CALGARY, ALBERTA--(Marketwired - May 13, 2015) - Serinus Energy Inc. ("Serinus", "SEN" or the "Company") (TSX:SEN)(WARSAW:SEN), is pleased to report its financial and operating results for the quarter ended March 31, 2015.

First Quarter Highlights

- Total working interest production (consisting of the Company's production in Tunisia plus its 70% interest in Ukraine) in the first quarter was 4,406 boe/d, down 9% vs. Q1 2014, and 19% lower than the 5,413 boe/d in Q4 2014. Production was significantly below capacity due to the effects of legislation in Ukraine that reserved a large share of the natural gas market for the state owned National Joint Stock Company Naftogaz ("Naftogaz").
- Gross revenues for the quarter were $25.2 million, down 30% from Q1 2014. The portion allocable to SEN shareholders was $20.0 million vs. $28.8 million last year. The balance is attributable to the owner of the remaining 30% of KUBGAS Holdings Limited not held by Serinus. KUBGAS Holdings owns 100% of KUB-Gas LLC ("KUB-Gas"), which owns 100% of and operates the Ukraine Licences.
- Netbacks in Ukraine fell from $21.65/boe ($3.61/Mcfe) in Q4 2014 to $11.53/boe ($1.92/Mcfe) in Q1 2015 due primarily to lower realized commodity prices and higher effective royalties. The average gas price in UAH terms increased by 22% in the first quarter vs. Q4 2014, but this was more than offset by a 33% deterioration of the UAH/USD exchange rate. The effective royalty rate increased to 63.9% in Q1 2015 from 49.2% in Q4 2014 due to the elimination of the relief period for new wells, and the erosion of realized gas prices relative to the regulated price on which royalties are calculated. (see Ukraine Legislative Developments below)
- Tunisian netbacks fell from $39.56/boe in Q4 2014 to $30.53/boe in Q1 2015, with lower operating costs only partially offsetting lower commodity prices.
- Funds from Operations in the first quarter were down 73% to $4.3 million vs. $15.8 million in Q1 2014, and down 55% compared to $9.5 million in Q4 2014, caused primarily by the lower netbacks described above. The amount allocable to SEN shareholders was $3.2 million.
- The net loss for the quarter, before currency charges, was $4.1 million ($4.3 million attributable to SEN shareholders), as compared to a $2.7 million profit in Q1 2014 ($1.7 million attributable to SEN shareholders). The major contributing factors were the lower commodity prices and higher royalties that affected netbacks described above.
- Capital expenditures for the quarter were $11.2 million vs. $10.3 million for the same period in 2014.
- As has been previously disclosed, the Company made gas discoveries in the Moftinu-1001 and 1002bis wells in Romania. Moftinu-1001 tested 7.4 MMcf/d with 19 bbl/d of condensate, and management now estimates that the P50 recoverable resources in this accumulation are likely over 17 Bcf and could be as high as 30 Bcf. Moftinu-1002bis indicated movable gas in a much tighter reservoir, with an estimated 27 Bcf of original gas in place.
- On February 20, 2015, Serinus announced that it had finalized a new 10 million Euro debt facility with the European Bank for Reconstruction and Development. The facility has a six year term and carries an interest rate of LIBOR plus 8%. A fuller description of the material provisions is contained in the notes to the Company's financial statements. The proceeds from this new facility are being used to fund the Serinus' capital program in the Satu Mare licence located in northwest Romania, including the Moftinu-1001 and 1002bis wells.

Notes: Serinus prepares its financial results on a consolidated basis, which includes 100% of its indirectly 70% owned subsidiary, KUB-Gas LLC ("KUB-Gas"). Unless otherwise noted by the phrases "allocable to Serinus", "net to Serinus", "attributable to SEN shareholders" or "net to SEN WI", all values and volumes refer to the consolidated figures. Serinus reports in US dollars; all dollar values referred to herein, whether in dollars or per share values are in US dollars unless otherwise noted.

Summary Financial Results *(US$ 000's unless otherwise noted)*

		Three Months Ending March 31		
		2015	2014	Change
Oil and Gas Revenue		25,155	35,863	(30%)
Net Income (as reported)		(4,123)	2,734	(251%)
per share, basic and diluted		($0.05)	$0.03	
Net Income (allocable to SEN)		(4,268)	1,657	(358%)
per share, basic and diluted		($0.05)	$0.02	
Comprehensive Net Income (as reported)		(14,990)	(16,156)	(7%)
per share, basic and diluted		($0.19)	($0.21)	
Funds from Operations (as reported)		4,344	15,762	(72%)
per share, basic and diluted		$0.06	$0.20	
Funds from Operations (allocable to SEN)		$3,167	$11,315	(72%)
per share, basic and diluted		0.04	0.14	
Capital Expenditures		11,246	10,251	10%
Average Production (net to Serinus)				
Oil	*(Bbl/d)*	1,240	1,024	21%
Gas	*(Mcf/d)*	18,581	22,355	(17%)
Liquids	*(Bbl/d)*	69	99	(30%)
BOE	*(boe/d)*	4,406	4,849	(9%)
Average Sales Price				

Oil	*($/Bbl)*	$53.85	$108.06	(50 %)
Gas	*($Mcf)*	$8.13	$8.90	(9 %)
Liquids	*($Bbl)*	$39.83	$78.19	(49 %)
BOE	*($/boe)*	$49.75	$62.75	(21 %)

	March 31	
	2015	2014
Cash & Equivalents	22,819	14,756
Working Capital	(7,685)	(17,387)
Long Term Debt	44,533	10,571
Shares Outstanding	78,629,941	78,629,941
Average for period	78,629,941	78,620,897

* Funds from Operations is not a recognized measure under IFRS. See Management's Discussion and Analysis for further information on non-IFRS measures.

Operational Highlights & Update

First quarter production and prices are broken down as follows:

		Q1 2015 Production[1]				Q1 2015 Commodity Prices		
		Ukraine[2]	Tunisia	Total		Ukraine	Tunisia	Total
Oil	*(bbl/d)*	-	1,240	1,240	*($/bbl)*	-	$53.85	$53.85
Gas	*(Mcf/d)*	16,550	2,031	18,581	*($/Mcf)*	$7.84	$11.58	$8.13
Liquids	*(bbl/d)*	69	-	69	*($/bbl)*	$39.83	-	$39.83
Boe	*(boe/d)*	2,827	1,579	4,406	*($/boe)*	$46.84	$57.20	$49.75

1. Numbers may not add due to rounding
2. Ukraine volumes are Serinus 70% interest

Note on nomenclature: Wells in the Company's Ukraine properties are named by the initial of the field followed by a well number. Wells in Olgovskoye, Makeevskoye, Vergunskoye, Krutogorovskoye and North Makeevskoye fields use the prefixes "O", "M", "V", "K" and "NM" respectively. For example, the Makeevskoye-17 well is referred to herein as M-17.

- Production for the first quarter of 4,406 boe/d decreased by 19% vs. Q4 2014 (5,413 boe/d). Higher production in Tunisia was more than offset by lower volumes in Ukraine stemming from the legislation reserving a large portion of the natural gas market for Naftogaz. Management estimates that sales volumes in Ukraine were approximately 4.5 MMcf/d (3.15 MMcf/d SEN WI) below productive capacity.
- Overall production from Tunisia for Q1 was 1,579 boe/d, 10% higher than the 1,434 boe/d in Q4 2014. Oil averaged 1,240 bbl/d, and gas was 2.0 MMcf/d. The major factor behind the increase was the inclusion of the Winstar-12bis ("WIN-12bis") well in the Sabria Field for most of the quarter (other than being shut-in for 12 days in March for a pressure build-up test), whereas it produced for only 21 days during the fourth quarter (in December 2014) and at a lower average rate while it cleaned up.
- As disclosed in the Company's press release of April 20, 2015, the Moftinu-1001 well in Romania achieved a maximum test rate of 7.4 MMcf/d and 19 bbl/d of condensate with only trace amounts of water. Management now estimates that the P50 recoverable resources from this discovery are between 17 Bcf and 30 Bcf. This wide range reflects several calculation methodologies (volumetric, pressure transient and history matching), and that there is only a single well in the pool so far with limited production history. Preliminary assessments however, indicate that the development economics are robust, even at the lower end of the recoverable volume range.
- Test results from the Moftinu-1002bis well indicated a tight formation with formation damage, consistent with apparent porosities observed on logs and the use of heavy fluids to control washout and hole collapse during drilling. The well produced an average of 2.8 MMcf/d for 30 minutes, then declined to 245 Mcf/d over the following two hours. Data quality was poor, but Moftinu-1002bis does prove the existence of movable hydrocarbons in the four Miocene sands tested. The Company estimates that the tested zones contain 27 Bcf (P50) of original gas in place, although eventual recovery factors will be contingent upon identifying suitable drilling and completion techniques to allow commercial production rates.
- As disclosed in the Company's press release of May 11, 2015, testing on the Winstar-13 ("WIN-13") well in the Sabria Field in Tunisia commenced on April 28, 2015. Initial production was substantially all water as drilling and completion fluids were recovered, but the well has steadily cleaned up and the water cut is currently 19%. Oil rates have varied between 100 - 300 bbl/d and current production is approximately 138 bbl/d with a gas-oil ratio of 1,975 ft^3per bbl. The well appears to be constrained by a combination of wellbore damage from drilling mud and lost circulation materials, and an obstruction in the tubing string. Remedial operations are anticipated to commence in mid to late May.
- Completion and testing operations are substantially finished on the M-22 well in Ukraine. The S13, S13a and S13b were all non-commercial despite initially appearing promising on logs. The S6 zone did build up pressure after perforating and produced gas at rates too small to measure. The well is being suspended, and has been added to the list of wells being considered for fracture stimulation this summer. If successful, M-22 will qualify for the reduced royalty rate of 30.25% for its first two years of production.

Ukraine Legislative Developments

As previously disclosed in the Company's press releases of January 23 and April 14, 2015, the Ukraine government issued three decrees (No.'s 596, 599, and 647) last November which cumulatively required 170 of the largest gas consumers in Ukraine to purchase their gas solely from Naftogaz until the end of February 2015. These bills were challenged in the Ukrainian courts, and after two appeals, the High Administrative Court of Ukraine dismissed the government's claims in their entirety on March 31, 2015. The market has started to readjust and KUB-Gas' gas sales increased modestly in April.

The effects of these resolutions materially affected the Company's operations during the first quarter. With a large portion of the natural gas market unavailable, private producers were left to scramble for the few remaining creditworthy customers. Management estimates that KUB-Gas' total sales volumes were approximately 4.5 MMcf/d below its productive capacity for the quarter. Although gas prices increased in UAH terms vs. Q4 2014, the increased competition caused a fall relative to the Limit Price (the maximum price that can be charged to industrial customers) set by regulators each month. As royalties are calculated on the Limit Price rather than those realized, the effective royalty rates were higher than the nominal published rates.

On January 1, 2015, the government made permanent the royalty rates of 55% and 45% for gas and oil respectively that were originally imposed in August 2014. This new legislation however, eliminated the provision for the "lowering coefficient" for new wells, under which the royalty rate for gas from new wells was reduced to 30.25% for the first two years of production. The immediate effect was that the M-17 well which accounted for approximately 35% of KUB-Gas' Q1 production became subject to the 55% rate rather than the 30.25% for which it previously qualified. On March 3, 2015, the government passed a bill reinstating the relief period effective April 1, 2015. Notwithstanding the latest change however, the nominal gas royalty rate for the first quarter was 55%, and given the disparity between the Limit Price and realized prices as mentioned above, the effective aggregate rate was 63.9%.

On March 3, 2015, the National Bank of Ukraine issued Resolution No. 160, which extended most of the existing restrictions on foreign currency transactions set out in Resolution No. 758 and introduced several additional restrictions, all to be effective until June 3, 2015.

Outlook

Average daily production (SEN WI) for April 2015 was approximately 4,480 boe/d (1,235 bbl/d of oil, 19.1 MMcf/d of gas, 69 bbl/d of liquids). This reflects a slight increase in production in Ukraine now that the legislation restricting the gas market has been overturned.

Ukraine

The Limit Price for May at which gas can be sold to industrial customers in Ukraine is 6,810 UAH per Mcm. At the current exchange rate of 21.0 UAH/USD, that is equivalent to $9.13/Mcf. The price that KUB-Gas receives has been 15% - 18% lower, reflecting the margins of the traders through whom the gas is sold, and lingering effects of the erstwhile gas market restrictions.

The Company is considering hydraulic stimulations for the O-11, O-15 and M-22 wells. If approved, the campaign will take place during the summer of 2015.

A compression unit will be installed at the Olgovskoye Field facilities in May to address sales gas dew point issues, and is expected to be functional by the beginning of June.

Tunisia

The WIN-13 well has been tied into the flowline and currently producing at approximately 138 bbl/d and 272 Mcf/d. Remedial work is expected to commence in mid to late May.

Romania

The drilling, completion and testing of Moftinu-1001 and 1002bis, along with the 180 km^{2}3D seismic program in the Santau area shot in late 2014 and associated filings to the Government, fulfils both the Government and partner work commitments for the Satu Mare Concession, Phase 2. Satisfactory completion of Phase 2 entitles the Company to enter into exclusive negotiations with the Romanian government with respect to a third 3-year exploration phase. Serinus has commenced preliminary discussions with the National Agency for Mineral Resources ("NAMR") with respect to the attendant work program. Written confirmation of the extension is expected to be received from NAMR in May 2015. Also pending written confirmation of the Satu Mare Concession extension, the Company will commence the process of establishing a Production Concession at Moftinu.

Supporting Documents

The full Management Discussion and Analysis ("MD&A") and Financial Statements have been filed in English on www.sedar.com and in Polish and English via the ESPI system, and will also be available on www.serinusenergy.com. An updated version of the corporate presentation is also now available on the the Company's website.

Abbreviations

bbl	Barrel(s)	bbl/d	Barrels per day
boe	Barrels of Oil Equivalent	boe/d	Barrels of Oil Equivalent per day
Mcf	Thousand Cubic Feet	Mcf/d	Thousand Cubic Feet per day
MMcf	Million Cubic Feet	MMcf/d	Million Cubic Feet per day
Mcfe	Thousand Cubic Feet Equivalent	Mcfe/d	Thousand Cubic Feet Equivalent per day
MMcfe	Million Cubic Feet Equivalent	MMcfe/d	Million Cubic Feet Equivalent per day
Mboe	Thousand boe	Bcf	Billion Cubic Feet
MMboe	Million boe	Mcm	Thousand Cubic Metres
UAH	Ukrainian Hryvnia	USD	U.S. Dollar
CAD	Canadian Dollar		

Cautionary Statement:

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

About Serinus

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

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

Forward-looking Statements This release may contain forward-looking statements made as of the date of this announcement with respect to future activities that either are not or may not be historical facts. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable as of the date hereof, any potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors that could impair or prevent the Company from completing the expected activities on its projects include that the Company's projects experience technical and mechanical problems, there are changes in product prices, failure to obtain regulatory approvals, the state of the national or international monetary, oil and gas, financial, political and economic markets in the jurisdictions where the Company operates and other risks not anticipated by the Company or disclosed in the Company's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties and actual results may vary materially from those expressed in the forward-looking statement. The Company undertakes no obligation to revise or update any forward-looking statements in this announcement to reflect events or circumstances after the date of this announcement, unless required by law.

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