

CALGARY, ALBERTA--(Marketwired - Oct 19, 2015) - [Serinus Energy Inc.](#) ("Serinus", "SEN" or the "Company") (TSX:SEN)(WARSAW:SEN) is pleased to provide an update for its operations for the third quarter of 2015.

Corporate Third Quarter Production and Realized Prices Summary

Average corporate production for the third quarter was approximately 4,078 boe/d (SEN WI), representing a 2% increase from 3,993 boe/d in the second quarter. The primary cause for the increase was the restoration of production at the Sabria Field after being shut in due to protests from late May to late July. Average production for October to date has been 3,795 boe/d.

Serinus' working interest production from Tunisia for Q3 was 1,343 boe/d, 11% higher than the 1,206 boe/d in Q2. Oil averaged 1,053 bbl/d, and gas was 1.7 MMcf/d. The increase was due substantially to the return of the Sabria Field, and the resolution of operational issues with STEG (the national gas utility and transmission utility) related to high ambient temperatures in late June which limited gas sales from Chouech Es Saida. Production for October to date has averaged 1,120 boe/d. The WIN-12bis well, which was producing over 1,000 boe/d (450 boe/d SEN WI), is currently shut-in and undergoing remedial work to remove blockage in the production tubing.

Estimated realized prices in Tunisia during the quarter were \$51.31/bbl and \$7.93/Mcf. There were two tanker lifts of oil during Q3.

In Ukraine, gas and condensate production during the third quarter were approximately 16.1 MMcf/d and 53 bbl/d respectively (both volumes are SEN's 70% WI). These volumes are marginally lower than Q2, due to normal seasonal demand weakness. Production for October to date has averaged 15.7 MMcf/d and 62 bbl/d (SEN WI).

The estimated prices received in Ukraine during the quarter were \$6.58/Mcf and \$43.01/bbl for natural gas and liquids respectively. The comparable prices realized in Q2 were \$7.14/Mcf and \$43.59/bbl. KUB-Gas LLC ("KUB-Gas"), Serinus' indirectly 70% owned subsidiary which owns and operates the Ukraine assets, is paid in UAH, making its realized price in USD also subject to exchange rate risk.

Note: the volumes and prices referred to above are subject to minor revisions once final allocations and invoices are received.

Drilling & Workover Update

The R30c zone in the O-11 well in Ukraine has been successfully frac'ed and the most recent test rates are approximately 1 MMcf/d. Operations on the M-22 and O-15 wells are continuing, and results will be reported once available.

Ukraine Legislative Developments

On September 3, 2015, the National Bank of Ukraine announced that the restrictions on foreign currency transactions first imposed in September 2014 have been extended until December 4, 2015.

A new bill reforming the natural gas market in Ukraine became effective October 1, 2015. Among other things, it contains a provision that gas producers will have to contribute into storage a volume equivalent to 30 days of production effective January 1, 2016. The administrative details of this requirement have not yet been published, so key questions remain as to whether the storage injections must begin by or be completed on January 1, 2016, and whether royalties will be due when the gas is produced (before injection) or when it is sold out of storage.

The market reform bill also eliminates the Limit Price (the maximum price set by regulators each month that can be charged to industrial customers) on which royalties were previously calculated. As realized prices have been lower than the Limit Price for most of 2015, the effective royalty rates on natural gas have been commensurately higher than the nominal 55% rate in effect (63.9% and 57.4% in Q1 and Q2 2015 respectively). While this appears to be positive in that it lowers the royalty burden, administrative procedures have yet to be published so the actual effect of this change is not yet fully known.

On October 5, 2015, the Rada (the Ukrainian parliament) approved by a vote of 228 affirmative votes (vs. a minimum of 226 required) the first reading of a bill which would reduce the royalties on natural gas. The bill proposes to drop the royalty rates from 55% (28% on wells deeper than 5,000 metres) to 29% and 14% respectively. The relief period under the current regime where gas royalties are reduced by 45% for the first two years of a new well's life would no longer apply. Royalties on oil and liquids would remain unchanged at 43%. The bill must continue to a second reading anticipated within the next 2 -3 weeks and then receive final signature from the president before coming into effect.

Outlook

Serinus anticipates \$17 million of total capital expenditures for 2015 (SEN WI), unchanged from the guidance given in prior press releases this year. The major items in that program include:

- Ukraine - Completion, testing and tie in of the M-22 well (completed)
- Ukraine - field compression for Olgovskoye Field (completed)
- Tunisia - Drilling, completion and testing of WIN-13 (completed)
- Tunisia - installation of coiled tubing in ECS-1 (completed)
- Romania - Completion and testing of Moftinu-1001 and 1002bis (completed)

In addition to the projects listed above, the budget includes ongoing exploration and development activities such as seismic processing and interpretation, plant de-bottlenecking and maintenance. KUB-Gas has recently acquired 26 kilometres of new 2D seismic over the West Olgovskoye Licence, and processing is underway. West Olgovskoye is owned by KUB-Gas Borova LLC, a subsidiary of KUB-Gas.

Ukraine

The Company may consider additional capital expenditures on development projects during the balance of 2015, subject to keeping such expenditures within operating cash flow and no further material adverse changes in either the fiscal terms or the security situation in and around the Ukraine licences.

Once economic conditions improve, KUB-Gas has a significant inventory of drilling locations and other projects in the Ukraine licences including:

- Ten firm drilling locations in the Olgovskoye, Makeevskoye and North Makeevskoye Licences, plus up to seven more locations contingent upon success. Management expects this inventory to grow substantially once the technical team examines the data on the newly acquired West Olgovskoye Licence.
- Several fracture stimulations candidates in addition to the three mentioned above.

Tunisia

The Sabria Field could be capable of a multi-well development program, but due to current low commodity prices, no additional drilling is expected for 2015.

Romania

With the extension for Satu Mare, Serinus is concentrating on development of the Moftinu-1001 discovery. Management is currently refining the development drilling program and has commenced preliminary design of the required surface facilities. Pending gazetting of the Phase 3 extension of the Satu Mare Licence and the various permits and approvals required, drilling and construction could commence in mid-2016.

Given the success in Moftinu, the Company is also proceeding to refine and expand the exploration inventory within the concession. Based on older vintage 2D seismic data and existing wells, management has identified over 25 leads and prospects. The exploration program will include shooting 3D seismic over the Berveni and Madaras areas, both of which are identified in Serinus' latest corporate presentation, available at www.serinusenergy.com.

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	\$M	Thousands of Dollars
\$MM	Millions of Dollars		

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. The 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.

For further information, please refer to the Serinus website (www.serinusenergy.com).

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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