Serinus Energy plc

First Quarter Report and Accounts 2022

(US dollars)

FIRST QUARTER 2022 HIGHLIGHTS

FINANCIAL

- Revenue for the three months ended 31 March 2022 was $13.4 million (31 March 2021 - $7.6 million)
- The Company generated net income of $1.0 million (31 March 2021 – $1.0 million loss)
- EBITDA for the three months ended 31 March 2022 was $3.1 million (31 March 2021 - $2.6 million)
- Gross profit for the three months ended 31 March 2022 was $2.9 million (31 March 2021 - $0.7 million)
- The Company realised a net price of $184.57/boe for the three months ended 31 March 2022, comprising:
  - Realised oil price - $90.13/bbl
  - Realised natural gas price - $33.94/Mcf ($203.64/boe)
- The Group's operating netback remained strong for the three months ended 31 March 2022 and was $148.88/boe (31 March 2021 - $23.90/boe), comprising:
  - Romania operating netback - $182.79/boe (31 March 2021 - $26.23/boe)
  - Tunisia operating netback - $41.88/boe (31 March 2021 - $18.33/boe)
- Capital expenditures of $1.5 million (31 March 2021 - $3.5 million), comprising:
  - Romania - $1.3 million
  - Tunisia - $0.2 million
- Cash balance as at 31 March 2022 was $6.2 million

OPERATIONAL

- The Satu Mare 2D seismic acquisition programme has been completed and interpretation work to support the drilling of up to three prospects adjacent to the Moftinu field is underway
- Well permitting is underway and rig availability has been determined for a multi-well drilling program in the latter half of 2022 in Romania
- The Sabria W-1 wellsite has been prepared for the intervention which will install the first submersible pump for the Artificial Lift programme in the Sabria field. Tubulars and workover consumables are onsite
- The Company has signed a rig contract and is awaiting rig mobilization from another operator and the workover and pump installation at the Sabria W-1 well will commence as soon as the rig is available
- Upon completion of the workover and pump installation at Sabria W-1, the rig will move to the Sabria N-2 well to perform a workover to recomplete the well. All materials required for this intervention are sourced
- Additional pumps and long-lead items in Tunisia have been ordered, to mitigate longer lead times created by global supply chain disruptions
- Production for the period averaged 1,115 boe/d, comprising:
  - Romania – 610 boe/d
  - Tunisia - 505 boe/d
- The Company performed a lifting in April 2022 of 42,000 bbls of Tunisian crude oil at a price of $104.79/bbl. Revenue will be recognised in the second quarter of 2022

OPERATIONAL UPDATE AND OUTLOOK

Serinus Energy plc and its subsidiaries ("Serinus", the "Company" or the "Group") is an oil and gas exploration, appraisal and development company. The Group is the operator of all its assets and has operations in two business units: Romania and Tunisia.

ROMANIA

The Group's Romanian operating subsidiary holds the licence to the Satu Mare concession area, covering approximately 3,000 km^2 in the north-west of Romania. The Moftinu Gas Development project began production in 2019. The development project includes the Moftinu gas plant, and currently operates four gas wells - Moftinu-1003, Moftinu-1004, Moftinu-1007 and Moftinu-1008 with a second compressor installed and commissioned on Moftinu-1007 in February 2022. During the three months ended 31 March 2022, the Company's Romanian operations produced a total of 327 MMcf of gas and 417 barrels of condensate, equating to an average daily production of 610 boe/day. Production continues to decrease due to natural declines as well as water breakthrough in some producing formations within some of the producing wells. The Company has an extensive capital programme underway in Romania in 2022 to find additional gas resources that can be produced and processed through the existing capacity available at the Moftinu gas plant.

Serinus conducted a thorough review of the Satu Mare exploration portfolio and high-graded the area and prospects to the immediate north and east of the Moftinu field. In February 2022, the 112km 2D seismic acquisition programme over high-ranked prospects was executed over this area and compliments reprocessed legacy 2D seismic and the existing Moftinu 3D data-set. The 2D seismic data has been processed. AVO analysis and interpretation has confirmed the recoverable resource potential of the highly-ranked prospects. From this interpretation, the Company has determined optimal drilling locations for the 2022 drilling programme with permitting underway. Additional interpretation work is also being conducted on the Santau 3D area with a view to confirming drilling locations on prospects that will form the basis for future multi-well drilling campaigns.

Gas pricing in Romania remained at unprecedented high levels through the first quarter of 2022, with an average realised price of $36.19/mcf. Gas prices on the Romanian Commodity Exchange ("BRM") continue to remain strong over the second quarter of 2022 to date.

TUNISIA

The Company currently holds three concession areas within Tunisia and all of the Tunisian licence areas have discovered oil and gas reserves and are currently producing; Sabria, Chouech Es Saida, and Ech Chouech. The largest asset is the Sabria field, a large, conventional oilfield which the Company's independent reservoir engineers have estimated to have approximately 445 million barrels of oil originally in place. Of this oil in place only 1.0% has been produced to date due to a low rate of development on the field.

The Sabria W-1 wellsite has been prepared for the intervention which will install the first submersible pump for the Artificial Lift programme in the Sabria field. All materials required for this intervention are in our in-country warehouse. The Company has signed a rig contract for the CTF 006 rig and is awaiting mobilization from another operator and the workover and pump installation at the Sabria W-1 well will commence as soon as the rig is available, expected in the second quarter of 2022.

Upon completion of the workover and pump installation at Sabria W-1, the rig will move to the Sabria N-2 well to perform a workover to recomplete the well. This well was drilled in 1980 but was damaged during completion and, although in proximity to producing wells, was not able to flow oil to surface due to damage during completion. The workover program will re-complete the well and remove any wellbore restrictions. The Company anticipates that the N-2 well will be on production in the latter half of 2022.

Additional pumps and long-lead items for the Sabria field artificial lift programme have been ordered.

Ongoing workover programmes continue in the Chouech Es Saida field, installing further pumps to enhance production.

FINANCIAL REVIEW

LIQUIDITY, DEBT AND CAPITAL RESOURCES

During the three months ended 31 March 2022, the Company invested a total of $1.5 million (2021 - $3.5 million) on capital expenditures before working capital adjustments. In Romania the Group invested $1.3 million (2021 - $3.0 million) on compression at the Moftinu-1007 well as well as the completion of the 2D seismic acquisition programme. In Tunisia, the Company invested $0.2 million (2021 - $0.5 million) for workovers on wells.

The Company's funds from operations for the three months ended 31 March 2022 was $2.9 million (2021 - $2.4 million). Including changes in non-cash working capital, the cash flow used in operating activities in 2021 was $3.5 million (2021 – $1.8 million). The Company continues to be in in a strong position to expand and continue growing production within our existing resource base. The Company is debt-free and has adequate resources available to deploy capital into both operating segments to deliver growth and shareholder returns.

(US$ 000s) **Working Capital**	**31 March 2022**	**31 December 2021**
Current assets	**18,297**	17,625
Current liabilities	**16,196**	16,994
Working Capital	**2,101**	631

The working capital at 31 March 2022 was $2.1 million (31 December 2021 - $0.6 million). The increase in working capital is primarily a result of strong cash flows.

Current assets as at 31 March 2022 were $18.3 million (31 December 2021 - $17.6 million), an increase of $0.7 million. Current assets consist of:

- Cash and cash equivalents of $6.2 million (31 December 2021 - $8.4 million)
- Restricted cash of $1.2 million (31 December 2021 - $1.1 million)
- Trade and other receivables of $8.7 million (31 December 2021 - $8.9 million)
- Product inventory of $2.2 million (31 December 2021 – $0.6 million)

Current liabilities as at 31 March 2022 were $16.2 million (31 December 2021 – $17.0 million), a decrease of $0.8 million. Current liabilities consist of:

- Accounts payable of $8.7 million (31 December 2021 - $9.7 million)
- Decommissioning provision of $6.9 million (31 December 2021 - $6.6 million)
    - Brunei - $1.6 million (31 December 2021 - $1.6 million)
    - Canada - $1.0 million (31 December 2021 - $1.0 million) which is offset by restricted cash in the amount of $1.2 million (31 December 2021 - $1.1 million) in current assets
    - Romania - $0.3 million (31 December 2021 - $0.3 million)
    - Tunisia - $4.0 million (31 December 2021 - $3.7 million)
- Income taxes payable of $0.2 million (31 December 2021 - $0.5 million)
- Current portion of lease obligations of $0.4 million (31 December 2021 - $0.2 million)

NON-CURRENT ASSETS

Property, plant and equipment ("PP&E") decreased to $68.3 million (31 December 2021 - $71.7 million), primarily due to depletion in the period of $2.5 million as well as a change in decommissioning estimates of $1.6 million partially offset by capital expenditures in PP&E of $0.9 million. Exploration and evaluation assets ("E&E") increased to $5.6 million (31 December 2021 - $5.0 million), primarily due to expenditures incurred on the 2D seismic acquisition programme. Right-of-use assets ("ROU") increased to $0.5 million (31 December 2021 - $0.3 million) due to expenditures incurred on corporate assets.

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:

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
Cash flows (used in) from operations	(587)	1,802
Changes in non-cash working capital	3,534	631
Funds from operations	2,947	2,433
Funds from operations per share	0.00	0.00

Romania generated funds from operations of $4.0 million (2021 – $2.9 million) and Tunisia generated $0.4 million (2021 – $0.6 million). Funds used at the Corporate level were $1.5 million (2021 - $1.1 million) resulting in net funds from operations of $2.9 million (2021 – $2.4 million).

PRODUCTION

Period ended 31 March 2022	**Tunisia**	**Romania**	**Group**	**%**
Crude oil (bbl/d)	441	-	441	39%
Natural gas (Mcf/d)	381	3,630	4,011	60%
Condensate (bbl/d)	-	5	5	1%
Total production (boe/d)	505	610	1,115	100%

Period ended 31 March 2021				
Crude oil (bbl/d)	490	-	490	23%
Natural gas (Mcf/d)	670	8,929	9,599	76%
Condensate (bbl/d)	-	7	7	1%
Total production (boe/d)	602	1,495	2,097	100%

During the three months ended 31 March 2022 production volumes decreased by 982 boe/d (47%) to 1,115 boe/d (2021 – 2,097 boe/d).

Romania's production volumes decreased by 885 boe/d (59%) to 610 boe/d (2021 – 1,495 boe/d). Production continues to decrease due to natural declines as well as water breakthrough in some producing formations within some of the producing wells. In February 2022, a second compressor was installed and commissioned on Moftinu-1007. The Company also has an extensive capital programme underway in Romania in 2022 to find additional gas resources that can be produced and processed through the existing capacity available at the Moftinu gas plant.

Tunisia's production volumes decreased by 97 boe/d (16%) to 505 boe/d (2021 – 602 boe/d). The Sabria W-1 wellsite has been prepared for the intervention which will install the first submersible pump for the Artificial Lift programme in the Sabria field. All materials required for this intervention are in our in-country warehouse. The Company has signed a rig contract and is awaiting rig mobilization from another operator and the workover and pump installation at the Sabria W-1 well will commence as soon as the rig is available, expected in the second quarter of 2022. Ongoing workover programmes continue in the Chouech Es Saida field, installing further pumps to enhance production.

OIL AND GAS REVENUE

(US$ 000s)				
Period ended 31 March 2022	**Tunisia**	**Romania**	**Group**	**%**
Oil revenue	1,045	-	1,045	7%
Natural gas revenue	429	11,846	12,275	92%
Condensate revenue	-	43	43	1%
Total revenue	1,474	11,889	13,363	100%

Period ended 31 March 2021				
Oil revenue	2,381	-	2,381	31%
Natural gas revenue	468	4,698	5,166	68%
Condensate revenue	-	33	33	1%
Total revenue	2,849	4,731	7,580	100%

REALISED PRICE [1]

Period ended 31 March 2022	Tunisia	Romania	Group
Oil ($/bbl)	90.13	-	90.13
Natural gas ($/Mcf)	12.47	36.19	33.94
Condensate ($/bbl)	-	82.21	82.21
Average realised price ($/boe)	85.06	215.86	184.57
Period ended 31 March 2021			
Oil ($/bbl)	54.03	-	54.03
Natural gas ($/Mcf)	7.77	5.85	5.98
Condensate ($/bbl)	-	49.73	49.73
Average realised price ($/boe)	52.65	35.14	40.16

During the three months ended 31 March 2022 revenue increased by $5.8 million (76%) to $13.4 million (2021 – $7.6 million) as the Group saw the average realised price increase by $144.41/boe (359%) to $184.57/boe (2021 - $40.16/boe).

The Group's average realised oil price increased by $36.10/bbl (67%) to $90.13/bbl (2021 – $54.03/bbl), and average realised natural gas prices increased by $27.96/Mcf (468%) to $33.94/Mcf (2021 - $5.98/Mcf).

Under the terms of the Sabria Concession Agreement 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 was sold to the international market.

ROYALTIES

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
Tunisia	149	445
Romania	377	383
Total	526	828
Total ($/boe)	7.26	4.38
Tunisia (% of revenue)	10.1%	15.6%
Romania (% of revenue)	3.2%	8.1%
Total (% of revenue)	3.9%	10.9%

During the three months ended 31 March 2022 royalties decreased by $0.3 million (37%) to $0.5 million (2021 - $0.8 million) and the Group's royalty rate decreased to 3.9% (2021 – 10.9%). The decrease in the Romanian royalty rate is due to the decrease in the level of production and as a result the royalty rate dropped to 3.5% (2021 – 7.5%) as well as the realised price exceeding the royalty reference price, compared to the comparative period when the reference price exceeded the realised price. In the comparative period 2021 there was a historic penalty in Tunisia for delayed gas royalty payments of $0.1 million.

In Romania, in the first quarter of 2022, the Company is incurring a 3.5% royalty for gas (2021 – 7.5%) and 3.5% royalty for condensate (2021 – 3.5%). The royalty is calculated using a reference price that is set by the Romanian authorities and not the realised price to the Company. Romanian royalty rates vary based on the level of production during the quarter. Natural gas royalty rates range from 3.5% to 13.0% and condensate royalty rates range from 3.5% to 13.5%.

In Tunisia, royalties vary based on individual concession agreements. Sabria royalty rates vary 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%. During the first quarter of 2022, the royalty rate remained unchanged in Sabria at 10% for oil and 8% for gas. Chouech Es Saida and Ech Chouech royalty rates are flat at 15% for both oil and gas.

[1] For the three months ended 31 March 2022, Tunisia realised oil prices are calculated using oil sales volumes of 129 bbl/d (31 March 2021 – 490 bbl/d). As at 31 March 2022 there were 39,711 bbls of oil held in product inventory (31 March 2021 – nil).

PRODUCTION EXPENSES

(US$ 000s)	Period ended 31 March 2022	2021
Tunisia	599	1,418
Romania	1,445	819
Canada	14	9
Group	2,058	2,246
Tunisia production expense ($/boe)	34.58	26.13
Romania production expense ($/boe)	26.23	6.07
Total production expense ($/boe)	28.43	11.88

During the three months ended 31 March 2022 production expenses decreased by $0.2 million (12%) to $2.0 million (2021 - $2.2 million), which is an increase of $16.55/boe (139%) to $28.43/boe (2021 - $11.88/boe). The decrease in costs during the period is the result of lower sales volumes, fewer costs related to workovers being completed in Tunisia as well as the inclusion of historic mining taxes related to Sanrhar and Zinnia of $0.3 million in the comparative period in 2021.

Tunisia's production expenses decreased by $0.8 million (63%) to $0.6 million (2021 - $1.4 million), being an increase of $8.45/boe (32%) to $34.58/boe (2021 - $26.13/boe). The decrease in production expenses is due to lower sales volumes in the period, a reduced number of workover programs initiated and historic mining taxes of $0.3 million related to Sanrhar and Zinnia included in the comparative period in 2021.

Romania's overall production expenses increased by $0.6 million (76%) to $1.4 million (2021 – $0.8 million), being an increase of $20.16/boe (332%) to $26.23/boe (2021 - $6.07/boe). The increase in production costs is primarily a result of higher water disposal costs and general inflation in Romania.

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.

($/boe) **Period ended 31 March 2022**	**Tunisia**	**Romania**	**Group**
Sales volume (boe/d)[2]	192	612	804
Realised price	85.06	215.86	184.57
Royalties	(8.60)	(6.84)	(7.26)
Production expense	(34.58)	(26.23)	(28.43)
Operating netback	41.88	182.79	148.88
Period ended 31 March 2021			
Sales volume (boe/d)	602	1,495	2,097
Realised price	52.65	35.14	40.16
Royalties	(8.19)	(2.84)	(4.38)
Production expense	(26.13)	(6.07)	(11.88)
Operating netback	18.33	26.23	23.90

During the three months ended 31 March 2022 the Group's operating netback increased by $124.98/boe (523%) to $148.88/boe (2021 - $23.90/boe). The increase is due to increased realised prices partially offset by increased royalties as well as increased production expenses in Romania. The Company also realised an increase in gross profit of $2.2 million to $2.9 million (2021 – $0.7 million), largely due to a significant increase in the Company's netbacks as well as a decrease to depletion as described below.

[2] For the three months ended 31 March 2022, sales volumes of 192 boe/d represented quantities of oil and gas sold during the period. As at 31 March 2022 there were 39,711 bbls of oil held in product inventory (31 March 2021 – nil).

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")

Serinus uses EBITDA as a key performance indicator to assist management in understanding Serinus' cash profitability. EBITDA is computed as net profit/loss and adding back interest, taxation, depletion & depreciation, and amortisation expense. EBITDA is not a standard measure under IFRS and therefore may not be comparable to similar measures reported by other entities. During the three months ended 31 March 2022, the Group's EBITDA increased by $0.5 million to $3.1 million (2021 - $2.6 million). The increase is mainly due to higher netbacks in the current period.

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
Net income (loss)	1,045	(1,010)
Interest expense	13	20
Depletion and amortization	1,795	3,162
Tax expense	210	410
EBITDA	3,063	2,574

WINDFALL TAX

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
Windfall tax	6,035	642
Windfall tax ($/Mcf - Romania gas)	18.44	0.80
Windfall tax ($/boe - Romania gas)	110.63	4.79

During the three months ended 31 March 2022 windfall taxes increased by $5.4 million (841%) to $6.0 million (2021 - $0.6 million). This increase is directly related to higher realised gas prices which increased from $5.85/Mcf to $36.19/Mcf.

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. 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 limited to 30% of the supplemental income below the 85.00 RON/Mwh threshold.

DEPLETION AND DEPRECIATION

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
Tunisia	322	1,049
Romania	1,435	2,075
Corporate	38	38
Total	1,795	3,162
Tunisia ($/boe)	18.58	19.32
Romania ($/boe)	26.06	15.40
Total ($/boe)	24.79	16.73

During the three months ended 31 March 2022 depletion and depreciation expense decreased by $1.4 million (43%) to $1.8 million (2021 - $3.2 million), primarily due to lower production during the period. Per boe, depletion and depreciation expense increased by $8.06/boe (48%) to $24.79/boe (2021 - $16.73/boe), primarily due to lower reserves in the current period.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSE

	Period ended 31 March	
(US$ 000s)	**2022**	**2021**
G&A expense	1,388	1,052
G&A expense ($/boe)	19.16	5.57

During the three months ended 31 March 2022 G&A expenses increased by $0.3 million (31%) to $1.4 million (2021 - $1.1 million), being an increase of $13.59/boe (244%) to $19.16/boe (2021 - $5.57/boe) due to higher compliance expenses and impact of foreign exchange rates in the current period. Per boe, G&A expense is higher due to lower sales volumes in the period.

SHARE-BASED PAYMENT

(US$ 000s)	Period ended 31 March 2022	2021
Share-based payment	26	88
Share-based payment ($/boe)	0.36	0.47

During the three months ended 31 March 2022 share-based compensation decreased to $0.02 million (2021 – $0.1 million) due to lower stock options granted in the preceding 12 months.

NET FINANCE EXPENSE

(US$ 000s)	Period ended 31 March 2022	2021
Interest on leases	8	17
Accretion on decommissioning provision	190	88
Foreign exchange and other	107	1
	305	106

During the three months ended 31 March 2022 net finance expenses increased by $0.2 million (188%) to $0.3 million (2021 – $0.1 million). This increase is mainly due to foreign exchange losses on due to the strengthening of the US dollar, as well as higher accretion on decommissioning provision increased due to the higher discount rates during the period.

TAXATION

During the three months ended 31 March 2022 tax expense was $0.2 million (2021 - $0.4 million). The decrease in the tax expense is directly related to lower taxable income in Tunisia during the period.

SHARE DATA

As at the date of issuing this report, the following are the Directors stock options outstanding, LTIP awards, and shares owned up to the date of this report.

	Share Options	LTIP Awards	Shares
Executive Directors:			
Jeffrey Auld	26,800,000	16,563,548	3,908,752
Andrew Fairclough	1,750,000	9,036,313	1,080,533
Non-Executive Directors:			
Jim Causgrove	100,000	-	400,000
Lukasz Redziniak	-	-	720,000
Jon Kempster [3]	-	-	602,607
	28,650,000	25,599,861	6,711,892

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: Richard Sneller 11.36%, CRUX Asset Management 8.25%, and Quercus TFI SA 7.11%.

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.

FOREIGN CURRENCY TRANSLATION

Foreign currency translation occurs from the revaluation from fluctuations in the foreign exchange rates in entities with a different functional currency than the reporting currency (USD). The revaluation of the condensed consolidated interim statement of financial position to the period-end rates resulted in a loss of $0.4 million (2021 – loss of $1.4 million) through Other comprehensive income (loss).

[3] Shares held by Catherine Kempster (the spouse of Jon Kempster)

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Operational Update and Outlook. The financial position of the Group is described in these condensed consolidated interim financial statements and in the Report from the CFO.

The Directors have given careful consideration to the appropriateness of the going concern assumption, including cashflow forecasts through the going concern period and beyond, planned capital expenditure and the principal risks and uncertainties faced by the Group. This assessment also considered various downside scenarios including oil and gas commodity prices and production rates. Following this review, the Directors are satisfied that the Group has sufficient resources to operate and meet its commitments as they come due in the normal course of business for at least 12 months from the date of these condensed consolidated interim financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these condensed consolidated interim financial statements.

DECLARATIONS OF THE BOARD OF DIRECTORS CONCERNING ACCOUNTING POLICIES

The Board of Directors of the Company confirms that, to the best of their knowledge, the condensed consolidated interim financial statements together with comparative figures have been prepared in accordance with applicable accounting standards and give a true and fair view of the state of affairs and the financial result of the Group for the period ended 31 March 2022.

The Financial Review in this report gives a true and fair view of the situation on the reporting date and of the developments during the period ended 31 March 2022, and include a description of the major risks and uncertainties.

Serinus Energy plc
Condensed Consolidated Interim Statement of Comprehensive Loss
(US$ 000s, except per share amounts)

	Note	Three months ended 31 March 2022	2021
Revenue		**13,363**	7,580
Cost of sales			
Royalties		**(526)**	(828)
Windfall tax		**(6,035)**	(642)
Production expenses		**(2,058)**	(2,246)
Depletion and depreciation		**(1,795)**	(3,162)
Total cost of sales		**(10,414)**	(6,878)
Gross profit		**2,949**	702
Administrative expenses		**(1,388)**	(1,052)
Share-based payment expense		**(26)**	(88)
Total administrative expenses		**(1,414)**	(1,140)
Decommissioning provision recovery (expense)		**25**	(56)
Operating income (loss)		**1,560**	(494)
Finance expense		**(305)**	(106)
Net income (loss) before tax		**1,255**	(600)
Taxation expense		**(210)**	(410)
Income (loss) after taxation attributable to equity owners of the parent		**1,045**	(1,010)
Other comprehensive (loss) income			
Other comprehensive (loss) income to be classified to profit and loss in subsequent periods:			
Foreign currency translation adjustment		**(423)**	(1,390)
Total comprehensive income (loss) for the period attributable to equity owners of the parent		**622**	(2,400)
Income (loss) per share:			
Basic	4	**0.00**	(0.00)
Diluted	4	**0.00**	(0.00)

The accompanying notes on pages 15 to 16 form part of the condensed consolidated interim financial statements.

Serinus Energy plc
Condensed Consolidated Interim Statement of Financial Position
(US$ 000s, except per share amounts)

As at	31 March 2022	31 December 2021
Non-current assets		
Property, plant and equipment	**68,319**	71,747
Exploration and evaluation assets	**5,580**	5,042
Right-of-use assets	**527**	370
Total non-current assets	**74,426**	77,159
Current assets		
Restricted cash	**1,168**	1,144
Trade and other receivables	**8,722**	7,396
Product inventory	**2,252**	656
Cash and cash equivalents	**6,155**	8,429
Total current assets	**18,297**	17,625
Total assets	**92,723**	94,784
Equity		
Share capital	**401,426**	401,426
Share-based payment reserve	**25,513**	25,487
Treasury shares	**(323)**	(121)
Accumulated deficit	**(386,941)**	(387,986)
Cumulative translation reserve	**(1,797)**	(1,374)
Total Equity	**37,878**	37,432
Liabilities		
Non-current liabilities		
Decommissioning provision	**26,437**	28,232
Deferred tax liability	**10,640**	10,516
Lease liabilities	**213**	252
Other provisions	**1,359**	1,358
Total non-current liabilities	**38,649**	40,358
Current liabilities		
Current portion of decommissioning provision	**6,940**	6,636
Current portion of lease liabilities	**377**	193
Accounts payable and accrued liabilities	**8,879**	10,165
Total current liabilities	**16,196**	16,994
Total liabilities	**54,845**	57,352
Total liabilities and equity	**92,723**	94,784

The accompanying notes on pages 15 to 16 form part of the condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors and authorised for issue on 11 May 2022.

Serinus Energy plc
Condensed Consolidated Interim Statement of Changes in Equity
(US$ 000s, except per share amounts)

	Share capital	Share-based payment reserve	Treasury Shares	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance at 31 December 2020	401,426	25,274	-	(396,410)	1,089	31,379
Comprehensive loss for the period	-	-	-	(1,010)	-	(1,010)
Other comprehensive loss for the period	-	-	-	-	(1,390)	(1,390)
Total comprehensive loss for the period				(1,010)	(1,390)	(2,400)
Transactions with equity owners						
Share-based payment expense	-	88	-	-	-	88
Balance at 31 March 2021	**401,426**	**25,362**	**-**	**(397,420)**	**(301)**	**29,067**
Balance at 31 December 2021	401,426	25,487	(121)	(387,986)	(1,374)	37,432
Comprehensive income for the period	-	-	-	1,045	-	1,045
Other comprehensive loss for the period	-	-	-	-	(423)	(423)
Total comprehensive loss for the period	-	-	-	1,045	(423)	622
Transactions with equity owners						
Share-based payment expense	-	26	-	-	-	26
Shares purchased to be held in Treasury			(202)	-	-	(202)
Balance at 31 March 2022	**401,426**	**25,513**	**(323)**	**(386,941)**	**(1,797)**	**37,878**

The accompanying notes on pages 15 to 16 form part of the condensed consolidated interim financial statements.

Serinus Energy plc
Condensed Consolidated Interim Statement of Cash Flows
(US$ 000s, except per share amounts)

		Three months ended 31 March	
		2022	**2021**
Operating activities			
Income (loss) for the period		**1,045**	(1,010)
Items not involving cash:			
Depletion and depreciation		**1,795**	3,162
Accretion expense on decommissioning provision		**190**	88
Share-based payment expense		**26**	88
Change in other provisions		**-**	(14)
Decommissioning provision (recovery) expense		**(25)**	56
Unrealised foreign exchange gain		**(10)**	(10)
Taxation		**210**	(410)
Income taxes paid		**(284)**	(329)
Funds from operations		**2,947**	2,433
Changes in non-cash working capital	5	**(3,534)**	(631)
Cashflows (used in) from operating activities		**(587)**	1,802
Financing activities			
Lease payments		**(69)**	(105)
Shares purchased to be held in treasury		**(202)**	-
Cashflows used in financing activities		**(271)**	(105)
Investing activities			
Capital expenditures	5	**(1,269)**	(2,447)
Proceeds on disposition of property, plant and equipment		**-**	8
Cashflows used in investing activities		**(1,269)**	(2,439)
Impact of foreign currency translation on cash		**(147)**	9
Change in cash and cash equivalents		**(2,274)**	(733)
Cash and cash equivalents, beginning of period		**8,429**	6,002
Cash and cash equivalents, end of period		**6,155**	5,269

The accompanying notes on pages 15 to 16 form part of the condensed consolidated interim financial statements.

1. GENERAL INFORMATION

Serinus Energy plc 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 2nd Floor, The Le Gallais Building, 54 Bath Street, St. Helier, Jersey, JE1 1FW.

Serinus is a publicly listed company whose ordinary shares are traded under the symbol "SENX" on AIM and "SEN" on the WSE.

2. BASIS OF PRESENTATION

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom applied in accordance with the provisions of the Companies (Jersey) Law 1991.

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 2021. There has been no change in these areas during the three months ended 31 March 2022.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Operational Update and Outlook. The financial position of the Group is described in these condensed consolidated interim financial statements and in the Report from the CFO.

The Directors have given careful consideration to the appropriateness of the going concern assumption, including cashflow forecasts through the going concern period and beyond, planned capital expenditure and the principal risks and uncertainties faced by the Group. This assessment also considered various downside scenarios including oil and gas commodity prices and production rates. Following this review, the Directors are satisfied that the Group has sufficient resources to operate and meet its commitments as they come due in the normal course of business for at least 12 months from the date of these condensed consolidated interim financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these condensed consolidated interim financial statements.

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 2021.

4. INCOME (LOSS) PER SHARE

	Period ended 31 March	
(US$ 000s, except per share amounts)	**2022**	**2021**
Income (loss) for the period	1,045	(1,010)
Weighted average shares outstanding:		
Basic and diluted shares (000s)	1,147,525	1,302,013
Income (loss) per share:		
Basic and dilutive	0.00	(0.00)

In determining diluted net loss per share, the Group assumes that the proceeds received from the exercise of "in-the-money" stock options are used to repurchase ordinary shares at the average market price. In calculating the weighted-average number of diluted ordinary shares outstanding for the period ended 31 March 2022, the Group excluded nil stock options (2021 – 33.1 million) as they were anti-dilutive.

(US$ 000s, except per share amounts)

5. SUPPLEMENTAL CASH FLOW DISCLOSURE

	Period ended 31 March	
	2022	**2021**
Cash provided by (used in):		
Trade and other receivables	(1,428)	316
Product inventory	(841)	-
Accounts payable and accrued liabilities	(1,265)	(962)
Restricted cash	-	15
Changes in non-cash working capital from operating activities	(3,534)	(631)

The following table reconciles capital expenditures to the cash flow statement:

	Period ended 31 March	
	2022	**2021**
PP&E additions	884	3,335
E&E additions	628	194
ROU additions	220	-
Total capital additions	1,732	3,529
Changes in non-cash working capital from investing activities	(463)	(1,082)
Total capital expenditures	1,269	2,447