

**EARLY WARNING REPORT**  
**NATIONAL INSTRUMENT 62-103**

**1. Name and address of Offeror:**

Kulczyk Investments S.A. ("**KI**")  
13-15 Avenue de la Liberte  
L-1931 Luxembourg  
Luxembourg

**2. Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:**

As a result of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**") completed pursuant to an arrangement agreement (the "**Arrangement Agreement**") dated April 24, 2013 among KI, Serinus Energy Inc. (formerly Kulczyk Oil Ventures Inc.) ("**Serinus**") and Winstar Resources Ltd. ("**Winstar**"), KI acquired 10,577,000 common shares of Serinus ("**Serinus Shares**") representing approximately 13.5% of the issued and outstanding Serinus Shares following completion of the Arrangement and conversion of the KI Loan (as defined below).

Pursuant to the Arrangement, Serinus acquired all of the issued and outstanding common shares of Winstar ("**Winstar Shares**") and shareholders of Winstar received for each Winstar Share, at each such holder's election: (i) CAD\$2.50 in cash (the "**Cash Consideration**"); or (ii) 7.555 pre-consolidation common shares of Serinus (the "**Share Consideration**"), subject to a maximum of CAD\$35 million in cash. The Cash Consideration was funded by KI and as the shareholders of Winstar elected to receive the maximum Cash Consideration, KI acquired an aggregate of 14,000,000 Winstar Shares (representing approximately 38.8% of the issued and outstanding Winstar Shares). The Winstar Shares acquired by KI were immediately acquired by Serinus in exchange for the Share Consideration pursuant to the Arrangement and as a result following completion of the Arrangement Serinus owns all of the issued and outstanding Winstar Shares.

In conjunction with the Arrangement, KI exercised its option to convert its existing loan (the "**KI Loan**") to Serinus in the amount of US\$12 million plus accrued interest into Serinus Shares. KI delivered the conversion election notice to Serinus on May 8, 2013. The KI Loan was converted into Serinus Shares at a price per pre-consolidation Serinus Share of US\$0.42<sup>1</sup>. The conversion election notice was conditional upon the successful closing of the Arrangement. As a result of the conversion of the KI Loan, KI received 3,183,268 post-consolidation Serinus Shares representing approximately 4.0% of the issued and outstanding Serinus Shares following completion of the Arrangement and conversion of the KI Loan.

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<sup>1</sup> Pursuant to the terms of the KI Loan, the conversion price was based on the volume weighted average trading price of Serinus Shares on the Warsaw Stock Exchange during the five trading days immediately prior to but excluding the date of the conversion election notice as converted into United States dollars. The volume weighted average trading price of the pre-consolidation Serinus Shares on the Warsaw Stock Exchange for the five trading days prior to May 8, 2013 was 1.33 Polish zloty. The National Bank of Poland exchange rate on May 8, 2013 was 3.16 Polish Zloty for each US\$1.

In connection with closing of the Arrangement, Serinus Shares were consolidated on the basis of one post-consolidation Serinus Share for every ten pre-consolidation Serinus Shares. Unless otherwise indicated all numbers and percentages of Serinus Shares in this early warning report reflect post-consolidation Serinus Shares.

**3. Designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:**

37,840,987 Serinus Shares, representing, in aggregate, approximately 48.1% of the issued and outstanding Serinus Shares are held by KI. In addition, 2,662,836 Serinus Shares representing, in aggregate, approximately 3.4% of the issued and outstanding Serinus Shares are held by Radwan Investments GmbH ("**Radwan**"); and collectively, KI and Radwan hold 40,503,823 Serinus Shares representing in aggregate, approximately 51.5% of the issued and outstanding Serinus Shares. KI and Radwan may be considered to be joint actors.

**4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

**(i) the offeror, either alone or together with any joint actors, has ownership and control,**

KI holds 37,840,987 Serinus Shares (approximately 48.1% of the issued and outstanding Serinus Shares).

Radwan holds 2,662,836 Serinus Shares (approximately 3.4% of the issued and outstanding Serinus Shares).

KI and Radwan collectively hold 40,503,823 Serinus Shares (approximately 51.5% of the issued and outstanding Serinus Shares).

**(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor, and**

Dr. Jan Kulczyk, beneficially owns or controls, directly or indirectly, 68.33% of the outstanding shares of KI.

**(iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

Not applicable.

**5. The name of the market in which the transaction or occurrence that gave rise to the news release took place:**

The Arrangement Agreement is a private agreement between Serinus, KI and Winstar. Prior to completion of the Arrangement the Winstar Shares were listed on the Toronto Stock Exchange. The Serinus Shares are expected to begin trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "SEN" within three business days of completion of the Arrangement, subject to Serinus fulfilling all of the remaining listing conditions of the TSX. Serinus will remain listed on the Warsaw Stock Exchange (the "**WSE**") on a post-consolidation basis under the trading symbol "SEN" after the listing on the TSX. The Winstar Shares are expected to cease being traded on the TSX and will be subsequently delisted. The Serinus Shares, which had been

suspended on the WSE pending completion of the consolidation, are expected to resume trading near the end of June 2013.

- 6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

KI paid CAD\$35,000,000 in cash to acquire 14,000,000 Winstar Shares which were immediately exchanged for 10,577,000 Serinus Shares based on post-consolidation exchange ratio of 0.7555 Serinus Shares for each one Winstar Shares.

The outstanding principal and interest of the KI Loan was converted at a conversion price of US\$0.42 (CAD\$0.44 - based on the noon rate as reported by the Bank of Canada on June 24, 2013).

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

KI agreed to pay the Cash Consideration pursuant to the Arrangement to provide Serinus with the necessary cash funding to acquire Winstar.

The completion of the Arrangement was conditional on KI electing to convert the KI Loan.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Concurrently with entering into the Arrangement Agreement, Serinus and KI entered into support agreements with 54.2% of Winstar shareholders, including all of the directors and officers of Winstar, whereby such shareholders agreed to vote in favour of the Arrangement at the Winstar shareholder meeting. In addition, KI entered into a support agreement with Winstar whereby KI agreed to vote in favour of the resolutions of the shareholders of KI to approve the change of name of Serinus from "Kulczyk Oil Ventures Inc." to "Serinus Energy Inc." and the consolidation of the Serinus Shares. The general terms of the Arrangement Agreement are described under Item 2 hereof.

- 9. The names of any joint actors in connection with the disclosure required by this report:**

Radwan may be considered to be a joint actor of KI as a result of an agreement in place between Radwan and KI, dated September 15, 2010, which entitles Radwan to participate in a percentage of KI's investments and provides that Radwan will vote any securities it purchases pursuant to such agreement in accordance with the directions of KI.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offerors:**

KI paid CAD\$35,000,000 in cash to acquire 14,000,000 Winstar Shares which were immediately exchanged for 10,577,000 Serinus Shares based on post-consolidation exchange ratio of 0.7555 Serinus Shares for each one Winstar Shares.

The outstanding principal and interest of the KI Loan was converted at a conversion price of US\$0.42.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:**

Not applicable.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting the reliance:**

The issuance of the Serinus Shares pursuant to the Arrangement was exempt from the prospectus requirements of applicable Canadian securities laws pursuant to section 2.11 of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106").

The issuance of the Serinus Shares pursuant to the conversion of the KI Loan was exempt from the prospectus requirements of applicable Canadian securities laws pursuant to section 2.42 of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106").

DATED as of the 25<sup>th</sup> day of June, 2013.