash equivalents, beginning of year	14	**1,335**	4,854
Impact of foreign currency translation on cash		**(82)**	25
Cash and cash equivalents, end of year	14	**1,368**	1,335

The accompanying notes on pages 51 to 74 form part of the consolidated 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 Group whose ordinary shares are traded under the symbol "SENX" on AIM and "SEN" on the WSE.

The consolidated financial statements for Serinus include the accounts of the Group and its subsidiaries for the years ended 31 December 2024 and 2023.

2. BASIS OF PRESENTATION

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The consolidated financial statements have been prepared on a historical cost basis except as noted in the accompanying accounting policies.

The consolidated financial statements of the Group for the 12 months ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom applied in accordance with the provisions of the Companies (Jersey) Law 1991. The directors have elected to prepare accounts under IFRS as adopted by the United Kingdom for all purposes except for the financial statements for the purposes of the Warsaw Stock Exchange filing which are prepared under European Union ("EU") endorsed IFRS. No material differences have been noted between EU IFRS and UK IFRS for the year ended 31 December 2024.

These consolidated 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.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Operational Summary, the Chairman's Letter and the Letter from the CEO. The financial position of the Group is described in these consolidated financial statements and in the Report from the CFO.

The Directors have given careful consideration to the appropriateness of the going concern assumption, including cashflow forecasts through the going concern period and beyond, planned capital expenditure and the principal risks and uncertainties faced by the Group. This assessment also considered various downside scenarios including oil and gas commodity prices, accelerated decommissioning and production rates. Following this review, the Directors are satisfied that the Group has sufficient resources to operate and meet its commitments as they come due in the normal course of business for at least 12 months from the date of these consolidated financial statements. In the event of sustained oil price volatility, delays in receiving the anticipated VAT refund in Romania, and the inability to secure the necessary funding for the capital program, the Group will maintain adequate resources and liquidity to continue operations and fulfil its obligations as they become due in the normal course of business for at least 12 months from the date of these consolidated financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

The consolidated financial statements include the results of the Group and all subsidiaries. Subsidiaries are entities over which the Group has control. All intercompany balances and transactions, and any recognised gains or losses arising from intercompany transactions are eliminated upon consolidation. Serinus has three directly held subsidiaries, Serinus Energy Canada Inc., Serinus Holdings Limited and Serinus Petroleum Consultants Limited. Through Serinus Holdings Limited, the Group has the following indirect wholly-owned subsidiaries: Serinus Energy Romania Trading S.r.l, Serinus Energy Romania S.A., SE Brunei Limited, AED South East Asia Limited and Serinus Tunisia B.V. 99.999996% of Serinus Energy Romania S.A. is held by Serinus Holdings Limited, with Serinus Tunisia B.V. owning the remaining 0.000004% of Serinus Energy Romania S.A. On 21 December 2022, the Group completed a reorganisation whereby the interests in Serinus Tunisia B.V. and Serinus Energy Romania S.A. were transferred from Serinus B.V. to Serinus Holdings Limited. On 9 August 2022 KOB Borneo Limited was struck off and on 17 August 2022, the liquidation of Serinus B.V. was completed.

Some of the Group's activities are conducted through jointly controlled assets. The consolidated financial statements therefore include the Group's share of these assets, associated liabilities and cashflows in accordance with the term of the arrangement. The Group's associated share of revenue, cost of sales and operating costs are recorded within the Statement of Comprehensive Income.

Basis of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including:

- The size of the Group's voting rights relative to both the size and dispersion of other parties.
- Substantive potential voting rights held by the Group and by other parties.
- Other contractual arrangements.
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between group companies are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

(b) Segment information

Operating segments have been determined based on the nature of the Group's activities and the geographic locations in which the Group operates and are consistent with the level of information regularly provided to and reviewed by the Group's chief operating decision makers.

(c) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the Group's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the year-end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign currency translation

In preparing the Group's consolidated financial statements, the financial statements of each entity are translated into U.S. dollars, the presentational currency of the Group. The assets and liabilities of foreign operations that do not have a functional currency of US dollars are translated into US dollars using exchange rates at the reporting date. Revenues and expenses of foreign operations are translated into US dollars using foreign exchange rates that approximate those on the date of the underlying transaction. Significant foreign exchange differences are recognised in Other Comprehensive Income.

If the functional currency changes from a foreign currency to the Group's reporting currency, translation adjustments for prior periods remain in equity and the translated amounts for non-monetary assets at the end of the prior period become the accounting basis for those assets in the period of the change and subsequent periods.

(d) Revenue recognition

The Group earns revenue from the sale of crude oil, natural gas and natural gas liquids. Royalties are recorded at the time of production.

Revenue from the sale of crude oil, natural gas and natural gas liquids is recorded when performance obligations are satisfied. Performance obligations associated with the sale of crude oil are satisfied at the point in time when the products are delivered to the loading terminal and the volumes and prices have been agreed upon with the customer, which is considered to be the point at which the Group transfers control of the product.

Performance obligations associated with the sale of natural gas and natural gas liquids are satisfied upon delivery to the respective concession delivery points, which is where the Group transfers control.

(e) Windfall tax

Within the Romanian operating segment, the Group incurs a windfall tax if the realised price of gas exceeds a price set by the Romanian authorities. The windfall tax is recognised on a production basis and is shown as a cost of sale.

(f) Share-based compensation

The Group reflects the economic cost of awarding share options to employees and Directors by recording an expense in the Consolidated Statement of Comprehensive Income equal to the fair value of the benefit awarded. The expense is recognised in the Consolidated Statement of Comprehensive Income or Loss over the vesting period of the award. Fair value is measured by use of a Black-Scholes model which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share awards issued under the Group's LTIP comprise of a right to acquire a share of the Group at no cost and are valued at the closing price on the date of issuance. There are no vesting conditions for these awards, therefore the full value of the awards are expensed upon issuance and carried within the Group's share-based payment reserve.

Shares issued in lieu of salary are issued to the equivalent amount of salary forfeited. In determining the number of shares awarded, the Group uses the volume weighted average share price for the equivalent period of the salary forfeited. As there are no vesting conditions for these shares, they are fully expensed during the period the salary was forfeited and are recorded within Share Capital.

When a share option modification is completed, the Group compares the original fair-value of the share option on the modification date, to the modified fair-value on the modification date. If the fair-value of the modified share option is lower than the original fair-value, no adjustment is required as the original fair-value is the minimum the Group is required to expense. The increase in incremental fair-value is expensed over the remaining vesting period. If the share option is fully vested, the incremental fair-value is expensed immediately through profit and loss and carried under the share-based payment reserve.

(g) Taxes

Current and deferred income taxes are recognised in profit or loss, except when they relate to items that are recognised directly in equity or other comprehensive income, in which case the current and deferred taxes are also recognised directly in equity or other comprehensive loss, respectively. When current income tax or deferred income tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current income taxes are measured at the amount expected to be paid to or recoverable from the taxation authorities based on the income tax rates and laws that have been enacted at the end of the reporting period.

The Group follows the balance sheet method of accounting for deferred income taxes, where deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates expected to apply when the assets are realised, or the liabilities are settled. Deferred income tax balances are adjusted for any changes in the enacted or substantively enacted tax rates and the adjustment is recognised in the period that the rate change occurs.

Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred income tax assets and liabilities are only offset where they arise within the same entity and tax jurisdiction. Deferred income tax assets and liabilities are presented as non-current.

Taxes in Tunisia are prepaid based on the prior year tax balance, and are used to reduce future taxes payable, and may not be refunded. The Group classifies these as prepaid taxes when they are paid. The Group reassesses the likelihood that these prepaid taxes will result in a benefit to the Group, and to the extent that these are deemed to have no value, the Group includes this through profit and loss as a tax expense.

(h) Cash and cash equivalents and restricted cash

Cash and cash equivalents include short-term investments such as term deposits held with banks or similar type instruments with a maturity of three months or less. Restricted cash is comprised of cash held in trust by

a financial institution for the benefit of a third party as a guarantee that certain work commitments will be met. Once the work commitments are met, the restricted cash is released from the trust and returned to cash.

(i) Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are subsequently measured at amortised cost.

Classification and measurement of financial assets

The initial classification of a financial asset depends upon the Group's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Group classified its financial assets:

i. Amortised costs: includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cashflows that represent solely payments of principal and interest;

ii. Fair value through other comprehensive income ("FVOCI"): includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or

iii. Fair value through profit or loss ("FVTPL"): includes assets that do not meet the criteria for amortised cost or FVOCI and are measured at fair value through profit or loss.

The Group's cash and cash equivalents, restricted cash and trade receivables and other receivables are measured at amortised cost.

Trade receivables and other receivables are initially measured at fair value. The Group holds trade receivables and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Trade receivables and other receivables are presented as current assets as collection is expected within 12 months after the reporting period.

The Group has no financial assets measured at FVOCI or FVTPL.

Impairment of financial assets

The Group recognised loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortised cost. Due to the nature of its financial assets, the Group measures loss allowances at an amount equal to the lifetime ECLs. Lifetime ECLs are the anticipated ECLs from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses.

Classification and measurement of financial liabilities

A financial liability is initially measured at amortised cost or FVTPL. A financial liability is classified and measured at FVTPL if it is held-for-trading, a derivative or designated as FVTPL on initial recognition.

The Group's accounts payable and accrued liabilities, lease liabilities and long-term debt are measured at amortised cost. Accounts payable and accrued liabilities are initially measured at fair value and subsequently measured at amortised cost. Accounts payable and accrued liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Long-term debt is initially measured at fair value, net of transaction costs incurred. The contractual cash flows of the long-term debt are subsequently measured at amortised cost. Long-term debt is classified as current when payment is due within 12 months after the reporting period.

The Group has no financial liabilities measured at FVTPL.

The Group characterises its fair value measurements into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

Level 1: inputs are quoted prices in active markets for identical assets and liabilities;

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

(j) Exploration and evaluation ("E&E") and Property, plant and equipment ("PP&E")

i. Exploration and evaluation expenditures

Pre-license costs are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred.

E&E costs, including the costs of acquiring licenses and directly attributable general and administrative costs, are capitalised as E&E assets. The costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability.

E&E assets are assessed for impairment when (i) facts and circumstances suggest that the carrying amount exceeds the recoverable amount, or (ii) sufficient data exists to determine technical feasibility and commercial viability, and the assets are to be reclassified.

The technical feasibility and commercial viability of extracting a resource is considered to be determinable based on several factors including the assignment of proved or probable reserves. A review of each exploration license or field is carried out, at least annually, to ascertain whether the project is technically feasible and commercially viable. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to a separate category within PP&E referred to as oil and natural gas interests.

ii. Development and production costs

Items of PP&E, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into cash generating units ("CGU") for impairment testing and categorised within property and equipment as oil and natural gas interests. PP&E is comprised of drilling and well servicing assets, office equipment and other corporate assets. When significant parts of an item of PP&E, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of PP&E, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of PP&E and are recognised within profit or loss.

iii. Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred. Such capitalised costs generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is recognised. The costs of the day-to-day servicing of PP&E are recognised in profit or loss as incurred.

iv. Depletion and depreciation

The net carrying value of development or production assets is depleted using the unit-of-production method based on estimated proved and probable reserves, taking into account future development costs, which are estimated costs to bring those reserves into production. For purposes of the depletion assessment, petroleum and natural gas reserves are converted to a common unit of measurement on the basis of their relative energy content where six thousand cubic feet ("Mcf") of natural gas equates to one barrel of oil.

Certain of the Group's assets are not depleted based on the unit of production method as they relate to infrastructure, corporate and other assets. Such plant and equipment items are recorded at cost and are depreciated over the estimated useful lives of the asset using the declining balance basis at rates ranging from 20% to 45%. The expected lives of other PP&E are reviewed on an annual basis and, if necessary, changes in expected useful lives are accounting for prospectively.

v. Impairment

The carrying amounts of the Group's PP&E are reviewed whenever events or changes in circumstances indicate that that the carrying value of an asset may not be recoverable and at a minimum at each reporting date. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGUs). The recoverable amount is then estimated. The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

Value-in-use is generally computed as the present value of the future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, expected to be derived from production of proved and probable reserves.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation if no impairment loss had been recognised.

vi. Corporate assets

Corporate assets consist primarily of office equipment and computer hardware. Depreciation of office equipment and computer hardware is provided over the useful life of the assets on the declining balance basis between 20% and 45% per year.

(k) ROU asset and lease liabilities

Serinus does not act as a lessor, and therefore this policy solely reflects Serinus acting in the manor of a lessee. Serinus recognises a right-of-use asset and an offsetting lease obligation on the date the asset is available to the Group for use. The asset and lease obligation are initially measured at the present value of the future lease payments, using the implicit interest rate stated in the agreement, if available. If no interest rate is defined in the contract, the Group uses the weighted average cost of capital of the business unit the lease is incurred within. Over the life of the lease, the Group incurs interest expense, which is added to the lease obligation, which is reduced by each future lease payment.

Modifications to lease contracts results in remeasuring the lease asset and obligation as of the effective date, with the resulting change reflected through an addition to the underlying right-of-use asset and corresponding lease obligation.

Short-term leases and leases of low-value are not recognised on the balance sheet. Instead, these lease payments are recognised through profit and loss as incurred.

(l) Product inventory

Product inventory consists of the Group's unsold Tunisia crude oil barrels, valued at the lower of cost, using the first-in, first-out method, or net realisable value. Cost includes royalties, operating expenses and depletion associated with the barrels as determined on a country-by-country basis.

(m)Provisions

i. General

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognised for future operating losses. Management uses its best judgement in determining the likelihood that the provision will be settled within one year; provisions that are settled within one year are classified as a current provision.

ii. Decommissioning provisions

Decommissioning provisions include legal or constructive obligations where the Group will be required to retire tangible long-lived assets such as well sites and processing facilities. The amount recognised is the present value of estimated future expenditures required to settle the obligation using the risk-free interest rate associated with the type of expenditure and respective jurisdiction. A corresponding asset equal to the initial estimate of the liability is capitalised as part of the related asset and depleted to expense over its useful life. The obligation is accreted until the date of expected settlement of the retirement obligation and is recognised within financial costs in the statement of comprehensive loss.

Changes in the estimated liability resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rates are recognised as changes in the decommissioning provision and related asset. Actual expenditures incurred are charged against the provision to the extent the provision was established. Downward revisions to the liability in cases when the full decommissioning asset has been impaired, the resulting change in estimate will flow through the Statement of Comprehensive Income.

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(o) Treasury shares

The Group also from time to time acquires own shares to be held as treasury shares. Treasury shares are held at cost and shown as a deduction from total equity in the Consolidated Statement of Financial Position.

Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to reserves. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of treasury shares.

(p) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the issuance of warrants are recognised as a deduction from equity, net of any tax effects. Fair value is measured by use of a Black-Scholes model which takes into account conditions attached to the vesting and exercise of the equity instruments.

(q) Dividends

To date the Group has not paid a dividend and does not anticipate paying dividends in the foreseeable future. Should the Group decide to pay dividends in the future, it would need to satisfy certain liquidity tests as established in the Companies (Jersey) Law 1991.

(r) Changes and amendments to accounting policies

During the year, there were no new standards or amendments to standards adopted that had a material effect to the Group.

(s) Accounting standards issued but not yet adopted

The following standards have been published and are mandatory for accounting periods beginning after 1 January 2025 but have not been early adopted by the Group and could have an impact on the Group financial statements:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The management do not expect that adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except if indicated below.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

All financial assets and financial liabilities are held at amortised costs.

The fair values of cash and cash equivalents, restricted cash, trade receivables and other receivables and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term maturities.

The fair value of the lease liabilities and long-term debt approximates its carrying value as it is at a market rate of interest and accordingly the fair market value approximates the carrying value (level 2).

RISK MANAGEMENT

The Directors have overall responsibility for identifying the principal risks of the Group and ensuring the policies and procedures are in place to appropriately manage these risks. Serinus' management identifies, analyses and monitors risks and considers the implication of the market condition in relation to the Group's activities.

Market risk is the risk that the fair value of future cash flows of financial assets or financial liabilities will fluctuate due to movements in market prices. Market risk is comprised of commodity price risk, foreign currency risk and interest rate risk, as well as credit and liquidity risks.

COMMODITY PRICE RISK

The Group is exposed to commodity price risk in fluctuations in the price of oil, natural gas and natural gas liquids. In Tunisia, the Group enters into lifting agreements with trading counterparties based on the market price of Brent crude oil. In Romania, the Group enters into contracts with customers for a stated gas price based on the Romanian gas trading activity.

The Group has no commodity hedge program in place which could limit exposure to price risk. For the year ended 31 December 2024, a 10% change in the price of crude oil per bbl would have impacted revenue, net of royalties, by $1.2 million (2023 - $1.3 million) and a 10% change in the price of gas per mcf would have impacted revenue, net of royalties, by $0.3 million (2023 - $0.5 million).

FOREIGN CURRENCY EXCHANGE RISK

The Group is exposed to risks arising from fluctuations in various currency exchange rates. Gas prices are based in Romanian LEU ("LEU") or Tunisian dinar ("TND"), while condensate and oil prices are based in USD. The Group has payables that originate in GBP, CAD, LEU and TND. As such the Group is affected by changes in the USD exchange rate compared to the following currencies: GBP, CAD, LEU and TND.

Functional currency of Serinus Romania was Romanian Leu (RON) up to 31 December 2022 subsequent which management considered changed circumstances and economic environment in Romania and concluded that functional currency of the Group's Romanian business unit changed from RON to USD in 2023. In making this conclusion, management considered all primary and secondary indicators for determination of the functional currency in accordance with IAS 21 The Effects of Changes in Foreign Currency Exchange Rates. Particularly, management considered cash flow indictors of Serinus Romania, its sales price and sales market indicators, expense indicators, financing indicators, degree of autonomy, as well as intra-Group transactions and arrangements.

The Group's day to day operations will often generate invoices in other currencies, but these are not sensitive to the foreign exchange practice of the business.

As at 31 December 2024	GBP	CAD	LEU	TND
Cash and cash equivalents	54	15	259	3,930
Restricted cash	-	1,631	-	-
Accounts receivable	98	(6)	1,359	3,387
Accounts payable	(748)	(81)	(5,665)	(20,651)
Lease liabilities	(206)	(58)	(425)	(1,035)
Net foreign exchange exposure	(802)	1,501	(4,472)	(14,369)
Translation to USD	1.2551	0.6956	0.2093	0.3138
USD equivalent	(1,007)	1,044	(936)	(4,509)

As at 31 December 2023	**GBP**	**CAD**	**LEU**	**TND**
Cash and cash equivalents	146	78	352	3,089
Restricted cash	-	1,550	5	-
Accounts receivable	65	2	2,068	12,233
Accounts payable	(425)	(74)	(6,154)	(24,742)
Lease liabilities	(316)	(85)	(563)	-
Net foreign exchange exposure	(530)	1,471	(4,292)	(9,420)
Translation to USD	1.2731	0.7547	0.2224	0.3263
USD equivalent	(675)	1,110	(955)	(3,074)

For the year ended 31 December 2024, a 1% change in foreign exchange rates would have impacted net income by $97,000 (2023 - $130,000).

CREDIT RISK

The Group's cash and cash equivalents and restricted cash are held with major financial institutions. The Group monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents and restricted cash. The Group's trade receivables consist of receivables for revenue in Tunisia and Romania, along with receivables from joint venture partners in Tunisia.

Management believes that the Group's exposure to credit risk is manageable, as commodities sold are under contract or payment within 30 days. Commodities are sold with reputable parties and collection is prompted based on the individual terms with the parties. For the year ended 31 December 2024, Tunisia's revenue was generated from three customers (2023 – three), with an 81%, 13% and 6% weighting (2023 – 75%, 16%, 9%). Romania's sales were made primarily to one customer (2023 – three), with a 100% weighting (2023 – 78%, 8% and 7%). At 31 December 2024, the Group had $nil (2023 - $nil million) of revenue receivables that were considered past due (over 90 days outstanding).

The Group applied the simplified model for assessing the ECLs under IFRS 9. This approach uses a lifetime expected loss allowance based on the days past due criteria. Upon reviewing the historical transactions with the Group's vendors, it was determined that the ECL was insignificant as there is no history of default or unpaid invoices. As a result, the Group has determined the ECL percentage to be nominal and has not recorded any allowance for doubtful accounts as at 31 December 2024 and 31 December 2023.

The Group manages its current VAT receivables by submitting VAT returns on a monthly basis. This allows the Group to receive the VAT in a timely matter while any amounts that may come under scrutiny, only delays one month's refund. Management has no formal credit policy in place for customers and the exposure to credit risk is approved and monitored on an ongoing basis individually for all significant customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group does not require collateral in respect of financial assets.

LIQUIDITY RISK

Liquidity risk is the risk that Serinus will not be able to pay financial obligations when due. There are inherent liquidity risks, including the possibility that additional financing may not be available to the Group, or that actual capital expenditures may exceed those planned. The Group mitigates this risk through monitoring its liquidity position regularly to assess whether it has the resources necessary to fund working capital, development costs and planned exploration commitments on its petroleum and natural gas properties or that viable options are available to fund such commitments. Alternatives available to the Group to manage its liquidity risk include deferring planned capital expenditures that exceed amounts required to retain concession licenses, farm-out arrangements and securing new equity or debt capital.

As at 31 December 2024	**1 year**	**1 - 3 years**	**3+ years**	**Total**
Accounts payable and accrued liabilities	8,267	-	-	8,267
Lease liabilities	177	409	95	681
Total	8,444	409	95	8,948

As at 31 December 2023	**1 year**	**1 - 3 years**	**3+ years**	**Total**
Accounts payable and accrued liabilities	10,069	-	-	10,069
Lease liabilities	137	424	-	561
Total	10,206	424	-	10,630

INTEREST RATE RISK

During 2021, the Group fully repaid its long-term debt, and no longer has an interest rate risk.

5. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make significant estimates and judgements based on currently available information. Management uses their professional judgement along with the most up to date information in making these estimates and judgements, however actual results could differ. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material. Estimates and underlying assumptions are reviewed on an ongoing basis and any changes are recognised in the period that the estimates and judgements have changed. The significant estimates and judgements made by management in the statements are described below:

(a) Cash generating units

The determination of CGUs requires judgment in defining a group of assets that generate independent cash inflows from other assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

(b) Oil and gas reserves

The process of determining oil and gas reserves is complex and involves many different assumptions. The Group conducts a reserve evaluation at the end of each fiscal year. The Group's reserve estimates are based on current production forecasts, commodity price forecasts, licences being renewed as and when required, and other economic conditions. Estimates are amended for all available information such as historical well performance and updated commodity prices. See the reserves estimates in the Review of Operations.

The Group's reserves drive the calculation of depletion of the oil and gas assets, calculating the future cash flows of the assets and the recoverable amount for each CGU. The Group compares the recoverable amount to the carrying amount to determine any potential impairment. In determining the recoverable amount, the Group makes other key estimates and judgements which involve the proved and probable reserves, forecasted commodity prices, expected production, future development costs and discount rates. Any changes to these estimates may materially impact the expected reserves of the Group. An impairment sensitivity analysis is detailed in Note 11.

(c) Decommissioning provisions (Note 18)

The Group recognises liabilities for the future decommissioning and restoration of oil and gas assets. Management is required to apply estimates and judgements related to the estimated abandonment techniques, costs and abandonment dates. Technological advancements in the industry could lead to changes to reserve life delaying the abandonment dates, as well as possible cheaper abandonment techniques. Any changes to these estimates, along with the inflation and discount rates, could result in material differences and affect future financial results.

(d) Income taxes (Notes 9 and 19)

Deferred income taxes require estimates and judgements from management in determining the future cash flows and taxable income of each business unit to determine the likelihood that any assets may be recognised by the Group.

Within Tunisia, taxes are at times paid in advance based on gross sales in certain circumstances. Management uses their best estimates and future cash flow projections to determine if these advances will be utilised against income taxes in the future periods. When it is deemed that these advances will not be utilised in the future, they are recorded through the Statement of Comprehensive Income as a tax expense.

(e) VAT receivable

The Group has outstanding VAT claims that have been disputed by Romanian authorities dating back to 2016. The VAT in question relates to operational and developmental costs in Romania for costs paid in full by the Group at 100% working interest (see Note 5(c)). Management believes that these amounts are fully recoverable because in December 2023 the Romanian Court ruled in favour of Serinus Romania regarding the claim against ANAF for $1.7 million in outstanding VAT refund and therefore the Group has recorded 100% of the VAT balance in Trade and other receivables, regardless the fact that ANAF appealed this decision in April 2024 without giving a reason. The appeal is scheduled for early February 2025.

Subsequent year-end, the Superior Court of Cassation and Justice of Romania has ruled in favour of Serinus Energy Romania vs. ANAF, in the case of the rejected VAT refunds (Note 30).

(f) Product inventory (Note 16)

Within Tunisia, crude oil inventory volumes are estimated based on historical production less volumes sold and other adjustments for shrinkage, as well as estimates based on facility capacity and volume assumptions.

(g) Exploration and evaluation assets (Note 12)

E&E assets are subject to ongoing technical, commercial and management review to confirm the continued intent to establish the technical feasibility and commercial viability of any prospect for which costs have been incurred. The judgment involves assessing whether sufficient progress has been made toward establishing the technical feasibility and commercial viability of the project, including management's evaluation of factors such as new geological information, market conditions, available financing, and regulatory approvals. E&E assets remain capitalised until a point at which management determines whether a project is economically viable.

(h) Impairment of assets (Note 11)

The management and directors review the carrying value of the Group's assets to determine whether there are any indicators of impairment such that the carrying values of the assets may not be recoverable. The assessment of whether an indicator of impairment or reversal thereof has arisen requires considerable judgement, taking account of factors such as future operational and financial plans, commodity prices and the competitive environment.

For exploration and evaluation assets held by the Group, namely exploration works at the Satu Mare concession in Romania, before the technical feasibility and commercial viability of extracting hydrocarbon resources is demonstrable, indicators of impairment can include: (a) the right to explore in a specific area has expired and is not expected to be renewed; (b) significant expenditure for further exploration or evaluation activities is not being planned; (c) exploration and evaluation of mineral resources have not led to the discovery or confirmation of commercially viable resource; or (d) that sufficient data exists to indicate that the carrying amount of the asset may not be recovered in full from development or sale.

The Group's operating oil & gas assets, some of which have previously been impaired, are assessed for impairment at a Cash Generating Unit (CGU) level, in accordance with IAS 36, which align to the concession agreements held by the Group, i.e. Moftinu and Santau in Romania and in Tunisia, Sabria and Chouech Es Saida and Ech Chouech as the South Tunisia CGU. These assets are sensitive to changes in operational assumptions and commodity pricing and therefore the management and directors need to make judgements as to whether certain events represent indicators of impairment or impairment reversal.

Where such indicators exist, the carrying value of the assets of a CGU or exploration and evaluation asset is compared with the recoverable amount of those assets, that is, the higher of its fair value less costs to sell and value in use, which is typically determined on the basis of discounted future cash flows.

For the year ended 31 December 2024, the management and directors performed assessment of impairment indicators across the Group's CGUs. In Tunisia, there were no indicators of impairment or impairment reversals identified at Sabria or South Tunisia. The Group has applied to extend the Ech Chouech licence but this expired in June 2022. The Group intends to continue its application to regain the licence once the licence process is formalised. No indication has been received that they will not be successful once the process to re-apply becomes available and as such has made the judgement that they will be able to regain the Ech Chouech licence and therefore no impairment has been charged to this asset. At Moftinu, the management and directors identified an indicator of impairment and recorded an impairment expense of $1.5 million (2023 - $7.0 million). The primary impairment indicators in Romania during 2024 included reduced gas prices throughout 2024, natural depletion of the Moftinu gas field reflecting on life of shallow gas fields and fiscal regime in Romania.

The Sancrai exploration well was drilled in 2021 and encountered gas; however, the Group was unable to achieve a measurable gas flow across the three perforated zones. As a result, the well was suspended. Following a comprehensive analysis at the 2024 year-end, which included assessment of up-dip potential, the decision was made to abandon the well. Consequently, the Sancrai-1 well was impaired, and the Group recognised an impairment expense of $4.2 million related to the exploration asset for the year ended 31 December 2024.

Note 11 and 12 disclose the carrying amounts of the Group's property, plant and equipment and exploration and evaluation assets, respectively, as well as assumptions made by the management and directors in the discounted cash flow model which is used to determine estimated recoverable amounts.

(i) Solidarity Tax

In December 2022, the Government of Romania published Emergency Ordinance no.186/2022 detailing measures to implement Council Regulation (EU) 2022/1854 regarding the emergency intervention to introduce a solidarity contribution for companies that carry out activities in the oil, natural gas, coal and refinery sectors. This additional tax in Romania is calculated at a rate of 60% applied to the Group's annual profit, in excess of 20% of its average profits for the financial years 2018-2021. The solidarity tax is applicable for 2022 financial year only.

The Group does not believe that the solidarity tax is applicable to it, has received legal advice to support that position and will continue challenging the legality of this additional tax. If the Group were to consider the tax applicable the amount due is estimated to be approximately $0.76 million. However, the Group has made the judgement that the solidarity tax is not applicable and therefore has made no provision in respect of this tax within the financial statements.

6. REVENUE

The Group sells its production pursuant to variable-price contracts with customers. The transaction price for these variable-priced contracts is based on underlying commodity prices, adjusted for quality, location and other factors depending on the contract terms. Under the contracts, the Group is required to deliver a variable volume of crude oil and natural gas to the contract counterparty. The disaggregation of revenue by major products and geographical market is included in the segment note (see Note 29) and analysis by significant customers is included in the risk management note (see Note 4).

As at 31 December 2024, the receivable balance related to contracts with customers, included within accounts receivable is $1.6 million (31 December 2023 - $3.1 million).

7. SHARE-BASED PAYMENT EXPENSE

The Group did not grant any options during the year (2023 - none). All options granted in prior years vested and were fully expensed.

A summary of the changes to the option plans during the year ended 31 December 2024, are presented below:

GBP denominated options

	2024		**2023**	
	Options	Exercise Price	Options	Exercise Price
Balance, beginning of year	2,588,933	0.20	3,115,600	0.20
Granted	-	-	-	-
Exercised	-	-		
Forfeited	(3,333)	0.20	(175,000)	-
Balance, end of year	2,585,600	0.20	2,940,600	0.20

As at 31 December 2024 there are 2,585,600 (2023 – 2,940,600) options outstanding to executive directors and employees with a weighted average contractual life of 2.5 (2023 – 4.0) years and a weighted average exercise price of £0.20 (2023 - £0.20).

During 2024, the Company granted 6,537,280 ordinary shares of nil par value in the capital of the Company to directors and senior management under the Company's long term incentive plan (the "Plan"), out of which 2,450,000 newly issued ordinary shares were sold at 2.8 pence per share to satisfy tax and National Insurance liabilities arising due to the grant under the Plan and remaining shares were issued to the directors and management. Share-based payment expense related to the net shares issued to employees comprised $221,000.

8. FINANCE EXPENSE

Year ended 31 December	2024	2023
Interest of leases (Note 20)	**126**	76
Accretion on decommissioning provision (Note 18)	**1,667**	1,801
Foreign exchange and other	**(1,000)**	46
	793	1,923

9. TAXATION

Year ended 31 December	2024	2023
Current income tax expense	**1,172**	490
Deferred income tax		
Origination and reversal of temporary differences (Note 19)	**(44)**	1,182
Tax expense	**1,128**	1,672

Reconciliation of the effective tax rate:

Year ended 31 December	2024	2023
(Loss) / Income before income taxes	**(8,585)**	(11,350)
Effective tax rate	**50%**	50%
Expected income tax	**(4,293)**	(5,675)
Non-taxable (deductible) items	**2,523**	1,892
Losses utilised	**(1,698)**	(924)
Tax rate differences	**4,272**	5,407
Foreign exchange and other	**781**	7,199
Net change in tax attributes not recognised	**(457)**	(6,227)
Income tax expense	**1,128**	1,672

The Group has elected to use the Sabria concession tax rate as the statutory rate instead of using 0% tax rate applicable to the Group in Jersey. Sabria is currently the only producing concession that does not have any remaining loss pools, and therefore the majority of the Group's tax expense relates to Sabria.

The advance taxes unrecoverable in the year ending 31 December 2024 is related to taxes that are prepaid within the various operating concessions in Tunisia. Tunisia requires taxes to be paid in advance based on the prior year tax balance. The amounts paid may only be deducted from future taxes and are unrecoverable. The Group has determined that based on the future development plans within Tunisia that the Group will not generate enough taxable income to fully utilise all advance taxes paid, losses carried forward and other taxable pools available to the Group. No deferred tax asset has been recognised on losses carried forward and other taxable loss pools (Note 19).

10. LOSS PER SHARE

Year ended 31 December ($000's, except per share amounts)	2024	2023
(Loss) / Income for the year	**(9,713)**	(13,022)
Weighted average shares outstanding		
Basic	114,692	113,513
Diluted	114,692	113,513
(Loss) / Income per share		
Basic and diluted	**(0.08)**	(0.11)

In determining diluted net income 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. Since there were no "in-the-money" stock during 2024 and 2023, basic and diluted shares are the same.

11. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas interests	Corporate assets	Total
Cost or deemed cost:			
Balance as at 31 December 2022	270,050	1,719	271,769
Capital additions	5,516	-	5,516
Change in decommissioning provision	(501)	-	(501)
Disposals	-	-	-
Balance as at 31 December 2023	275,065	1,719	276,784
Capital additions	1,106	-	1,106
Change in decommissioning provision	(3,675)	-	(3,675)
Transfer to EE Assets	(4,277)	-	(4,277)
Disposals	-	-	-
Balance as at 31 December 2024	268,219	1,719	269,938
Accumulated depletion and depreciation			
Balance as at 31 December 2022	(204,545)	(1,642)	(206,187)
Depletion and depreciation	(4,317)	(12)	(4,329)
Disposals	-	-	-
Impairments	(6,965)	-	(6,965)
Balance as at 31 December 2023	(215,827)	(1,654)	(217,481)
Depletion and depreciation	(3,226)	(9)	(3,235)
Disposals	-	-	-
Impairments	(1,510)	-	(1,510)
Balance as at 31 December 2024	(220,563)	(1,663)	(222,226)
Cumulative translation adjustment			
Balance as at 31 December 2022	(3,284)	13	(3,271)
Currency translation adjustments	-	-	-
Balance as at 31 December 2023	(3,284)	13	(3,271)
Currency translation adjustments	-	-	-
Balance as at 31 December 2024	(3,284)	13	(3,271)
Net book value			
Balance as at 31 December 2023	55,954	78	56,032
Balance as at 31 December 2024	44,372	69	44,441

Future development costs associated with the proved plus probable reserves are included in the calculation of the Group's depletion. The future development costs for Tunisia are $33.1 million (2023 - $30.8 million) and for Romania are $5.8 million (2023 - $6.0 million).

IMPAIRMENT

At 31 December 2024, the Group completed an impairment assessment to determine if there were any indicators of impairment or impairment reversals.

In Tunisia, indicators of impairment were identified for both the Sabria and South Tunisia cash-generating units (CGUs), prompting management to perform impairment reviews. The review determined that the recoverable amount of the CGUs exceeded its carrying amount, resulting in no impairment charge. The Group had applied to extend the Ech Chouech licence (part of South Tunisia CGU) but this expired in June 2022. The Group intends to continue its application to regain the licence once the licence application process is formalised. No indication has been received that they will not be successful once the process to re-apply becomes available and as such has made the judgement that they will be able to regain the Ech Chouech licence and therefore no impairment has been charged to this asset.

In Moftinu, the Group determined that there were indicators of impairment and recorded an impairment expense of $1.5 million (2023 - $7.0 million).

The Group determined the estimated recoverable amount based on a discounted cash flow model, using production profiles from the 2024 reserves report by a competent person and an after-tax discount rate equal to the weighted average cost of capital of Romania (17%), computed internally using external market data.

The following table shows the forecast commodity prices used in the discounted cash flow model:

Year	**Brent** (US$/bbl)	**Romania Gas** (US$/MMBtu)
2025	75.00	11.00
2026	76.88	11.28
2027	78.80	11.56
2028	80.77	11.79
2029+	+2.5% inflation	+2.5% inflation

The following table provides a sensitivity of the impairment expense that would arise with the following changes to the key assumptions used in the model.

Romania ($000s)	**1% increase to discount rate**	**1% decrease to discount rate**	**10% increase to commodity prices**	**10% decrease to commodity prices**
Additional impairment, net of tax	62	(64)	(694)	694

At 31 December 2023, the Group completed an impairment assessment on its PP&E to determine if there were any indicators of impairment or impairment reversals. In South Tunisia and Sabria, no indicators of impairment or impairment reversals were identified. In Moftinu the Group determined that there was an indicator of impairment and recorded an impairment expense of $7.0 million. The Group determined the estimated recoverable amount based on a discounted cash flow model, using an after-tax discount rate equal to the weighted average cost of capital of Romania (22%), computed internally using external market data. The following table shows the forecast commodity prices used in the 2023 Reserve Report and used in the discounted cash flow model:

Year	**Brent** (US$/bbl)	**Romania Gas** (US$/MMBtu)
2024	76.49	10.76
2025	73.29	11.50
2026	76.50	10.42
2027	80.00	11.00
2028+	+2% inflation	+2% inflation

Although the discounted cash flow model indicated no further net impairment or reversal of impairment for the year ended 31 December 2023, the following table provides a sensitivity of the impairment expense that would arise with the following changes to the key assumptions used in the model.

Romania ($000s)	**1% increase to discount rate**	**1% decrease to discount rate**	**10% increase to commodity prices**	**10% decrease to commodity prices**
Additional impairment, net of tax	-	-	-	-

The results of the impairment tests completed by management are sensitive to changes with regards to any of the key assumptions such as, commodity prices, future development costs, change in reserves and production, or the future operating costs. Any changes to the assumptions could increase or decrease the expected recoverable amounts from the assets and may result in impairment or potential reversal of impairment.

12. EXPLORATION AND EVALUATION ASSETS

Carrying amount	**2024**	**2023**
Balance, beginning of the year	**10,703**	10,529
Transfer from oil & gas assets	**4,277**	-
Change in decommissioning provision	**(158)**	174

Impairment	**(4,156)**	-
Cumulative translation adjustment	**-**	-
Balance, end of the year	**10,666**	10,703

The Sancrai exploration well was drilled in 2021 and encountered gas; however, the Group was unable to achieve a measurable gas flow across the three perforated zones. As a result, the well was suspended. Following a comprehensive analysis at the 2024 year-end, which included assessment of up-dip potential, the decision was made to abandon the well. Consequently, the Sancrai-1 well was impaired, and the Group recognised an impairment expense of $4.2 million related to the exploration asset.

The Group currently holds land rights to a large amount of undeveloped land within Romania.

13. RIGHT-OF-USE ASSETS

The following table details the cost and accumulated depreciation of the ROU assets:

	Buildings	**Vehicles**	**Total**
Cost			
Balance as at 31 December 2021	871	39	910
Additions	584	-	584
Disposals	(127)	-	(127)
Balance as at 31 December 2022	1,328	39	1,367
Additions	75	-	75
Disposals	-	-	-
Balance as at 31 December 2023	1,403	39	1,442
Additions	695	152	847
Disposals	(632)	(39)	(671)
Balance as at 31 December 2024	1,466	152	1,618
Accumulated depreciation			
Balance as at 31 December 2021	(481)	(39)	(520)
Depreciation	(256)	-	(256)
Disposals	127	-	127
Balance as at 31 December 2022	(610)	(39)	(649)
Depreciation	(265)	-	(265)
Disposals	-	-	-
Balance as at 31 December 2023	(875)	(39)	(914)
Depreciation	(289)	(32)	(321)
Disposals	272	39	311
Balance as at 31 December 2024	(892)	(32)	(924)
Cumulative translation adjustment			
Balance as at 31 December 2021	(20)	-	(20)
Currency translation adjustments	(10)	-	(10)
Balance as at 31 December 2022	(30)	-	(30)
Currency translation adjustments	-	-	-
Balance as at 31 December 2023	(30)	-	(30)
Currency translation adjustments	-	-	-
Balance as at 31 December 2024	(30)		(30)

Carrying amounts			
Balance as at 31 December 2023	498	-	498
Balance as at 31 December 2024	544	120	664

14. CASH

As at 31 December	2024	2023
Cash and cash equivalents	**1,368**	1,335
Restricted cash	**1,135**	1,171
Total cash	**2,503**	2,506

The Group has cash on deposit with the Alberta Energy Regulator of $1.1 million (2023 - $1.2 million), as required to meet future abandonment obligations existing on certain oil and gas properties in Canada (see Note 18). This deposit accrues nominal interest. The fair value of restricted cash approximates the carrying value.

15. TRADE AND OTHER RECEIVABLES

As at 31 December	2024	2023
Trade receivables	**1,992**	4,146
VAT receivable	**1,907**	1,906
Corporate tax receivable	**362**	463
Prepaids and other	**1,141**	1,622
Total trade and other receivables	**5,402**	8,137

The trade receivables consist of commodity sales in both Romania and Tunisia. The Group has determined that the ECL is nominal for the years ended 31 December 2024 and 2023 while using the days past due criteria to measure the ECL. The Group has reviewed the historical transactions with the vendors and has no history of default or unpaid invoices and has used a nominal percentage in calculating the ECL. The Group has not taken an allowance for doubtful accounts as at 31 December 2024 and 2023 and has had no instances of bad debts in this period

The VAT receivable relates to operating and development costs in Romania and are recovered through the Romanian government. Of the VAT receivable, $1.7 million relates to 2018 and prior years which has been disputed by the Romanian authorities. In December 2023, Serinus won a court case, which ordered ANAF to refund the audited VAT amount. The court recognised the defaulted partner as determined by the 2022 ICC Arbitration award and affirmed Serinus' right to reclaim the full VAT amount. ANAF appealed this decision in April 2024 without giving a reason, and the appeal was scheduled for early February 2025. Subsequent to year-end, the Superior Court of Cassation and Justice of Romania has ruled in favour of Serinus Energy Romania vs. Agenția Națională de Administrare Fiscală ("ANAF"), in the case of the rejected VAT refunds (Note 32).

16. PRODUCT INVENTORY

Product inventory consists of the Group's entitlement crude oil barrels in Tunisia, which are valued at the lower of cost or net realisable value. Costs include operating expenses and depletion associated with crude oil entitlement barrels and are determined on a concession-by-concession basis.

These costs are initially capitalised and expensed when sold. As at 31 December 2024, the Group held 9.1 Mbbls of crude oil in inventory valued at approximately $71.7/bbl.

17. SHAREHOLDER'S CAPITAL

AUTHORISED

The Group is authorised to issue an unlimited number of ordinary shares without nominal or par value. Changes in issued ordinary shares are as follows:

Year ended 31 December		**2024**		**2023**
	Number of shares	**Amount ($000s)**	**Number of shares**	**Amount ($000s)**
Balance, beginning of the year	114,066,073	401,426	114,066,073	401,426
Issued for cash	6,887,357	215	-	-
Issuance costs, net of tax	-	-	-	-
Issued in lieu of salary	-	-	-	-
Issued to retire Convertible Loan	-	-	-	-
Warrants exercised	-	-	-	-
Balance, end of the year	120,953,430	401,641	114,066,073	401,426

TREASURY SHARES

Treasury shares represent the shares purchased and held by the Group. All treasury shares held, as below, are excluded from earnings per share calculations.

Year ended 31 December		**2024**		**2023**
	Number of shares	**Amount ($000s)**	**Number of shares**	**Amount ($000s)**
Balance, beginning of the year	2,011,515	458	2,712,249	455
Shares purchased	-	-	100,000	3
Exercised	(2,011,515)	(458)		
Balance, end of the year	-	-	2,812,249	458

18. DECOMMISSIONING PROVISION

As at 31 December	**2024**	**2023**
Balance, beginning of the year	**30,724**	29,131
Liabilities incurred	**-**	198
Liabilities settled	**-**	-
Accretion	**1,667**	1,801
Change in estimate	**(4,694)**	(406)
Foreign currency translation	**-**	-
Balance, end of year	**27,697**	30,724

The Group's decommissioning provisions are based on its net ownership in wells and facilities in Tunisia, Romania and Canada. Management estimates the costs to abandon and reclaim the wells and facilities using existing technology and the estimated time period during which these costs will be incurred in the future.

The Group has estimated as at 31 December 2024 the decommissioning provisions of the wells in Canada to be $0.8 million. During 2022, the Group completed the abandonment of three wells in Canada and it was determined that the Group was no longer obligated to fulfil the decommissioning provisions of $1.6 million relating to legacy properties. The remaining obligations are reported as current liabilities as they relate to non-producing properties or expired production sharing contracts.

The change in estimate in the current year is based on changes to interest rates, discount rates, the estimated date of abandonment and reclamation, and the expected costs of abandonment.

The significant assumptions used in the calculation of the decommissioning provision are as follows:

As at 31 December		**2024**			**2023**	
	Risk-free rate (%)	Inflation rate (%)	Net present value	Risk-free rate (%)	Inflation rate (%)	Net present value
Tunisia	3.5-5.1	2.0	22,043	3.7 – 5.4	2.0	24,415

Romania	6.7-7.4	2.5-6.1	4,791	6.1 – 8.5	2.5 – 12.6	5,431
Canada	-	-	863	-	-	878
Total			27,697			30,724
Due within one year			9,446			6,720
Long-term liability			18,251			24,004
Total			27,697			30,724

As at 31 December 2024, the Group has aligned the abandonment dates with the expected economic life of the assets, anticipating that concession licenses will continue to be extended until operations are no longer economically viable. However, decommissioning of certain water pits in Tunisia have been classified as current liabilities despite being non-current in nature. This classification as current liabilities is due to Tunisian statutory regulatory triggers that could require their decommissioning within the short term, even though, under normal circumstances, their settlement would occur over a longer period.

19. DEFERRED INCOME TAX

The deferred taxes are recognised on a taxable body basis, specifically on an entity-by-entity basis with the exception of Tunisia. Tunisia taxes each concession on a standalone basis, and therefore the deferred taxes are determined on each concession.

Movement in deferred income tax balances:

Tax effect related to:	31 December 2023	Movement in the year	31 December 2024
PP&E and E&E assets	(15,814)	262	(15,552)
AR and other	-	441	441
Decommissioning provision	3,327	(287)	3,040
Other	362	(372)	(10)
Deferred income tax liability	(12,125)	44	(12,081)

Tax effect related to:	31 December 2022	Movement in the year	31 December 2023
PP&E and E&E assets	(14,743)	(1,071)	(15,814)
Decommissioning provision	3,306	21	3,327
Other	495	(133)	362
Deferred income tax liability	(10,942)	(1,183)	(12,125)

UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets have not been recognised in respect of the following deductible temporary differences:

As at 31 December	2024	2023
PP&E and E&E assets	**(285)**	(1,537)
ROU assets and lease liabilities	**-**	-
Decommissioning provision	**5,567**	6,277
Non-capital losses carried forward and other	**2,822**	3,822
Unrecognised deferred tax asset	**8,104**	8,562

Deferred tax assets have not been recognised in respect of these items because it is uncertain that future taxable profits will be available against which they can be utilised due to the large amount of non-capital losses available to the Group.

The Group has Canadian non-capital losses of $0.5 million (2023 - $0.3 million) that do not expire, Tunisian losses of $4.1 million are related to Chouech Essaid concession and have no expiry date (2023 - $7.8 million), and Romanian losses of $6.7 million (2023 - $6.6 million) that expire after seven years between 2026 to 2032.

The Group has temporary differences associated with its investments in its foreign subsidiaries. The Group has not recorded any deferred tax liabilities in respect to these temporary differences as they are not expected to reverse in the foreseeable future.

The Group operates in multiple jurisdictions with complex tax laws and regulations, which are evolving over time. The Group has taken certain tax positions in its tax filings and these filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax impact may differ significantly from that estimated and recorded by management.

20. LEASE LIABILITIES

The following table details the movement in the Group's lease obligations for the year ended 31 December 2024:

As at 31 December	2024	2023
Opening balance	**561**	745
Additions	**816**	-
Disposals	**(427)**	
Principle payments	**(255)**	(184)
Cumulative translation adjustment	**(14)**	-
Balance, end of the year	**681**	561
Lease liabilities due within one year	**177**	137
Lease liabilities due beyond one year	**504**	424

During the year the Group made total payments toward lease liabilities in the amount of $0.3 million (2023 - $0.2 million), of which $0.1 million (2023 - $0.08 million) was interest.

The Group has elected to exclude short-term leases and low-value leases from the Group's lease liabilities. Payments towards short-term leases, and leases of low-value assets for the year ended 31 December 2024 were nominal and have been included in G&A expense in the Statement of Comprehensive Loss. The Group's short-term leases and leases of low-value consist primarily of office equipment leases.

The annual discount rates used were 22.66% in Canada, 10.96% in London, 20.76% in Tunisia and 8.11%, 8.82% and 9.56% in Romania.

21. OTHER PROVISIONS

	JV audit	Severance	Other	Total
Balance as at 31 December 2022	1,211	147	-	1,358
Change in provision	-	(41)	-	(41)
Balance as at 31 December 2023	1,211	106	-	1,317
Change in provision	-	-	-	-
Balance as at 31 December 2024	1,211	106	-	1,317
Current	-	-	-	-
Non-current	1,211	106	-	1,317

The Group is subject to audits arising in the normal course of business, with its joint venture partner in the Sabria concession in Tunisia. A provision is made to reflect management's best estimate of eventual settlement of these audits. The years currently under audit are 2014-2021. Management has reviewed the audit claims and has made a provision for what it expects to settle. Management expects settlement of the joint venture audit provision to occur later than twelve months from 31 December 2024.

As at 31 December 2017, a provision was made for potential severance costs relating to the termination of employees in the Chouech field in Tunisia. Since shutting in the field, agreements have been reached with the majority of the employees. The remaining provision at 31 December 2024 reflects the potential costs to terminate the remaining employees.

22. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at 31 December	2024	2023
Accounts payable and accrued liabilities	**7,374**	9,320
Taxes payable	**893**	749
Total accounts payable and accrued liabilities	**8,267**	10,069

23. AGGREGATE PAYROLL EXPENSE

The aggregate payroll expense of employees and executive management of Serinus was as follows:

Year ended 31 December	2024	2023
Wages, salaries, and benefits[7]	**4,739**	4,952
Share-based payment expense[8]	**221**	3
Total aggregate payroll expense	**4,960**	4,955

24. RELATED PARTY TRANSACTIONS

During the years ended 31 December 2024 and 2023, related party transactions include the compensation of key management personnel. Key management personnel consist of Serinus' Board of Directors, both executive and non-executive. Transactions with key management personnel are noted in the table below:

Year ended 31 December	2024	2023
Wages and salaries	**658**	834
Benefits	**67**	209
Share-based payment expense	**71**	3
Total related party transactions	**796**	1,046

25. SUPPLEMENTAL CASH FLOW DISCLOSURE

Year ended 31 December	2024	2023
Cash (used in) generated from:		
Trade receivables and other	**2,754**	1,863
Inventory	**(185)**	7
Accounts payable and accrued liabilities	**(2,699)**	(1,752)
Restricted cash	**(113)**	(52)
Changes in non-cash working capital from operations	**(243)**	66

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

Year ended 31 December	2024	2023
PP&E additions (Note 11)	**1,106**	5,516
E&E additions (Note 12)	**-**	-
Total capital additions	**1,106**	5,516
Changes in non-cash working capital	**(642)**	(218)
Total capital expenditures	**464**	5,298

26. CAPITAL MANAGEMENT

Year ended 31 December	2024	2023
Shareholders' equity	**14,286**	23,828
Total capital resources	**14,286**	23,828

The Group manages its capital structure to maximise financial flexibility as well as closely monitors cash forecasts. Management considers capital to include debt and equity instruments. The Group has the ability to manage its capital structure raising financing through debt or equity issuances, repurchasing shares and settling debt obligations. Further, each potential acquisition and investment opportunity is assessed to determine the

[7] Includes amounts in general and administrative expenses, production expenses and exploration and development expenditures.
[8] Represents the amortization of share-based payment expense associated with options granted.

nature and total amount of capital required together with the relative proportions of debt and equity to be deployed. The Group does not presently utilise any quantitative measures to monitor its capital.

27. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

In October 2023, the Group received an exploration phase extension of the Satu Mare Concession in Romania. The exploration period extension is in two phases:

- The first phase of the extension is mandatory and is two years in duration starting on 28 October 2023 (Phase 1). The work commitment for the first phase is the reprocessing of 100 kilometres of legacy 2D seismic as well as a 2D seismic acquisition program of 100 kilometres including processing the acquired seismic data. The work commitment for Phase 1 is estimated at $1.2 million.
- The second phase of the license extension is optional and is two years in duration starting on 28 October 2025 (Phase 2) with a work commitment of drilling one well within the concession area with no total drilling depth requirement stipulated. The work commitment for Phase 2 is estimated at $2.3 million.

CONTINGENCIES

The Tunisian state oil and gas company, ETAP, has the right to back into up to a 50% working interest in the Chouech concession if, and when, the cumulative crude oil sales, net of royalties and shrinkage, from the concession exceeds 6.5 million barrels. As at 31 December 2024, cumulative liquid hydrocarbon sales net of royalties and shrinkage was 5.7 million (2023 – 5.5 million) barrels. The Group currently does not expect to meet this threshold by the expiry of the concession.

In December 2022, the Government of Romania introduced a solidarity tax applied to the Group's annual profit, in excess of 20% of its average profits for the financial years 2018-2021 (Note 5 (j)). The solidarity tax is applicable for 2022 financial year only. The Group does not believe that the solidarity tax is applicable to it, has received legal advice to support that position and will continue challenging the legality of this additional tax. If the Group were to consider the tax applicable the amount due is estimated to be approximately $0.76 million. However, the Group has made the judgement that the solidarity tax is not applicable and therefore has made no provision in respect of this tax within the financial statements.

28. INCOME FROM OPERATIONS ANALYSIS

($000)	2024	2023
Administrative expenses	(3,409)	(4,928)
Share-based payment expense (Note 7)	(221)	(3)
Impairment recovery (expense) (Note 11, 12)	(5,666)	(6,965)

Included within administrative expenses of $3.5 million (2023 - $5.3 million) are the following:

($000)	2024	2023
Salaries and wages	(1,887)	(2,313)
Corporate audit and review fees	(297)	(264)
Consulting fees	(186)	(261)

29. SEGMENT INFORMATION

The Group's reportable segments are organised by geographical areas and consist of the exploration, development and production of oil and natural gas in Romania and Tunisia. The Corporate segment includes all corporate activities and items not allocated to reportable operating segments and therefore includes Brunei.

As at 31 December 2024	Romania	Tunisia	Corporate	Total
Total assets	16,872	45,087	2,370	64,329
For the year ended 31 December 2024				
Crude oil revenue	-	12,345	-	12,345
Natural gas revenue	1,084	1,972	-	3,056
Condensate revenue	-	-	-	-
Total revenue	1,084	14,317	-	15,401
Cost of sales				
Royalties	(48)	(1,831)	-	(1,879)
Production expenses	(1,665)	(6,453)	(12)	(8,130)
Depletion and depreciation	(339)	(3,188)	(126)	(3,653)
Windfall tax	(340)	-	-	(340)
Total cost of sales	(2,392)	(11,472)	(138)	(14,002)
Gross profit (loss)	(1,308)	2,845	(138)	1,399
Administrative expenses	-	-	(3,409)	(3,409)
Share-based payment expense	-	-	(221)	(221)
Release of provision	-	-	-	-
Impairment expense	(5,666)	-	-	(5,666)
Gain on asset disposal	-	-	37	37
Decommissioning recovery	-	68	-	68
Operating income (loss)	(6,974)	2,913	(3,731)	(7,792)
Finance expense	552	(1,171)	(174)	(793)
Net income (loss) before income taxes	(6,422)	1,742	(3,905)	(8,585)
Tax expense	-	(1,106)	(22)	(1,128)
Net income (loss) for the year	(6,422)	636	(3,927)	(9,713)
Capital expenditures	61	1,024	21	1,106

As at 31 December 2023	**Romania**	**Tunisia**	**Corporate**	**Total**
Total assets	24,027	52,322	2,275	78,624
For the year ended 31 December 2023				
Crude oil revenue	-	13,312	-	13,312
Natural gas revenue	2,683	1,880	-	4,563
Condensate revenue	-	-	-	-
Total revenue	2,683	15,192	-	17,875
Cost of sales				
Royalties	(125)	(1,929)	-	(2,054)
Production expenses	(2,633)	(5,349)	(31)	(8,013)
Depletion and depreciation	(866)	(3,582)	(124)	(4,572)
Windfall tax	(783)	-	-	(783)
Total cost of sales	(4,407)	(10,860)	(155)	(15,422)
Gross profit (loss)	(1,724)	4,332	(155)	2,453
Administrative expenses	-	-	(4,928)	(4,928)
Share-based payment expense	-	-	(3)	(3)
Release of provision	-	-	-	-
Impairment expense	(6,965)	-	-	(6,965)
Loss on asset disposal	-	-	-	-
Decommissioning recovery	-	31	(15)	16
Operating income (loss)	(8,689)	4,363	(5,101)	(9,427)
Finance expense	(1,866)	(824)	767	(1,923)
Net income (loss) before income taxes	(10,555)	3,539	(4,334)	(11,350)
Tax expense	(2)	(1,670)	-	(1,672)
Net income (loss) for the year	(10,557)	1,869	(4,434)	(13,022)
Capital expenditures	550	4,966	-	5,516

30. EVENTS AFTER THE REPORTING PERIOD

PLACING AND RETAILS OFFER

On 17 December 2024, the Company announced that it has conditionally raised gross proceeds of up to £0.66 million by way of a placing of 26,841,141 new ordinary shares at a price of 2.5 pence per share.

On 9 January 2025, the Company held a General Meeting whereby shareholders approved the allocation of new shares with 93.54% of shareholders voting in favour.

VAT LITIGATION IN ROMANIA

On 12 February 2025, the Superior Court of Cassation and Justice of Romania has ruled in favour of Serinus Energy Romania vs. ANAF, in the case of the rejected VAT refunds (Note 5 (e)).

In addition to the award of the VAT refunds of RON 8.3 million (approximately US$1.7 million), Serinus is also awarded interest compensation for the delayed refund of the VAT in the amount of RON 3.6 million (approximately US$0.8 million).