SERINUS ENERGY INC.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016
US dollars in 000's

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the shareholders of Serinus Energy Inc.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Serinus Energy Inc. ("the Company"), which comprise:

- the condensed consolidated interim statement of financial position as at June 30, 2017;
- the condensed consolidated interim statement of operations and comprehensive earnings/(loss) for the three-month and six-month periods ended June 30, 2017;
- the condensed consolidated interim statement of cash flows for the three-month and six-month periods ended June 30, 2017;
- the condensed consolidated interim statement of changes in equity for the six-month period ended June 30, 2017; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at June 30, 2017, are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Emphasis of Matter

We draw attention to Note 2(a) to the condensed consolidated interim financial statements, which describes that as at June 30, 2017, Serinus Energy Inc. has a working capital deficiency of $23.3 million, is not in compliance with certain debt covenants, and is forecasting that they will not be in compliance with certain debt covenants throughout the next 12 months with no formal agreement to waive these forecasted covenant violations. Note 2(a) also describes that Serinus Energy Inc.'s going concern assumption is dependent on the Company's ability to generate future cash flows from operations and/or obtaining necessary financing required to meet its ongoing production expenditures, corporate general end administrative expenses, development program and discharge its liabilities as they come due. These conditions, along with other matters as set forth in Note 2(a), indicate the existence of material uncertainties that may cast significant doubt about Serinus Energy Inc.'s ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants

August 10, 2017
Calgary, Canada

Serinus Energy Inc.
Condensed Consolidated Interim Statement of Financial Position
(Stated in thousands of US dollars)
(Unaudited)

		June 30, 2017	December 31, 2016
Assets			
Current			
Cash and cash equivalents		$ 16,019	$ 4,297
Accounts receivable		2,604	1,358
Income taxes receivable		1,902	2,581
Prepaids and other		1,656	209
Commodity inventory	(Note 3)	-	1,194
Restricted cash	(Note 4)	1,070	1,089
Total current assets		23,251	10,728
Investment		-	67
Property, plant and equipment	(Note 5)	72,941	73,770
Exploration and evaluation	(Note 6)	22,178	$ 20,271
Total assets		$ 118,370	$ 104,836
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 13,135	$ 15,693
Advances for crude oil sales	(Note 3)	80	-
Income taxes payable		339	-
Current portion of long-term debt	(Note 7)	30,170	30,699
Asset retirement obligation		2,846	2,811
Total current liabilities		46,570	49,203
Asset retirement obligation		37,767	37,425
Other provisions		1,148	1,148
Deferred tax liability		12,932	13,310
Total liabilities		98,417	101,086
Shareholders' Equity			
Share capital	(Note 8)	$ 362,534	$ 344,479
Contributed surplus		22,012	21,796
Deficit		(364,593)	(362,525)
Total shareholders' equity		19,953	3,750
Total liabilities and shareholders' equity		$ 118,370	$ 104,836

Going concern	(Note 2(a))
Commitments	(Note 9)

"Signed"
ELEANOR BARKER, DIRECTOR, CHAIR OF THE AUDIT COMMITTEE

"Signed"
JEFFREY AULD, DIRECTOR, PRESIDENT AND CEO

Serinus Energy Inc.
Condensed Consolidated Interim Statement of Operations and Comprehensive Earnings (Loss)
(Stated in thousands of US dollars, except per share data)
(Unaudited)

		Three months ended June 30,		Six months ended June 30,	
		2017	2016	2017	2016
Oil and gas revenue		$ 3,857	$ 2,943	$ 5,565	$ 6,722
Change in oil inventory		(2,515)	1,137	(1,273)	1,137
		1,342	4,080	4,292	7,859
Royalty expense		(137)	(476)	(445)	(855)
		1,205	3,604	3,847	7,004
Operating expenses					
Production expenses		(1,160)	(2,339)	(2,893)	(4,588)
General and administrative		(746)	(1,844)	(1,520)	(3,044)
Transaction costs		-	(1)	-	(1)
Stock based compensation		(170)	(7)	(216)	(15)
Gain (loss) on disposition	(Note 11)	2,179	-	2,179	(10)
Depletion and depreciation	(Note 5)	(417)	(1,386)	(1,230)	(2,688)
Total operating expenses		(314)	(5,577)	(3,680)	(10,346)
Finance income (expense)					
Interest and other income		16	3	19	5
Unrealized gain (loss) on investment		4	(8)	(13)	(43)
Interest expense and accretion		(862)	(907)	(1,753)	(2,412)
Foreign exchange gain (loss)		91	(253)	24	(480)
Net finance expense		(751)	(1,165)	(1,723)	(2,930)
Earnings (loss) before tax		140	(3,138)	(1,556)	(6,272)
Current tax expense		(890)	-	(890)	-
Deferred tax recovery (expense)		781	(856)	378	(1,859)
Net earnings (loss) from continuing operations		31	(3,994)	(2,068)	(8,131)
Loss from discontinued operations (net of tax)		-	-	-	(30,657)
Net earnings (loss)		31	(3,994)	(2,068)	(38,788)
Other comprehensive earnings (loss)					
Foreign currency translation gain (loss) from discontinued foreign operations		-	-	-	(2,290)
Total comprehensive earnings (loss)		$ 31	$ (3,994)	$ (2,068)	$ (41,078)
Earnings (loss) attributable to:					
Common shareholders		31	(3,994)	(2,068)	(39,509)
Non-controlling interest		-	-	-	721
Earnings (loss) for the period		$ 31	$ (3,994)	$ (2,068)	$ (38,788)
Earnings (loss) per share attributable to common shareholders					
Continuing operations - basic and diluted	(Note 8(b))	$ -	$ (0.05)	$ (0.02)	$ (0.10)
Discontinued operations - basic and diluted	(Note 8(b))	$ -	$ -	$ -	$ (0.40)
Total comprehensive earnings (loss) attributed to:					
Common shareholders		31	(3,994)	(2,068)	(41,112)
Non-controlling interest		-	-	-	34
Total comprehensive earnings (loss) for the period		$ 31	$ (3,994)	$ (2,068)	$ (41,078)

Serinus Energy Inc.
Condensed Consolidated Interim Statement of Cash Flows
(Stated in thousands of US dollars)
(Unaudited)

		Three months ended June 30,		Six months ended June 30,	
		2017	2016	2017	2016
Net earnings (loss)		$ 31	$ (3,994)	$ (2,068)	$ (38,788)
Items not involving cash:					
Depletion and depreciation	(Note 5)	417	1,386	1,230	3,287
Impairment of assets		-	-	-	-
Gain on disposition	(Note 11)	(2,179)	-	(2,179)	33,050
Accretion on asset retirement obligation		171	193	342	389
Stock based compensation		170	7	216	15
Shares issued as compensation		7	-	7	-
Expenditures on decommissioning liabilities		-	-	-	(104)
Unrealized loss on investments		(4)	8	13	43
Unrealized foreign exchange loss		30	119	128	220
Deferred income tax expense (recovery)		(781)	856	(378)	1,859
Interest and other income		(16)	(3)	(19)	(83)
Interest expense		691	714	1,411	2,026
Funds from operations		(1,463)	(714)	(1,297)	1,914
Changes in non-cash working capital		631	1,492	(90)	(1,513)
		(832)	778	(1,387)	401
Financing:					
Equity issuance (net of costs)	(Note 8)	-	-	18,048	-
Repayment of long-term debt	(Note 7)	-	(3,388)	(1,667)	(24,394)
Debt issuance costs		-	-	-	(1)
Interest paid		(10)	(29)	(271)	(1,091)
Changes in non-cash working capital related to financing		24	(8)	17	81
		14	(3,425)	16,127	(25,405)
Investing:					
Property and equipment expenditures	(Note 5)	(91)	(251)	(404)	(779)
Restricted cash movement	(Note 4)	(16)	137	56	137
Exploration and evaluation expenditures	(Note 6)	(1,362)	(360)	(1,907)	(831)
Proceeds on disposal of discontinued operation (net of transaction costs and cash disposed)		-	-	-	27,843
Proceeds on disposition of investment		54	-	54	-
Changes in non-cash working capital related to investing		(866)	(183)	(693)	(2,908)
		(2,281)	(657)	(2,894)	23,462
Effect of exchange rate changes on cash		(24)	(123)	(124)	(260)
Change in cash		(3,123)	(3,427)	11,722	(1,802)
Cash and cash equivalents, beginning of period		19,142	13,442	4,297	11,817
Cash and cash equivalents, end of period		$ 16,019	$ 10,015	$ 16,019	$ 10,015
Supplemental cash flow information					
Cash taxes paid		$ -	$ -	$ -	$ -

Serinus Energy Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Stated in thousands of US dollars, except share and per share data)
(Unaudited)

	Common Shares						
	Number of shares	Amount	Contributed surplus	Cumulative translation adjustment	Non-controlling interest	Deficit	Total
Balances, December 31, 2015	78,629,941	$ 344,479	$ 21,711	$ (32,585)	$ 16,219	$ (303,626)	$ 46,198
Stock-based compensation	-	-	15	-	-	-	15
Foreign currency translation adjustment on foreign operations	-	-	-	(1,603)	(687)	-	(2,290)
Disposal of discontinued operation	-	-	-	34,188	(16,253)	-	17,935
Net earnings (loss)	-	-	-	-	721	(39,509)	(38,788)
Balances, June 30, 2016	78,629,941	$ 344,479	$ 21,726	$ -	$ -	$ (343,135)	$ 23,070
Balances, December 31, 2016	78,629,941	$ 344,479	$ 21,796	$ -	$ -	$ (362,525)	$ 3,750
Equity offering (net of issue costs (Note 8(a))	72,000,000	18,048	-	-	-	-	18,048
Issuance of common shares (Note 8(a))	22,197	7	-	-	-	-	7
Stock-based compensation	-	-	216	-	-	-	216
Net (loss)	-	-	-	-	-	(2,068)	(2,068)
Balances, June 30, 2017	150,652,138	$ 362,534	$ 22,012	$ -	$ -	$ (364,593)	$ 19,953

1. Reporting entity

The condensed consolidated interim financial statements for Serinus Energy Inc. ("Serinus" or "the Company") include the accounts of Serinus and its controlled subsidiaries for the three and six months ended June 30, 2017 and 2016. Serinus is principally engaged in the exploration for and development of oil and gas properties in Tunisia and Romania.

Serinus is incorporated under the Business Corporations Act (Alberta, Canada) and is headquartered at 1500, 700-4th Avenue SW Calgary, Alberta, Canada, T2P 3J4.

Serinus is a publicly listed company whose common shares are traded under the symbol "SEN" on the Toronto Stock Exchange ("TSX") and the Warsaw Stock Exchange ("WSE"). Kulczyk Investments, S.A. ("KI") holds a 52.17% investment in Serinus.

2. Basis of Preparation

(a) Going concern

At June 30, 2017, there are material uncertainties that may cast significant doubt with respect to the ability of the Company to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate future cash flows from operations and/or obtain the necessary financing required to meet its ongoing production expenditures, corporate G&A, development program and discharge its liabilities as they come due, including EBRD debt repayments under the original repayment terms as disclosed in note 9. There is no assurance that financing, or cash generated by operations, will be available or sufficient to meet these requirements, or if debt or equity financing is available, that it will be on terms acceptable to the Company. The situation in Tunisia, where social unrest has necessitated the Company shutting-in all production, has reduced the Company's ability to generate cash flows from operations. It is currently uncertain how long this situation will remain. The Company is actively evaluating its options at this time.

As at June 30, 2017, the Company had a working capital deficiency of $23.3 million, partly due to the reclassification of all debt as current, and negative cash flows from operations of $1.4 million for the six month period ended June 30, 2017 (Q4, 2016: working capital deficiency of $38.5 million and cash flows from operations of $2.3 million).

At June 30, 2017, the Company was not in compliance with the consolidated financial debt to EBITDA covenant, the consolidated debt service coverage ratio and the debt service coverage ratio at the Tunisian level on its debt held with the European Bank for Reconstruction and Development ("EBRD"). Subsequent to June 30, 2017, EBRD formally waived compliance with these ratios for the period ended June 30, 2017. The implication of this waiver is that the debt repayments will follow their original scheduled repayment terms and the bank will not be acting on its security as a result of the breach. However, given the covenant was breached as at June 30, 2017, Serinus has reclassified its long-term debt to current in the financial statements, as required under accounting standards.

Internally prepared forecasts indicate that the Company is likely to continue to breach certain of its financial covenants in future reporting periods over the next 12 months, due to continuing low commodity prices and shut-in of production in Tunisia. Although the EBRD has previously provided waivers for covenant breaches, there is no certainty this will occur in the future. If these covenants are not met, the debt may therefore become payable on demand. The Company is in discussions with the EBRD related to amending the banking facility and its related covenants.

The need to generate cash flows from operations, or other sources of financing, to fund ongoing operations and the status of the EBRD loan, as discussed above, create material uncertainties that may cast significant doubt with respect to the ability of the Company to continue as a going concern.

These consolidated financial statements do not reflect the adjustments and classifications of assets, liabilities, revenues and expenses which would be necessary if the Company were unable to continue as a going concern.

(b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

The condensed consolidated interim financial statements have been prepared following the same basis of measurement, functional currency and accounting policies and methods of computation as described in the notes to the consolidated financial statements for the year ended December 31, 2016.

These condensed consolidated financial statements were authorised for issuance by the Company's Board of Directors on August 10, 2017.

(c) Use of estimates and judgements

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are described in note 5 to the consolidated financial statements for the year ended December 31, 2016. There has been no change in these areas during the period.

(d) Accounting changes

For the three and six months ended June 30, 2017, Serinus did not adopt any new IFRS standards nor were any applicable pronouncements announced. Refer to note 3 in the consolidated financial statements for the year ended December 31, 2016 for other pronouncements not yet adopted.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue, and related interpretations. The new standard requires revenue to be recognized upon the transfer of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services. The standard requires consideration of the following five steps: (1) identify the contract, (2) identify the performance obligations of the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when the entity fulfills a performance obligation. The new standard is to be applied either retrospectively or on a modified retrospective basis and is effective for the annual period commencing January 1, 2018. The Company has identified all existing customer contracts that are within the scope of the new guidance and has begun to analyze individual contracts to identify the impact on revenues as a result of implementing the new standard. As the Company is currently evaluating the impact of this standard, it has not yet determined the effect on its consolidated financial statements.

In July 2014, the IASB issued the complete IFRS 9 Financial Instruments to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9, includes a principle-based approach for the classification and measurement of financial assets, a single 'expected credit loss' impairment model and a new hedge accounting standard which aligns hedge accounting more closely with risk management. The new standard is to be adopted retrospectively with some exemptions for annual periods on or after January 1, 2018, with early adoption permitted. The Company intends to adopt IFRS 9 on a retrospective basis on January 1, 2018. The extent of the adoption of IFRS 9 on the classification and measurement of the Company's financial assets and financial liabilities and related disclosures has not yet been determined.

In January 2016, the IASB issued IFRS 16 Leases, which replaces IAS 17 Leases. The new standard introduces a single recognition and measurement model for leases, which would require the recognition of assets and liabilities for most leases with a term of more than twelve months. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the initial adoption date of January 1, 2018. The new standard is to be adopted either retrospectively or using a modified retrospective approach. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of the adoption of the standard has not yet been determined.

(Stated in thousands of US dollars, except as noted)

(e) Fair values measurements

Investments are recorded at fair value based on the quoted market prices for the shares (level 1 fair value). The fair value of the long-term debt approximates the carrying amount as interest rates and credit spreads applicable to the Company have not changed significantly since the credit facility was established (level 2 fair value).

The fair value of employee stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds) (level 2 fair value).

3. Commodity inventory

	As at June 30, 2017	As at December 31, 2016
Balance, beginning of period	$ 1,194	$ -
Crude oil inventory additions	1,979	13,143
Oil lifting	(3,173)	(11,949)
Balance, end of period	$ -	$ 1,194

Commodity inventory represents crude oil produced and stored awaiting lifting. As at June 30, 2017 there were $80 thousand in advances for crude oil sales (2016: $nil).

4. Restricted cash

The Company has cash on deposit with the Alberta Energy Regulator of $1.1 million, as required to meet future abandonment obligations existing on certain oil and gas properties in Canada (December 31, 2016: $1.1 million). The fair value of restricted cash approximates the carrying value.

5. Property, plant and equipment

	Oil and gas interests	Other	Total
Cost or deemed cost:			
Balance at December 31, 2016	$ 221,404	$ 2,527	$ 223,931
Additions	400	4	404
Dispositions	-	(10)	(10)
Balance at June 30, 2017	$ 221,804	$ 2,521	$ 224,325
Accumulated depletion and depreciation:			
Balance at December 31, 2016	$ (148,654)	$ (1,507)	$ (150,161)
Depletion and depreciation	(1,108)	(122)	(1,230)
Dispositions	-	7	7
Balance at June 30, 2017	$ (149,762)	$ (1,622)	$ (151,384)
Net book value:			
Balance at December 31, 2016	$ 72,750	$ 1,020	$ 73,770
Balance at June 30, 2017	$ 72,042	$ 899	$ 72,941

(Stated in thousands of US dollars, except as noted)

6. Exploration and evaluation assets

	As at June 30, 2017
Carrying amount, beginning of the period	$ 20,271
Additions	1,907
Change in decommissioning liabilities	-
Carrying amount, end of the period	$ 22,178

7. Long-term debt

	As at June 30, 2017	As at December 31, 2016
Total current debt	$ 30,170	$ 30,699

On November 20, 2013, Serinus finalized two loan agreements, the Senior Loan and Convertible Loan, aggregating $60 million with EBRD.

The loans are secured by the Tunisian assets, pledges of certain bank accounts plus the shares of the Company's subsidiaries through which the concessions are owned, plus the benefits arising from the Company's interests in insurance policies and on-lending arrangements within the Serinus group of companies.

Both loan agreements contain a number of affirmative covenants, including maintaining the specified security, environmental and social compliance, and maintenance of specified financial ratios. At June 30, 2017, the Company was not in compliance with consolidated financial debt to EBITDA covenant, the consolidated debt service coverage ratio and the debt service coverage ratio at the Tunisian level (December 31, 2016: The Company was not in compliance with the consolidated financial debt to EBITDA ratio covenant), resulting in the reclassification of all debt as current as required under accounting standards.

Senior Loan

	As at June 30, 2017	As at December 2016
Current portion of long-term debt	$ 5,190	$ 6,799

As at June 30, 2017, $5.4 million of principal was outstanding (December 31, 2016: principal outstanding of $7.1 million).

Convertible Loan

	As at June 30, 2017	As at December 31, 2016
Current portion of long-term debt	$ 24,980	$ 23,900

As at June 30, 2017, the convertible loan principal amount of $20.0 million has been fully drawn and is outstanding (December 31, 2016: $20.0 million).

(Stated in thousands of US dollars, except as noted)

8. Share capital

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares without nominal or par value. The preferred shares may be issued in one or more series, with rights and privileges as determined by the Board of Directors. There are no preferred shares issued.

On February 24, 2017, the Company issued 72 million common shares of the Company at CAD$0.35 per share for aggregate gross proceeds of CAD$25.2 million (net CAD$24.3 million, after agents fees of CAD$0.9 million).

On April 6, 2017, 22,197 common shares were issued to Mr. Jeffrey Auld, the Chief Executive Officer of the Company, as part of his compensation.

The Company has a total of 150,652,138 shares outstanding at June 30, 2017 (December 31, 2016: 78,629,941).

(b) Loss per share

	Three Months ended June 30,		Six Months ended June 30,	
	2017	2016	2017	2016
Net earnings (loss) attributable to common shareholders				
Continuing operations	$ 31	$ (3,994)	$ (2,068)	$ (8,131)
Discontinued operations	-	-	-	(31,378)
Net earnings (loss) attributable to common shareholders	31	(3,994)	(2,068)	(39,509)
Weighted average number of shares outstanding				
Basic and diluted (i)	150,650,674	78,629,941	128,761,912	78,629,941
Loss per share attributable to common shareholders				
Continuing operations - Basic and diluted	$ -	$ (0.05)	$ (0.02)	$ (0.10)
Discontinued operations - Basic and diluted	$ -	$ -	$ -	$ (0.40)

(i) For the six months ended June 30, 2017 there were 150 thousand weighted average stock options exercisable that were excluded from the calculation as the impact was anti-dilutive (2016: 0.8 million and 1.1 million, for the three and six months, respectively). For the three months ended June 30, 2017, there were no exercisable options in the money.

(Stated in thousands of US dollars, except as noted)

(c) Stock options

A summary of the changes to the option plan during the three and six month periods ended June 30, 2017, is presented below:

	USD denominated options		**CAD denominated options**	
	Number of Options	Weighted average exercise price per option (US$)	Number of Options	Weighted average exercise price per option (CAD$)
Balance, December 31, 2016	79,000	$ 3.90	3,611,000	$ 0.38
Granted	-	$ -	6,680,000	$ 0.37
Expired/Cancelled	(12,000)	$ 5.10	(68,000)	$ 1.37
Balance, June 30, 2017	67,000	$ 3.68	10,223,000	$ 0.37

The following tables summarize information about the options outstanding as at June 30, 2017:

USD denominated options:

Exercise price (US$)	Outstanding	Exercisable	Weighted average contractual life remaining, years
$ 3.01 - $ 4.00	32,000	32,000	1.24
$ 4.01 - $ 5.00	35,000	35,000	1.39
$ 3.68	67,000	67,000	1.32

CAD denominated options:

Exercise price (CAD$)	Outstanding	Exercisable	Weighted average contractual life remaining, years
$ 0.01 - $ 1.00	10,140,000	-	5.37
$ 1.01 - $ 2.00	12,000	12,000	2.13
$ 2.51 - $ 3.22	71,000	71,000	2.30
$0.37	10,223,000	83,000	5.35

9. Contractual obligations and commitments

The contractual obligations of the Company as at June 30, 2017 are as follows:

	Within 1 Year	2-3 Years	4-5 Years	+5 Years	Total
Office Rental	$ 541	$ 918	$ 181	$ -	$ 1,640
EBRD loan-Tunisia [(i)]	3,434	2,067	25,113	-	30,614
Total contractual	$ 3,975	$ 2,985	$ 25,294	$ -	$ 32,254

(i) EBRD loan obligations are presented excluding deferred financing costs and include only interest accrued as of June 30, 2017.

The Company's commitments are all in the ordinary course of business and include the work commitments for Tunisia and Romania.

Tunisia

The Tunisian state oil and gas company, Enterprise Tunisienne D'Activities Petroliers ("ETAP"), has the right to back into up to a 50% working interest in the Chouech Es Saida concession if, and when, the cumulative crude oil sales, net of royalties and shrinkage, from the concession exceeds 6.5 million barrels. As at June 30, 2017 cumulative crude oil sales, net of royalties and shrinkage was 5.2 million barrels.

Romania

The work obligations pursuant to the Phase 3 extension, approved on October 28, 2016, include the drilling of two wells, and, at the Company's option, either the acquisition of 120 km2 of new 3D seismic data or drill a third well. The two firm wells must be drilled to minimum depths of 1,000 and 1,600 metres respectively, and if so elected, the third well to a depth of 2,000 metres. The term of the Phase 3 extension is for three years, expiring on October 28, 2019.

Office Space

The Company has a lease agreement for office space in Calgary, Canada which expires on November 30, 2020.

10. Related party transactions

Loon Energy Corporation ("Loon Energy") is a publicly traded Canadian corporation. Serinus and Loon Energy are related as they have the same principal shareholder with control over Serinus and significant influence over Loon Energy. Management and administrative services were provided to Loon Energy by the management and staff of Serinus until August 31, 2016 when the services agreement was terminated and an office lease rental agreement was entered into. The office lease rental agreement was terminated effective February 15, 2017. For the three and six months ended June 30, 2017, these fees totalled $2 thousand (2016: $2 thousand).

All related party transactions were at exchange amounts agreed to by both parties.

11. Gain on disposition

During the second quarter of 2017, the Company sold all of its shares in an indirectly wholly owned subsidiary, which held the Syrian production sharing agreement for a nominal amount. The disposed subsidiary had net liabilities of $2.2 million, comprised of accounts payables, which on disposition were presented net of proceeds as a gain on disposition in the statement of operations.

(Stated in thousands of US dollars, except as noted)

12. Segmented information

The Company's reportable segments are organized by geographical areas and consist of Romania, Tunisia and Corporate.

	Romania	Tunisia	Corporate	Total
As at June 30, 2017				
Total Assets	$ 27,784	$ 78,646	$ 11,940	$ 118,370

	Romania	Tunisia	Corporate	Total
For the three months ended June 30, 2017				
Oil and gas revenue and change in oil inventory, net of royalties	$ -	$ 1,205	$ -	$ 1,205
Operating expenses:				
Production expenses	-	(1,145)	(15)	(1,160)
General and administrative	-	-	(746)	(746)
Gain on disposition	-	-	2,179	2,179
Stock based compensation	-	-	(170)	(170)
Depletion and depreciation	(2)	(381)	(34)	(417)
Finance income (expense)				
Interest and other income	19	-	(3)	16
Unrealized loss on investments	-	-	4	4
Interest expense and accretion	(1)	(170)	(691)	(862)
Foreign exchange gain/(loss)	73	(172)	190	91
Earnings (loss) before tax	$ 89	$ (663)	$ 714	$ 140
Current tax expense	-	(889)	(1)	(890)
Deferred tax recovery	-	781	-	781
Net Earnings (loss)	$ 89	$ (771)	$ 713	$ 31
Capital expenditures	$ 1,362	$ 91	$ -	$ 1,453

	Romania	Tunisia	Corporate	Total
For the six months ended June 30, 2017				
Oil and gas revenue and change in oil inventory, net of royalties	$ -	$ 3,847	$ -	$ 3,847
Operating expenses:				
Production expenses	-	(2,865)	(28)	(2,893)
General and administrative	-	-	(1,520)	(1,520)
Transaction costs	-	-	-	-
Stock based compensation	-	-	(216)	(216)
Gain on disposition	-	-	2,179	2,179
Depletion and depreciation	(3)	(1,155)	(72)	(1,230)
Finance income (expense)				
Interest and other income	19	-	-	19
Unrealized loss on investments	-	-	(13)	(13)
Interest expense and accretion	(2)	(340)	(1,411)	(1,753)
Foreign exchange gain/(loss)	60	(144)	108	24
Earnings (loss) before tax	$ 74	$ (657)	$ (973)	$ (1,556)
Current tax expense	-	(889)	(1)	(890)
Deferred tax recovery	-	378	-	378
Net earnings (loss)	$ 74	$ (1,168)	$ (974)	$ (2,068)
Capital expenditures	$ 1,907	$ 404	$ -	$ 2,311

(Stated in thousands of US dollars, except as noted)

	Romania	Tunisia	Corporate	Total
As at December 31, 2016				
Total Assets	$ 20,536	$ 81,010	$ 3,290	$ 104,836

	Romania	Tunisia	Corporate	Total
For the three months ended June 30, 2016				
Oil and gas revenue and change in oil inventory, net of royalties	$ -	$ 3,604	$ -	$ 3,604
Operating expenses:				
Production expenses	-	(2,319)	(20)	(2,339)
General and administrative	-	-	(1,844)	(1,844)
Transaction costs	-	-	(1)	(1)
Stock based compensation	-	-	(7)	(7)
Depletion and depreciation	(1)	(1,336)	(49)	(1,386)
Finance income (expense)				
Interest and other income	-	-	3	3
Unrealized loss on investments	-	-	(8)	(8)
Interest expense and accretion	-	(192)	(715)	(907)
Foreign exchange gain/(loss)	17	(388)	118	(253)
Earnings (loss) before tax	$ 16	$ (631)	$ (2,523)	$ (3,138)
Current tax expense	-	-	-	-
Deferred tax expense	-	(856)	-	(856)
Net Earnings (loss) from continuing operations	$ 16	$ (1,487)	$ (2,523)	$ (3,994)
Capital expenditures	$ 360	$ 251	$ -	$ 611

	Romania	Tunisia	Corporate	Total
For the six months ended June 30, 2016				
Oil and gas revenue and change in oil inventory, net of royalties	$ -	$ 7,004	$ -	$ 7,004
Operating expenses:				
Production expenses	-	(4,517)	(71)	(4,588)
General and administrative	-	-	(3,044)	(3,044)
Transaction costs	-	-	(1)	(1)
Stock based compensation	-	-	(15)	(15)
Loss on disposition of assets	-	-	(10)	(10)
Depletion and depreciation	(2)	(2,589)	(97)	(2,688)
Finance income (expense)				
Interest income and other	-	-	5	5
Unrealized gain (loss) on investments	-	-	(43)	(43)
Interest expense and accretion	(2)	(385)	(2,025)	(2,412)
Foreign exchange loss	(40)	(392)	(48)	(480)
Earnings (loss) before tax	$ (44)	$ (879)	$ (5,349)	$ (6,272)
Current tax expense	-	-	-	-
Deferred tax expense	-	(1,859)	-	(1,859)
Net loss from continuing operations	$ (44)	$ (2,738)	$ (5,349)	$ (8,131)
Capital expenditures	$ 833	$ 777	$ -	$ 1,610