Serinus Energy plc

First Quarter Report and Accounts 2020

(US dollars)

FIRST QUARTER 2020 HIGHLIGHTS

Operational

- Serinus Energy plc ("Serinus", the "Company", or the "Group"), has continued to operate safely and effectively through the COVID-19 crisis, with the successful implementation of operational and monitoring protocols to ensure the health and safety of our employees.
- Medical teams are monitoring our staff in both Tunisia and Romania and all staff are safe and healthy. The Company continues to operate effectively whilst working remotely from all our offices.
- For the three months ended 31 March 2020, average production increased by 2,000 boe/d to 2,317 boe/d (2019 - 317 boe/d), comprised of 1,746 boe/d (2019 – nil) in Romania and 571 boe/d (2019 – 317 boe/d) in Tunisia.
- The Group exited March 2020 with a production rate of 2,701 boe/d comprised of 2,064 boe/d in Romania and 637 boe/d in Tunisia.
- Successfully drilled, completed and tested M-1004 in Romania at a rate of 6.0 MMscf/d (approximately 1,000 boe/d) from three perforated zones and brought onto production in February.
- Due to the restrictions caused by COVID-19 since mid-March, mobilization of the contractor to execute the planned 3D seismic acquisition programme in the Berveni area of Romania was postponed.
- The Company has entered cooperative discussions with the Romanian regulatory authorities regarding the disruptions caused by the restrictions imposed to address the COVID-19 crisis. Critical to these discussions are the remedies that the authorities can provide to allow operating companies in Romania the ability to fulfil their commitments given the delays imposed by the COVID-19 crisis.

Financial

- For the three months ended 31 March 2020 the Company generated $7.9 million (2019 - $1.7 million) in gross revenue or $7.4 million (2019 - $1.5 million) net of royalties. This was comprised of $5.8 million (2019 - $nil) in Romania and $2.1 million (2019 - $1.7 million) in Tunisia.
- For the three months ended 31 March 2020, funds from operations amounted to $2.5 million (2019 - $nil).
- For the three months ended 31 March 2020, realised crude oil price per barrel ("bbl") averaged $40.80 (2019 – $60.90) and realised natural gas price per thousand cubic feet ("mcf") averaged $6.03 (2019 - $9.42).
- Capital expenditures for the three months ended 31 March 2020 of $2.7 million (2019 - $1.1 million).
- Production expense per barrel of oil equivalent ("boe") for the three months ended 31 March 2020 averaged $9.30 (2019 - $22.47) primarily due to the lower cost production from the Moftinu field.
- Given the ongoing uncertainty of the COVID-19 crisis and the difficulty in moving manpower and equipment during this crisis all future capital investment plans have been postponed. Minimal maintenance capital will be allocated to ensure the safe and continued operation of our production facilities.
- At the outset of the current crisis, the Group began discussions with its lender, the European Bank for Reconstruction and Development ("EBRD"), to assess the options available during this period of uncertainty. These discussions are progressing, and, at this time, the directors remain confident that a solution will be implemented ahead of the 30 June 2020 instalment.

OPERATIONAL UPDATE

In Romania, the Company successfully drilled, completed and tested the M-1004 well in February which flowed at 6.0 MMscf/d (approximately 1,000 boe/d). Subsequent to the production tests the well was tied in to the Moftinu Gas Plant and began producing gas into the plant. This well is the third producing well in the Moftinu field and further increases the utilization of the Moftinu Gas Plant. The Company has begun the permitting process for the M-1008 well which is a proposed production well that was anticipated to be drilled late 2020 or early 2021. Drilling plans have been postponed for the duration of the COVID-19 crisis. The Company has permitted a 148 km^2 3D seismic acquisition programme in the Berveni area just north of the Moftinu Gas Plant and reached land access agreements with all landowners within the seismic acquisition area. The Company had ordered the mobilization of the seismic equipment and staff to begin the programme, however, due to uncertainty regarding the COVID-19 pandemic and the impacts on travel and services in Romania and the Satu Mare County, the Company and its seismic contractor have postponed the programme. The Company is in discussions with the Romanian regulatory authorities to agree an extension to the concession area.

Production has continued to increase in Tunisia. The gradual increases in production are the result of more efficient running of subsurface pumps and the steady decrease in water cut. Since returning the Chouech and Ech Chouech fields to production following their prolonged shut-in due to social disturbances, the Company has seen steady improvements in production. The Company has continued its programme of workovers to replace older pumps and these workovers have demonstrated the ability to increase production with low capital outlays. In January the Company completed a coil-tubing workover on the Win-12bis well in Sabria, which has gradually increased the well's production.

OUTLOOK

COVID-19

The Company's top priority is the health, safety and wellbeing of all our staff throughout this difficult time. All Group offices are temporarily closed as all staff are working remotely, in line with all local regulations. Operations have not been affected by the outbreak, as all fields are currently operating as normal. The fields have had modifications to ensure social distancing and to ensure safe practices. The Group continues to monitor each jurisdiction and will implement recommendations and continue to abide by local rules pertaining to all offices.

Romania

All capital plans in Romania have been postponed as well as the scheduled maintenance programme at the Moftinu Gas Plant that was set for May 2020. Our teams have designed an incremental maintenance programme considering the postponed gas plant turn-around and does not anticipate this change to have any negative impacts to the safety or performance of the gas plant.

The Company had previously announced that it had fully permitted and was preparing to commence a 3D seismic acquisition programme in the Berveni area. This programme has been delayed by the inability to move manpower and equipment during this period. The Company has agreed with its seismic contractor to extend the existing contracts by one year to allow for the future completion of this programme. Subject to the ongoing uncertainty regarding the COVID-19 crisis the Company hopes to recommence this programme in early 2021.

The M-1008 production well has been permitted and was expected to be drilled in late 2020 or early 2021, however due to the COVID-19 crisis, it is uncertain when any further work may be completed for the drilling of this well.

Tunisia

The Company's work in Tunisia has focused on low capital high return production enhancements. During the period the Company performed additional work in the Chouech and Ech Chouech fields focused on pump replacement and pump performance, resulting in a gradual increase in production. Due to the COVID-19 crisis, there have been minor disruptions due to the availability of service providers, delaying further pump enhancement work.

The Company completed a coiled tubing workover on the Win-12bis well in Sabria, which has provided production increases as expected. The Company continues to explore and identify other wells on which similar workovers may provide comparable results. The Company had plans to complete an artificial lift programme to introduce the first pumps into the Sabria field. This programme has been delayed due to the disruptions caused by the COVID-19 crisis and the resulting disruption in the oil market. The Company believes these plans can be restarted with minimal costs.

FINANCIAL REVIEW

Liquidity, Debt and Capital Resources

In Romania, the Group invested $2.1 million (2019 - $1.1 million) in the three months ended 31 March 2020 primarily to drill, complete, and tie in the M-1004 well. Romania remained a significant cash flow generating unit during the period as production increased from the addition of M-1004. The field generated a netback per boe of $28.16 (2019 - $nil) for the first quarter.

In Tunisia, the Group invested $0.6 million (2019 - $nil) for the three months ended 31 March 2020. The capital was spent in the Chouech field, related to workovers on the CS-1 and CS-3 wells. Tunisia continued to see positive production from the Sabria, Chouech, and Ech Chouech fields during the quarter while realizing a netback per boe of $16.56 (2019 - $31.87) for the first quarter.

Funds from operations increased to $2.5 million (2019 - $nil) for the three months ended 31 March 2020. This increase is mainly attributable to production from the Moftinu field in 2020.

The Convertible debt with the EBRD is due to be repaid in four instalments commencing 30 June 2020, when 25% of the principal and accrued interest at that date will be repayable with the three remaining repayments made annually on June 30. As at 31 March 2020, $8.2 million of the Convertible debt is reported as a current liability.

On 26 March 2020, the Group received a waiver from the EBRD formally waiving compliance with the financial covenant for the period ended 31 March 2020.

As at ($000)	**31 March 2020**	**31 December 2019**
Current assets	15,802	15,243
Current liabilities	32,566	32,194
Working Capital deficit	(16,764)	(16,951)

The working capital deficit of the Group at 31 March 2020 was $16.8 million, an improvement since year end, primarily due to positive cashflows from operations offset by additional long-term debt shown as a current liability.

Included in current liabilities at 31 March 2020 was $8.2 million of EBRD debt, accounts payable of $17.3 million (of which $8.2 million relates to Brunei and dates back to 2012/2013), decommissioning provision of $6.3 million, income taxes payable of $0.3 million and lease obligations of $0.4 million.

Going Concern Statement

The Group's ability to settle its obligations as they come due is dependent on its ability to generate future cash flows from operations and/or obtain the necessary financing. The Group has modelled cash flow forecasts in order to identify how available funds could be managed in order to allow the Group to meet its obligations as they fall due or identify where additional funding may be required. Given the above, there are material uncertainties as to whether the Group can meet all its cash obligations as they fall due.

The ability to generate sufficient future cash flows from operations to meet obligations as they fall due and the continued availability of existing facilities, should loan covenants not be met, represent material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern. Refer to note 2 below for further information.

FINANCIAL REVIEW –FIRST QUARTER 2020

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:

	Three months ended 31 March	
($000)	**2020**	**2019**
Cash flow from operations	1,509	2,870
Changes in non-cash working capital	950	(2,910)
Funds from (used in) operations	2,459	(40)
Funds from operations per share	0.01	0.00

The increase in funds from operations in 2020 was primarily attributable to Romania generating cash flows in the first quarter of 2020. Funds from operations generated in Romania were $3.5 million (2019 - $nil), Tunisia funds used in operations were $0.2 million (2019 - funds from operations were $0.9 million) and funds used at the corporate level were $0.9 million (2019 - $0.9 million). The increase in Romania is directly attributable to the startup of the Moftinu field compared to no production in the comparative period. The decrease in Tunisia is the result of a $1.1 million (2019 - $0.1 million) tax payment related to the fourth quarter earnings, as tax payments are made one quarter in arrears, along with a sharp decrease in commodity pricing in the current period.

PRODUCTION

	Three months ended 31 March	
	2020	**2019**
Tunisia		
Crude oil (bbl/d)	478	230
Natural gas (Mcf/d)	559	522
Tunisia (boe/d)	571	317
Romania		
Natural gas (Mcf/d)	10,401	-
Condensate (bbl/d)	12	-
Romania (boe/d)	1,746	-
Group		
Crude oil (bbl/d)	478	230
Natural gas (Mcf/d)	10,960	522
Condensate (bbl/d)	12	-
Total Group production (boe/d)	2,317	317
% liquids weighting	21%	73%
% gas weighting	79%	27%
	100%	100%

For the three months ended 31 March 2020 production averaged 2,317 boe/d (2019 – 317 boe/d), an increase of 2,000 boe/d (631%) due to the addition of Romania, Chouech and Ech Chouech which were not producing in the comparative period, as well as the successful M-1004 well that was brought on to production during the quarter.

Romania production averaged 1,746 boe/d (2019 – nil), with production only commencing on 25 April 2019, as well as M-1004 coming onto production in February 2020.

Tunisia production was from the Sabria, Chouech and Ech Chouech fields and averaged 571 boe/d (2019 – 317 boe/d). The increase in production is due to the Chouech and Ech Chouech fields producing in the current quarter compared to being shut-in during the first quarter of 2019, as well as the performance of the wells continuing to improve as water cuts decrease.

OIL AND GAS REVENUE

($000)	Three months ended 31 March 2020	2019
Tunisia		
Oil revenue	1,770	1,260
Gas revenue	312	443
Tunisia revenue	2,082	1,703
Romania		
Gas revenue	5,790	-
Condensate revenue	44	-
Romania revenue	5,834	-
Group		
Oil revenue	1,770	1,260
Gas revenue	6,102	443
Condensate revenue	44	-
Total Group revenue	7,916	1,703
Liquids revenue (%)	23%	74%
Gas revenue (%)	77%	26%
	100%	100%

Realised Price		
Tunisia		
Oil ($/bbl)	40.80	60.90
Gas ($/Mcf)	6.13	9.42
Tunisia average realised price ($/boe)	40.14	59.70
Romania		
Gas ($/Mcf)	6.02	-
Condensate ($/bbl)	41.92	-
Romania average realised price ($/boe)	36.18	-
Group		
Oil ($/bbl)	40.80	60.90
Gas ($/Mcf)	6.03	9.42
Condensate ($/bbl)	41.92	-
Group average realised price ($/boe)	37.14	59.70

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, which the Group has a marketing agreement with Shell International Trading and Shipping Company Limited. Natural gas prices are nationally regulated and in Sabria are tied to the current month average of high sulphur heating oil (benchmarked to Brent).

In Romania, 50% of the natural gas production must be sold on the open market, and the other 50% of natural gas is sold through a gas sales agreement with Vitol Gas and Power BV. The sales price under this agreement is linked to an average of transactions concluded on the centralized markets of Romania.

Oil and gas revenues for the three months ended 31 March 2020 increased by 365% to $7.9 million (2019 – $1.7 million). The increase was attributable to the increase in production described above, partially offset by a 38% decrease in the average realised price per boe. The average realised price was impacted by the decrease in the Brent crude price as well as the product mix consisting of 77% gas (2019 – 26%) which realised a lower price per boe compared to crude oil.

Royalties

($000)	Three months ended 31 March 2020	2019
Tunisia	277	165
Romania	273	-
Total	550	165
Total ($/boe)	2.61	5.78
Tunisia (% of revenue)	13.3%	9.7%
Romania (% of revenue)	4.7%	0.0%
Total (% of revenue)	6.9%	9.7%

Tunisian royalties are based on individual concession agreements. In Sabria, the royalty rate varies 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%. The royalty rates for the three months ended 31 March 2020 in the Sabria concession for oil was 10% (2019 – 10%) and for gas 8% (2019 – 8%). In the Chouech and Ech Chouech concession, royalty rates were flat at 15% (2019 – 15%).

Romanian natural gas royalties step-up from 3.5% to 13.0% and condensate from 3.5% to 13.5% based on the level of production in the quarter. Romanian royalties are calculated using the reference price set by Romania instead of the realised price to the Company.

Royalties for the three months ended 31 March 2020 were $0.6 million (2019 - $0.2 million) due to the increased production discussed above. The realised royalty rate in Tunisia was 13.3% (2019 – 9.7%). The increase is due to the Chouech and Ech Chouech fields having a flat royalty rate of 15%, producing during the quarter compared to being shut-in in the comparative period. In Romania, the realised royalty rate was 4.7% (2019 – nil).

Production Expenses

($000)	Three months ended 31 March 2020	2019
Tunisia	949	629
Romania	1,000	-
Canada	12	12
Group	1,961	641
Tunisia production expense ($/boe)	18.25	22.05
Romania production expense ($/boe)	6.30	-
Total production expense ($/boe)	9.30	22.47

For the three months ended 31 March 2020, the Group incurred production expenses of $2.0 million (2019 - $0.6 million). The overall increase is due to the addition of the Moftinu, Chouech and Ech Chouech production in 2020. Production expenses per boe were $9.30 (2019 - $22.47). The decrease per boe is attributable to the low-cost production costs in Romania along with the significant increase in overall production.

Tunisian production expenses for the period were $0.9 million (2019 - $0.6 million). Additional costs are directly attributable to the addition of producing fields, Chouech and Ech Chouech, though the incremental production reduced production costs per boe to $18.25 (2019 - $22.05).

Romanian production expenses for the period were $1.0 million (2019 - $nil). The comparative period had no production expenses as production of the Moftinu field commenced production on 25 April 2019.

Canadian 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.

	Three months ended 31 March	
($/boe)	**2020**	**2019**
Tunisia		
Production volume (boe/d)	571	317
Realised price	40.14	59.70
Royalties	(5.33)	(5.78)
Production expense	(18.25)	(22.05)
Operating netback - Tunisia	16.56	31.87
Romania		
Production volume (boe/d)	1,746	-
Realised price	36.18	-
Royalties	(1.72)	-
Production expense	(6.30)	-
Operating netback - Romania	28.16	-
Group		
Production volume (boe/d)	2,317	317
Realised price	37.14	59.70
Royalties	(2.61)	(5.78)
Production expense	(9.30)	(22.47)
Operating netback - Group	25.23	31.45

For the three months ended 31 March 2020, the operating netback per boe for the Group was $25.23 (2019 - $31.45). The decrease was primarily due to lower realised pricing offset by a decrease in royalty and production expenses described above.

WINDFALL TAX

	Three months ended 31 March	
($000)	**2020**	**2019**
Windfall tax	1,026	-
Windfall tax ($/Mcf - Romania gas)	1.08	-
Windfall tax ($/boe - Romania gas)	6.50	-

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 (approximately $3.45 per mcf). 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 are limited to 30% of the supplemental income.

For the three months ended 31 March 2020, the Group incurred windfall taxes of $1.0 million (2019 - $nil) which equates to $1.08 per mcf (2019 - $nil) of Romanian gas production volumes.

DEPLETION AND DEPRECIATION

	Three months ended 31 March	
($000)	2020	2019
Tunisia	830	371
Romania	3,063	25
Corporate	147	166
Total	4,040	562
Tunisia ($/boe)	15.96	13.01
Romania ($/boe)	19.29	-
Total ($/boe)	19.16	13.01

Depletion and depreciation expense are computed on a concession by concession basis considering the net book value, the future development costs associated with the reserves as well as the proved and probable reserves of each concession.

For the three months ended 31 March 2020, depletion and depreciation expense in Tunisia was $0.8 million (2019 - $0.4 million). This increase in directly attributable to the increased production from the Chouech and Ech Chouech fields. Depletion and depreciation expense in Romania were $3.1 million (2019 - $nil). This increase was due to the Moftinu field being put onto production 25 April 2019.

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A")

	Three months ended 31 March	
($000)	2020	2019
G&A expense	839	673
G&A expense ($/boe)	3.98	23.59

G&A costs incurred by the Group are expensed, with certain costs directly related to exploration and development assets being capitalised or reported as production costs. The G&A expense reported is on a net basis, representing gross G&A costs incurred less recoveries of those costs presented as capital or production costs.

For the three months ended 31 March 2020, G&A costs were $0.8 million (2019 - $0.7 million). The increase is primarily attributable to higher professional fees. On a per boe basis G&A expenses significantly decreased due to higher production volumes from the Moftinu, Chouech, and Ech Chouech fields compared to the prior period.

SHARE-BASED COMPENSATION

	Three months ended 31 March	
($000)	2020	2019
Share-based compensation	43	219
Share-based compensation ($/boe)	0.20	7.68

For the three months ended 31 March 2020, the share-based compensation expense was $43k (2019 - $219k). The decrease is due to no additional corporate stock options issued during the period.

NET FINANCE EXPENSE

($000)	Three months ended 31 March 2020	2019
Interest expense on long-term debt	787	658
Amortization of debt costs	22	236
Amortization of debt modification	64	37
Interest of leases	29	30
Accretion on decommissioning provision	168	307
Other interest and foreign exchange	(18)	159
	1,052	1,427

For the three months ended 31 March 2020, the net interest expense was $1.1 million (2019 - $1.4 million). This decrease is due to the repayment of the Senior Loan in 2019, lower interest rates on the convertible loan, lower accretion due to the decreased ARO provision, offset by a larger principal balance on the convertible loan on the EBRD debt.

SHARE DATA

As at the date of issuing this report, the following are the options outstanding and changes to directors' shares owned since 31 March 2020, up to the date of this report.

Name of Director	Options held at 31 March 2020	Options issued subsequent to 31 March 2020	Options held at 15 May 2020	Shares held at 31 March and 15 May 2020
Executive Directors:				
Jeffrey Auld	8,000,000	-	8,000,000	22,197
Andrew Fairclough	-	1,750,000	1,750,000	-
Non-Executive Directors:				
Jim Causgrove	100,000	-	100,000	-
Eleanor Barker	100,000	-	100,000	100,000
	8,200,000	1,750,000	9,950,000	122,197

As of the date of issuing this report, management is aware of the following shareholders holding more than 5% of the ordinary shares of the Group, as reported by the shareholders to the Group: Kulczyk Investments S.A. 38.09%, Marlborough Fund Managers 9.87% and JCAM Investments Ltd 7.89%.

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

Serinus Energy plc
Condensed Consolidated Interim Statement of Comprehensive Loss
($US 000s) (unaudited)

	Note	Three months ended 31 March 2020	2019
Revenue, net of royalties		**7,366**	1,538
Cost of sales			
Production expenses		**(1,961)**	(641)
Depletion and depreciation		**(4,040)**	(562)
Windfall tax		**(1,026)**	-
Total cost of sales		**(7,027)**	(1,203)
Gross profit		**339**	335
Administrative expenses		**(839)**	(673)
Share-based payment expense		**(43)**	(219)
Total administrative expenses		**(882)**	(892)
Gain on disposition		**2**	-
Operating loss		**(541)**	(557)
Finance expense		**(1,052)**	(1,427)
Net loss before tax		**(1,593)**	(1,984)
Taxation		**(170)**	(347)
Net loss for the period		**(1,763)**	(2,331)
Other comprehensive loss			
Other comprehensive loss to be classified to profit and loss in subsequent periods:			
Foreign currency translation adjustment		**(1,205)**	-
Comprehensive loss for the period		**(2,968)**	(2,331)
Loss per share:			
Basic	**5**	**(0.01)**	(0.01)
Diluted	**5**	**(0.01)**	(0.01)

Serinus Energy plc
Condensed Consolidated Interim Statement of Financial Position
($US 000s) (unaudited)

As At	**31 March 2020**	**(*audited*) 31 December 2019**
Non-current assets		
Property, plant and equipment	**91,553**	93,396
Exploration and evaluation assets	**733**	1,004
Right-of-use assets	**688**	817
Total non-current assets	**92,974**	95,217
Current assets		
Restricted cash	**1,033**	1,122
Trade and other receivables	**11,035**	11,341
Cash and cash equivalents	**3,734**	2,780
Total current assets	**15,802**	15,243
Total assets	**108,776**	110,460
Equity		
Share capital	**377,942**	377,942
Warrants	**97**	97
Share-based payment reserve	**23,878**	23,835
Cumulative translation reserve	**(1,448)**	(243)
Accumulated deficit	**(388,876)**	(387,113)
Total Equity	**11,593**	14,518
Liabilities		
Non-current liabilities		
Decommissioning provision	**25,695**	25,304
Deferred tax liability	**13,562**	13,392
Long-term debt	**23,723**	23,387
Lease liabilities	**314**	342
Other provisions	**1,323**	1,323
Total non-current liabilities	**64,617**	63,748
Current liabilities		
Current portion of decommissioning provision	**6,272**	6,334
Current portion of long-term debt	**8,246**	7,709
Current portion of lease liabilities	**402**	534
Accounts payable and accrued liabilities	**17,646**	17,617
Total current liabilities	**32,566**	32,194
Total liabilities	**97,183**	95,942
Total liabilities and equity	**108,776**	110,460

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 15 May 2020.

Serinus Energy plc
Condensed Consolidated Interim Statement of Shareholder’s Equity
($US 000s) (unaudited)

	Share capital	**Share-based payment reserve**	**Warrants**	**Accumulated deficit**	**Cumulative translation reserve**	**Total**
Balance at 31 December 2018	375,208	23,307	-	(385,173)	-	13,342
Comprehensive loss for the period	-	-	-	(2,331)	-	(2,331)
Transactions with equity owners						
Share issue, net of issue costs	2,713	-	-	-	-	2,713
Warrants issued	-	-	97	-	-	97
Share-based payment expense	-	219	-	-	-	219
Balance at 31 March 2019	377,921	23,526	97	(387,504)	-	14,040
Balance at 31 December 2019	377,942	23,835	97	(387,113)	(243)	14,518
Comprehensive loss for the period	-	-	-	(1,763)	-	(1,763)
Other comprehensive loss for the period	-	-	-	-	(1,205)	(1,205)
Transactions with equity owners						
Share-based payment expense	-	43	-	-	-	43
Balance at 31 March 2020	377,942	23,878	97	(388,876)	(1,448)	11,593

Serinus Energy plc
Condensed Consolidated Interim Statement of Cash Flows
($US 000s) (unaudited)

	2020	2019
Operating activities		
Loss for the period	**(1,763)**	(2,331)
Items not involving cash:		
Depletion and depreciation	**4,040**	562
Accretion expense	**168**	307
Gain on disposition	**(2)**	-
Share-based payment expense	**43**	219
Foreign exchange unrealised (gain) loss	**(12)**	40
Current tax expense	**-**	60
Deferred tax recovery	**170**	287
Interest expense	**873**	958
Income taxes paid	**(1,058)**	(142)
Funds from operations	**2,459**	(40)
Changes in non-cash working capital	**(950)**	2,910
Cashflows from operating activities	**1,509**	2,870
Finance activities		
Proceeds from equity issuance	**-**	3,000
Share issue costs	**-**	(190)
Repayment of long-term debt	**-**	(2,700)
Interest and financing fees	**-**	(235)
Lease payments	**(122)**	(129)
Cashflows used in financing activities	**(122)**	(254)
Investing activities		
Property, plant and equipment expenditures	**(2,724)**	(1,101)
Interest earned on restricted cash	**(5)**	(5)
Proceeds on disposal	**13**	-
Changes in non-cash working capital	**2,313**	(579)
Cashflows used in investing activities	**(403)**	(1,685)
Impact of foreign currency translation on cash	**(30)**	(21)
Change in cash and cash equivalents	**954**	910
Cash and cash equivalents, beginning of period	**2,780**	2,283
Cash and cash equivalents, end of period	**3,734**	3,193

1. General information

Serinus Energy plc ("Serinus", the "Company", or the "Group") 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 28 Esplanade, St. Helier, Jersey, JE1 8SB.

Serinus is a publicly listed company whose ordinary shares are traded under the symbol "SENX" on AIM and "SEN" on the WSE. Kulczyk Investments, S.A. ("KI") holds a 38.09% investment in Serinus as of 31 March 2020.

2. Basis of presentation

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU") but do not include all information required for full annual financial statements.

These condensed consolidated interim financial statements are expressed in U.S. dollars unless otherwise indicated. All references to US$ are to U.S. dollars. All financial information is rounded to the nearest thousands, except per share amounts and when otherwise indicated.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements are described in note 5 to the consolidated financial statements for the year ended 31 December 2019. There has been no change in these areas during the three months ended 31 March 2020.

Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that Serinus will continue its operations for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of operations.

The Group meets its day-to-day working capital requirements from net operating cash flows, cash balances, equity, and fully drawn debt facilities (Convertible loan from the EBRD of $33.0 million). As at 30 April 2020, the Group had cash balances of $3.0 million.

The Group's Convertible loan accumulates interest to 30 June 2020 at which point the outstanding amount is repayable in four equal instalments on 30 June 2020, 2021, 2022 and 2023 with interest after 30 June 2020 to be paid annually on the loan repayment dates. As at 31 March 2020, the Group was not in compliance with the debt service coverage ratio, however the Group sought, and received, a waiver from the EBRD on 26 March 2020, formally waiving compliance with this covenant for the period ended 31 March 2020.

In the first quarter of 2020, the price of oil has been affected by the global spread of COVID-19 and the resultant reduction in oil demand, compounded by the collapse in oil and gas prices. At the date of this report, there remains significant uncertainty over the impact of COVID-19 on future global oil demand and the outlook for commodity prices. The Company has taken effective steps to protect its staff and maintain the operational integrity of the business, and management has taken action to reduce cash outflows including the deferral of capital expenditures and further reductions in costs and other non-essential expenditures. However, the directors are mindful of the speed with which circumstances may change, both positive and negative and the base case cashflow forecast has been updated to reflect the information currently available, with key assumptions reflecting the current environment.

The revised base case indicates that the Group will continue its operations for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of operations. However, the revised base case cashflow indicates that, under the current assumptions, the Group will not be able to repay the 30 June 2020 instalment under the facility. At the outset of the current crisis, the Group began discussions with the EBRD to assess the options available during this period of uncertainty. These discussions are progressing, and, at this time, the directors remain confident that a solution will be implemented ahead of 30 June 2020.

Should the revised base case forecasts be further impacted by a downward revision in key assumptions, there is the possibility that the Group will not be able to meet its obligations as they come due, including the future repayments of the Convertible loan, and breach future bank covenants. This represents a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern. These condensed consolidated interim financial statements do not reflect the adjustments and classifications of assets, liabilities, revenues and expenses which would be necessary if the Group were unable to continue as a going concern.

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared following the same basis of measurement, accounting policies and methods of computation as described in the notes to the consolidated financial statements for the year ended 31 December 2019.

4. 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.

	Romania	Tunisia	Corporate	Total
As at 31 March 2020				
Total assets	43,149	62,319	3,308	108,776
For the three months ended 31 March 2020				
Petroleum and natural gas revenues				
Crude oil	-	1,770	-	1,770
Natural gas	5,790	312	-	6,102
Condensate	44	-	-	44
	5,834	2,082	-	7,916
Royalties	(273)	(277)	-	(550)
Revenue, net of royalties	5,561	1,805	-	7,366
Cost of sales				
Production expenses	(1,000)	(949)	(12)	(1,961)
Depletion and depreciation	(3,063)	(830)	(147)	(4,040)
Windfall tax	(1,026)	-	-	(1,026)
Total cost of sales	(5,089)	(1,779)	(159)	(7,027)
Gross profit (loss)	472	26	(159)	339
Administrative expenses	-	-	(839)	(839)
Share-based payment expense	-	-	(43)	(43)
Gain on disposition	-	2	-	2
Operating profit (loss)	472	28	(1,041)	(541)
Finance expense	(28)	(144)	(880)	(1,052)
Profit (loss) before income taxes	444	(116)	(1,921)	(1,593)
Deferred income tax expense	-	(170)	-	(170)
Profit (loss) for the period	444	(286)	(1,921)	(1,763)
Capital expenditures	2,072	640	12	2,724

	Romania	Tunisia	Corporate	Total
As at 31 March 2019				
Total assets	45,409	71,238	3,696	120,343
For the three months ended 31 March 2019				
Petroleum and natural gas revenues				
Crude oil	-	1,260	-	1,260
Natural gas	-	443	-	443
	-	1,703	-	1,703
Royalties	-	(165)	-	(165)
Revenue, net of royalties	-	1,538	-	1,538
Cost of sales				
Production expenses	-	(629)	(12)	(641)
Depletion and depreciation	(25)	(371)	(166)	(562)
Total cost of sales	(25)	(1,000)	(178)	(1,203)
Gross (loss) profit	(25)	538	(178)	335
Administrative expenses	-	-	(673)	(673)
Share-based payment expense	-	-	(219)	(219)
Operating profit (loss)	(25)	538	(1,070)	(557)
Finance income (expense)	27	(361)	(1,093)	(1,427)
Profit (loss) before income taxes	2	177	(2,163)	(1,984)
Current income tax expense	-	(59)	(1)	(60)
Deferred income tax expense	-	(287)	-	(287)
Profit (loss) for the period	2	(169)	(2,164)	(2,331)
Capital expenditures	1,067	34	-	1,101

5. Loss per share

	Three months ended 31 March	
($US 000s, except per share amounts)	**2020**	**2019**
Loss for the period	(1,763)	(2,331)
Weighted average shares outstanding		
Shares outstanding	238,881	220,193
Loss per share – basic and diluted	(0.01)	(0.01)

For the three months ended 31 March 2020, there were 10.7 million (31 March 2019 – 6.1 million) exercisable options and 21.6 million warrants (31 March 2019 – 2.3 million) that were excluded from the calculation as the impact was anti-dilutive.