

Serinus Energy plc: Q1 2018 Financial and Operating Results

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JERSEY, May 11, 2018 - Serinus Energy plc ("Serinus", "SEN" or the "Company"), is pleased to report its financial and operating results for the three months ended March 31, 2018.

Q1 2018 Highlights

- Production in Q1 2018 was 380 boe/d compared to 690 boe/d in Q1 2017. The decrease of 45% from Q1 2017 was primarily due to the shut-in of the Chouech Es Saida field since February 28, 2017 and lower production from the Win-12bis well in Sabria, after being shut-in from May 22 until early September 2017, stemming from the social unrest in the southern part of the country. Oil weighting was 73% in Q1 2018 compared to 75% in Q1 2017.
- During Q1 2018, Brent prices averaged \$66.80 per bbl, as compared to \$53.68 per bbl in Q1 2017, an increase of 24%, reflecting the continued climb of oil prices since August 2017 when Brent averaged \$51.70 per bbl. The Company's realized oil price averaged \$66.00 per bbl in Q1 2018, compared to \$50.89 per bbl in Q1 2017, an increase of 30%.
- Funds from operations for the three months ended March 31, 2018 was \$2.5 million as compared to \$0.2 million for the three months ended March 31, 2017, an increase of \$2.3 million. The additional funds from operations in the current period in 2018 was primarily attributable to a \$2.6 million insurance recovery attributable to the well incident in December 2017. This increase was partially offset by \$0.4 million of transaction costs incurred during the quarter related to the Company's continuance to Jersey and AIM listing transaction.
- The net earnings for the three-month period ended March 31, 2018 was \$1.0 million, compared to a net loss of \$2.1 million in Q1 2017.
- The well incident costs of \$4.0 million associated with the emergency operations in December 2017 on the Moftinu 1001 well were fully recognized in 2017. During the first quarter of 2018, the Company submitted its first interim insurance coverage claim related to the Moftinu 1001 well incident and recognized \$2.6 million in the statement of operations in Q1, 2018. The Company received insurance proceeds of \$1.9 million in Q1 2018, with the remaining \$0.7 million reported as an insurance receivable on the balance sheet. Subsequent to March 31, 2018, the Company received the \$0.7 million related to its first interim insurance claim and a second interim claim is in progress. The well incident has resulted in delays to the construction of the gas facility, which is located on the wellsite of the Moftinu 1001 well. First production is expected to commence late Q2, 2018. The Company has also constructed the platform and access roads and has secured a drilling rig and well services for the immediate drilling of the replacement well, Moftinu 1007, located approximately 300 metres from the Moftinu 1001 well site. This well is expected to spud late May. The redrill portion will form the final part of the Company's insurance claim.
- On March 7, 2018, the Company's shareholders voted in favour of the continuance to Jersey. On May 3, 2018, the Company continued to Jersey, Channel Islands. In connection with the Continuance, the company changed its name from [Serinus Energy Inc.](#) to Serinus Energy plc and adopted new charter documents. The Company is proceeding with the process to list on AIM market of the London Stock Exchange with completion planned for mid-May 2018.

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

	Three Months Ended March 31		
	2018	2017	Change
Net Oil and Gas Revenue (net of royalties)	1,998	2,642	(24 %)

Net Income (Loss)	1,002	(2,099	)	148	%
per share, basic and diluted	0.01	(0.02	)		
Funds from Operations	2,505	166		1409	%
per share, basic and diluted	0.02	0.00			
Capital Expenditures	2,148	858		150	%
Average Production (net to Serinus from operations)					
Oil (Bbl/d)	276	519		(47	%)
Gas (Mcf/d)	626	1,025		(39	%)
BOE (boe/d)	380	690		(45	%)
Average Sales Price (from continuing operations)					
Oil (\$/Bbl)	\$ 66.00	\$ 50.89		30	%
Gas (\$/Mcf)	\$ 10.17	\$ 5.85		74	%
BOE (\$/boe)	\$ 64.63	\$ 46.98		38	%
	March 31	December 31			
	2018	2017			
Cash & Equivalents	3,470	7,252			
Working Capital	(8,629	(6,567	)		
Long Term Debt	(28,113	(31,261	)		
Shares Outstanding	150,652,138	150,652,138			
Average for Period	150,652,138	150,652,138			

General & Financial Highlights

- Revenue, net of royalties, for three-month period ended March 31, 2018 decreased to \$2.0 million, compared to \$2.6 million in Q1 2017, due to lower production.
- Total royalties paid decreased from \$0.3 million in Q1 2017 to \$0.2 million in Q1 2018. Much of this decrease was due to lower production offset by higher average commodity prices.

Operational Highlights

- Production volumes decreased by 45% in the first quarter of 2018 to 380 boe/d compared to 690 boe/d in the first quarter of 2017. The decrease in production in Q1 2018 was attributable to the shut-in of the Chouech Es Saida field since February 28, 2017 and lower volumes from the WIN-12bis well in Sabria arising from the prolonged shut-in of the Sabria field from May to September 2017. The production volumes at Chouech Es Saida in the prior period were additionally impacted by lower production due to the CS-3 and CS-1 wells which went down in the middle of December 2016 and remained off-line in the first quarter of 2017 pending pump replacement and workovers.
- In Romania, the Company incurred capital expenditures of \$2.1 million for the three months ended March 31, 2018. The expenditures consisted of the construction of the Moftinu gas facilities in the period of \$1.6 million and costs associated with the Bucharest office of \$0.6 million.

Outlook

The Company is focusing on Romania as the impetus for growth over the next several years. The Moftinu gas development project is a near-term project that is expected to begin producing from the gas discovery well Moftinu-1000 and the Moftinu 1007 well which is scheduled for to be drilled, completed and ready for production by late Q2, 2018. Construction of the gas processing facility with 15 Mmcf/d of operational capacity is in its final phase with expected first gas production late Q2 2018.

The Company is also progressing the drilling program to meet work commitments for the extension to October 2019 and plans to drill two additional development wells, Moftinu-1003 and Moftinu-1004 during the latter half of 2018. The European Bank for Reconstruction and Development is the loss payee under the relevant insurance policy and if it insists on allocating all insurance proceeds relating to the replacement well,

Moftinu-1007, toward repaying the Company's indebtedness to the EBRD, the Company will delay the drilling of the Moftinu 1004 well until early 2019. Combined with the production of the Moftinu 1000 and Moftinu 1007 wells, the Corporation expects the gas plant to be operating at full capacity by early 2019.

In Tunisia, the Company is currently focusing on improving production from Sabria following the shut-in and plans to focus on carrying out low cost incremental work programs to increase production from existing wells, including the Sabria N-2 re-entry and installing artificial lift on another Sabria well, having determined that production at its oil field can be restarted in a safe and secure environment with sufficient comfort that there will be no further production disruptions for the foreseeable future. The Corporation views Sabria as a large development opportunity longer term.

For the Choueich Es Saida field, the Company is evaluating the restart of the field including timing and costs to replace the electric submersible pump for the CS-3 well. The Company views the level of activity pursued in Tunisia as dependent on the following thresholds being achieved and maintained. In terms of oil prices, incremental vertical wells become economic at Brent oil prices of ~\$45 per bbl, with potential multi-leg horizontal wells lowering the threshold to below \$30 per bbl in Sabria. The current capacity of surface facilities would only allow for 1 to 3 incremental wells for each of Sabria and Choueich Es Saida/Ech Choueich. As well for Choueich Es Saida/Ech Choueich, the STEG El Borma gas plant is nearly at its effective capacity. Further gas developments from this concession may have to be delayed until the completion of the Nawara Pipeline for material gas pipeline capacity to come online.

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.

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
CAD	Canadian Dollar	USD	U.S. 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.

About Serinus

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

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

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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.

Notes: Serinus prepares its financial results on a consolidated basis. Unless otherwise noted by the phrases "allocable to Serinus", "net to Serinus", "attributable to SEN shareholders" or "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.

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