

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was affected, for delivery to the purchaser or transferee.

JPMorgan Cazenove, which is regulated in the United Kingdom by the Financial Services Authority, is acting for Serica and no-one else in connection with the Placing and will not be responsible to anyone other than Serica for providing the protections afforded to clients of JPMorgan Cazenove or for providing advice in relation to the Placing.

Tristone Capital is acting for Serica and no-one else in connection with the Placing and will not be responsible to anyone other than Serica for providing the protections afforded to clients of Tristone Capital or for providing advice in relation to the Placing.

SERICA ENERGY PLC

(Incorporated in England and Wales with registered number 05450950)

Notice of Extraordinary General Meeting

Proposed Placing of Ordinary Shares (the “Placing”)

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 4 to 8 of this document and which recommends you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of Serica Energy plc to be held at 4.00 p.m. Greenwich Mean Time (“GMT”) on Friday 4 January 2008 at No.1 Cornhill, London, EC3V 3ND, United Kingdom is set out at the end of this document. A Form of Proxy for use at this Extraordinary General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company’s UK Registrars Capita Registrars, 34 Beckenham Road, Kent BR3 4TU or the Company’s Canadian Registrars Equity Transfer & Trust Company at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, Canada as soon as possible but in any event so as to arrive not later than 48 hours before the time appointed for the meeting or any adjournment thereof together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting should they so wish.

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EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy from Shareholders	4.00 p.m. on 2 January 2008
Extraordinary General Meeting	4.00 p.m. on 4 January 2008
Expected date of Completion of the Placing	7 January 2008

- (i) Each of the dates and times in this document is subject to change. References to times in this document are to London time unless otherwise indicated.
- (ii) If any of the above times and/or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service.

SERICA ENERGY PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with No: 05450950)

Registered office:

87-89 Baker Street
London W1U 6RJ

Directors:

Antony Craven Walker *(Non-executive Chairman)*

Paul Ellis *(Chief Executive Officer)*

Christopher Hearne *(Chief Financial Officer)*

Neil Pike *(Non-executive Director)*

Steven Theede *(Non-executive Director)*

Ian Vann *(Non-executive Director)*

12 December 2007

To Shareholders and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

Extraordinary General Meeting and Placing

On 11 December, the Company announced its intention to undertake a Placing to support the next phase of its exploration, field appraisal and development drilling programmes in 2008 and 2009 in Indonesia, Vietnam, the UK, Norway, Spain and Ireland. The Placing will raise gross proceeds of approximately £25 million (approximately US\$52 million).

The purpose of this letter is to explain to Shareholders the background to, and the reasons for, the Placing. To enable the Company to implement the Placing, the Company is seeking Shareholder approval of the Resolutions which are to be put to the extraordinary general meeting of the Company to be held at No.1 Cornhill, London, EC3V 3ND, United Kingdom on Friday 4 January 2008 at 4.00 p.m. GMT. The Notice convening the Extraordinary General Meeting is set out at the end of this document. This letter includes an explanation of the Resolutions.

The Placing is subject, amongst other things, to the passing of the Resolutions and granting of approval by the Securities Commissions of a Canadian Short-form Prospectus, which the Company has prepared and filed in accordance with Canadian Securities Laws. The Company expects that the Securities Commissions will have granted their approval by the time of the Extraordinary General Meeting.

If the Resolutions are passed and the Securities Commissions have approved the Canadian Short-form Prospectus by that time, it is expected that the Placing Shares will be issued and admitted to trading on AIM and the TSXV on 7 January 2008.

Background to and reasons for the Placing

Serica currently has no oil or gas production revenue from which to finance its activities and has funded its programme to-date from the cash resources largely raised at the time of its admission to AIM in December 2005. At that time the Company raised £60 million net of costs (US\$105 million) to fund a two year work programme on its licence interests in the UK North Sea, Indonesia and Spain. This programme has seen considerable success with the discovery of the Columbus field in the UK North Sea, the development of the Kambuna field in Indonesia, which is now well underway, and a substantial increase in the Company's exploration portfolio following new licence awards in Indonesia, the UK, Norway, Vietnam and Ireland.

The Company has also been successful in managing financial exposure by farming-out properties in which it holds high percentage interests, in particular the Oak prospect in the North Sea (where the Company has made a non-commercial gas discovery), the Bilton PSC in Indonesia (in which drilling has now commenced) and its interests onshore Spain (where a seismic survey is in progress). This policy has enabled

the Company to manage exploration risk and obtain funding through the introduction of third parties to its exploration licences whilst still maintaining high percentage interests in the prospects and thus significant exposure to exploration success.

The Company has also reviewed the possibility of acquiring oil and gas properties which complement the Company's interests and which could provide further potential to add value to the Company's existing portfolio, including the possible acquisition of producing properties which would provide a cash flow from which the Company could fund its ongoing activities. The Company has not, to-date, identified a suitable acquisition but will continue to monitor the market in order to be in a position to take advantage of appropriate opportunities that would enhance Shareholder value should they arise.

At 30 September 2007, Serica's remaining cash balances stood at US\$46 million. Since that date these resources have been partially utilised in the successful drilling of the Columbus appraisal wells and the remainder is committed to ongoing exploration activities. Accordingly, the Company has recently announced a US\$100 million Senior Debt Facility with JPMorgan and the Bank of Scotland. Subject to certain prerequisites, this facility provides the bulk of the resources needed by the Company for the development of the Kambuna field in Indonesia (due on-stream at the end of 2008), preparations for development of the Columbus field in the UK and the appraisal of the Bream oil discovery in Norway.

In order that the Company can bring its discoveries into production, build further value for Shareholders and unlock the significant value which it believes lies in its exploration portfolio, your Directors believe that it is in Shareholders' interest for the Company to raise additional funding to supplement these resources. The Placing will provide the Company with the equity required to maintain its growth strategy for the benefit of Shareholders and fully appraise the exciting exploration programme to which the Company is exposed.

Track Record of Exploration Success

The key test of success for an exploration company is its ability to discover hydrocarbons and then to progress to commercial development. Serica has demonstrated an enviable track record in both of its core areas, namely the UK North Sea and Indonesia. All of the six exploration and appraisal wells so far drilled by the Company have discovered hydrocarbons. Although two of these were non-commercial, four were commercial. All were drilled by the Company as operator and, as a result, the Company is now developing the Kambuna field in Indonesia, in which it has a 65 per cent. interest, and advancing plans for the development of the Columbus field recently discovered in UK North Sea Block 23/16f, in which block Serica's interest is 50 per cent.

The Company's success with its drilling operations is underlined by its annual reserve additions. At the end of 2006, as the result of independent reports prepared by RPS Energy Limited, the Company booked net proven plus probable reserves of 12.6 million boe for the Kambuna field and had most likely net contingent resources of 10.8 million boe attributable to its interest in the Columbus field. The Company will be providing updated figures with the publication of its annual financial statements for 2007. Commencement of production is planned for the Kambuna field at the end of 2008 and, subject to the development planning and approval process and the securing of access to transportation infrastructure, the Columbus field could see production in 2010.

In addition to its drilling success, the Company has been awarded several new highly prospective exploration licences in the last two years. The Company's strategy has been to make applications for a limited number of blocks targeted on the basis of the expertise of the Company's technical staff and in, or close to, areas in which it is already operating. In line with this strategy, the Company was awarded three new licences offshore UK, two licences offshore Norway, one licence offshore Ireland and interests in Production Sharing Contracts offshore Vietnam and offshore Indonesia. The Company holds high equity interests in most of the awards and is the operator for all of the new licences except for those in Norway and Vietnam. All of these awards lie within proven hydrocarbon basins and, in the view of the Directors, provide considerable exploration potential.

An extensive exploration and appraisal programme is planned for Serica's licences and the recent success of the two Columbus appraisal wells marks the start of a busy schedule of drilling for the Company. The Global

Santa Fe 136 drilling rig is currently on location on the Biliton PSC, a large almost unexplored block in Indonesian waters, and the Company is drilling the first of two exploration wells there. Following this drilling, the rig will move to the Glagah Kambuna TAC to commence development operations on the Kambuna field. In the first quarter 2008, the Company expects to install the Kambuna production platform, now in transit to the development location, and will then complete three production wells. In the second quarter 2008, the Company plans to drill an appraisal well on the Bream oil discovery in the Norwegian sector of the North Sea and further drilling is planned both in the UK and overseas.

Use of proceeds of the Placing

Net of expenses, the Placing will raise approximately £24 million (approximately US\$49 million). These proceeds will be used to support the next phase of the Company's exploration, appraisal and field development programmes planned over the next two years which are set out below.

During 2008 and 2009, in addition to the development of the Kambuna field and preparations for the development of the Columbus field, the Company's plans include the drilling of eleven exploration or appraisal wells throughout its portfolio and the acquisition of additional 2D and 3D seismic data on a number of its new properties. In total, seven exploration, appraisal or development wells are planned for 2008 and nine for 2009.

Early in 2008, the Company plans to install the Kambuna field production platform and commence the drilling of two new Kambuna development wells and the completion of the existing Kambuna-2 well for production. Also in 2008 an appraisal well is scheduled for the Bream oil discovery offshore Norway and, in the UK North Sea, the Company is planning further drilling in the Columbus area including a possible exploration well on the Livingstone prospect which lies immediately to the north of the Columbus field. In Indonesia, the Company plans to drill an exploration well in the Kutai PSC and, in Vietnam, a well is scheduled for offshore Block 06/94.

In 2009, Serica plans to drill Columbus development wells for an anticipated first production from the field in 2010. The Company also plans to participate in the drilling of seven exploration wells during the year, including an appraisal of the Chablis discovery in the UK sector of the North Sea, one well in the Norwegian sector of the North Sea, three wells in the Kutai block in Indonesia and two wells offshore Vietnam.

This 2008/2009 programme excludes any additional drilling that would be required in the event of success in the Biliton block in Indonesia, where drilling has recently commenced, or additional drilling that could result from success in any of the Company's other exploration blocks. In addition, it excludes drilling that is planned for the Company's licence interest in Ireland where exploration potential has been identified and for which the Company is likely to seek a farm-in partner.

On the basis of the above programme, the Company currently projects that its total expenditure over 2008 and 2009 will be approximately US\$255 million. Of this, the Company estimates that 45 per cent. will be spent on exploration and appraisal and 55 per cent. on the Kambuna and Columbus developments. This expenditure is expected to be met through a combination of the funding raised by the Placing, debt facilities and from other sources including the expected revenue resulting from production from the Kambuna field.

Principal terms and conditions of the Placing

The Directors believe that the Placing represents the most attractive terms currently available to the Company to contribute to funding the range of expenditures associated with this expanded programme of exploration, appraisal and development. Accordingly the Directors are seeking Shareholder approval for this proposal.

The Company proposes raising £25 million gross proceeds through the Placing of the Placing Shares at a price of £1.02 or C\$2.10 per Placing Share on the terms and subject to the conditions of the Placing Agreement. The Placing Price of £1.02 or C\$2.10 per share represents a discount of approximately 6 per cent. to the closing middle market price of £1.085 or C\$2.22 per share on AIM or the TSXV, respectively, on 10 December 2007, being the last business day prior to announcement of the Placing.

The Placing has been fully underwritten except to the extent that, under Canadian Securities Laws, withdrawal rights apply and are exercised following the approval of the Canadian Short-form Prospectus. The Placing will result in the issue of 24,770,354 Placing Shares (representing approximately 14 per cent. of the issued share capital of the Company, as enlarged by the Placing).

Completion of the Placing is conditional on the approval of the Resolutions at the EGM and the approval of the Canadian Short-form Prospectus by the Securities Commissions. The preliminary Canadian short-form prospectus was filed with the Securities Commissions on 10 December 2007 and the final Canadian Short-form Prospectus is expected to be filed on or about 28 December 2007. The Directors expect that the Securities Commissions will have granted their approval by the time of the Extraordinary General Meeting. To enable the Company to benefit from exemptions to the requirement to prepare a UK prospectus, the Placing could not be made available to members of the public.

Of the Directors, Steven Theede, Ian Vann and I are participating in the Placing. I have subscribed for 478,847 Placing Shares and this subscription will take my aggregate holding to 3.0 per cent. of the Company's outstanding share capital. Steven Theede has subscribed for 238,100 Placing Shares and this subscription will take his aggregate holding to 0.4 per cent. of the Company's outstanding share capital. Ian Vann has subscribed for 24,510 Placing Shares and this subscription will take his aggregate holding to 0.02 per cent. of the Company's outstanding share capital. Steven Theede, Ian Vann or I may hold some or all of these Placing Shares directly or indirectly.

Applications for Listing

Application will be made to the London Stock Exchange, and application has been made to the TSXV, for the maximum number of Placing Shares that may be issued to be admitted to trading on the AIM market operated by the London Stock Exchange and the TSXV operated by the Toronto Stock Exchange. Admission of the Placing Shares to AIM and the TSXV will become effective and dealings in the Placing Shares will commence on the later of: (i) one Business Day after the EGM; and (ii) four Business Days after the approval of the Canadian Short-form Prospectus by the Securities Commissions. It is expected that the Canadian Short-form Prospectus will have been approved by the Securities Commissions in sufficient time prior to the date of the EGM to allow dealings in the Placing Shares to commence on 7 January 2008 if the Resolutions are passed at the EGM. I will be able to provide Shareholders with an update on the status of the Canadian Short-form Prospectus and the process for admission at the EGM.

Extraordinary General Meeting

An Extraordinary General Meeting of the Company is required in order to give effect to these proposals. Set out at the end of this document is a notice convening the Extraordinary General Meeting of the Company to be held at No.1 Cornhill, London, EC3V 3ND, United Kingdom on Friday 4 January 2008 at 4.00 p.m. GMT. At this meeting three Resolutions will be proposed. These resolutions are required to comply with UK company law. The following paragraphs describe the purpose of the Resolutions and the reason that they are required in order that the Company can carry out the Placing.

Resolution 1

Resolution 1 is an ordinary resolution to increase the authorised share capital of the Company by US\$5,000,000 to US\$25,000,000 and £50,000 by the creation of 50,000,000 new Ordinary Shares of US\$0.10 each. This resolution is needed in order to maintain headroom in the Company's authorised share capital.

Resolution 2

Resolution 2 is an ordinary resolution, conditional upon the passing of Resolutions 1 and 3 and in substitution for all existing authorities, to authorise the Directors to allot the Placing Shares in accordance with section 80 of the 1985 Act such power being limited to the allotment of 24,770,354 Placing Shares. Subject to Resolution 3 also being carried, this resolution will enable the Directors to allot the Placing Shares for cash in accordance with the Placing Agreement.

Resolution 3

In order to complete the Placing, the Company is seeking a waiver of Shareholders' pre-emption rights in respect of the Placing Shares thereby enabling the Directors to allot the Placing Shares for cash in accordance with the Placing Agreement. This waiver replaces the pre-emption waiver granted as a result of the approval by Shareholders of resolution 6 at the Company's annual general meeting held on 21 June 2007.

Resolution 3 is a special resolution, conditional upon the passing of Resolutions 1 and 2, and in substitution for all existing authorities, to grant the Directors authority to allot 24,770,354 Placing Shares, pursuant to Section 95 of the 1985 Act as if Section 89(1) of the 1985 Act did not apply to such issue or allotment, such power being limited to the allotment of relevant securities in connection with the Placing.

Action to be taken by Shareholders

Shareholders will find a Form of Proxy enclosed with this document for use at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's UK Registrars Capita Registrars, 34 Beckenham Road, Kent BR3 4TU or the Company's Canadian Registrars Equity Transfer & Trust Company at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, Canada as soon as possible but in any event so as to arrive not later than 48 hours before the time appointed for the meeting or any adjournment thereof together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting should they so wish. Further information regarding the appointment of proxies can be found on page 12 of this document.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary.

Recommendation

Your Board, which has received financial advice from JPMorgan Cazenove, considers the Placing and the approval of the Resolutions to be in the best interests of the Company and Shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions. Each of the Directors who hold Ordinary Shares intends to vote in favour of the Resolutions in respect of his entire holding of Ordinary Shares, which in aggregate comprise 6,587,314 Ordinary Shares representing 4.3 per cent. of the issued ordinary share capital of the Company.

Yours faithfully

Tony Craven Walker

Chairman

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“1985 Act”	the UK Companies Act 1985, to the extent in force from time to time
“2006 Act”	the UK Companies Act 2006, to the extent in force from time to time
“AIM”	the AIM market operated by the London Stock Exchange
“Board” or “Directors”	the directors of the Company
“boe”	barrels of oil equivalent (using a conversion factor of 6,000 cubic feet of sales gas per barrel of oil equivalent)
“Business Day”	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London and Toronto, Canada
“C\$” or “Canadian dollar”	the lawful currency of Canada
“Canadian Registrars”	Equity Transfer & Trust Company of 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, Canada
“Canadian Securities Laws”	means, collectively, all applicable securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and the rules and regulations under such laws together with applicable published policy statements, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by the Placing Agreement
“Canadian Short-form Prospectus”	the final short-form prospectus of the Company, including the documents incorporated by reference therein, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Placing Shares under applicable Canadian Securities Laws
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting to be held at 4.00 p.m. on Friday 4 January 2008, or any adjournment thereof
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the EGM
“Group”	the Company and its subsidiary undertakings
“JPMorgan Cazenove”	JPMorgan Cazenove Limited of 20 Moorgate, London EC2R 6DA
“Ordinary Shares”	the ordinary shares of US\$0.10 each in the capital of the Company
“Placing”	the proposed placement of 24,770,354 newly issued Ordinary Shares in the Company pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 10 December 2007 between JPMorgan Cazenove Limited, Tristone Capital and the Company relating to the Placing
“Placing Completion” or “Completion of the Placing”	completion of the Placing pursuant to the Placing Agreement

“Placing Price”	£1.02 or C\$2.10 per Placing Share
“Placing Shares”	the 24,770,354 Ordinary Shares to be issued pursuant to the Placing
“PSC”	production sharing contract
“Resolutions”	the resolutions to approve the Placing to be proposed at the Extraordinary General Meeting, the full text of which is set out in the Notice of Extraordinary General Meeting at the end of this document
“Securities Commissions”	collectively, the applicable securities commission or securities regulatory authority in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario
“Serica”	the Company or the Group
“Shareholder”	a holder of Ordinary Shares
“sterling”, “pounds sterling”, “£”, “pence” or “p”	the lawful currency of the United Kingdom
“TAC”	technical assistance contract
“Tristone Capital”	Tristone Capital Inc. of Suite 2020, 335-8th Avenue SW, Calgary, Alberta, T2P 1C9, Canada
“TSXV”	TSX Venture Exchange
“UK Registrars”	Capita Registrars of 34 Beckenham Road, Kent BR3 4TU
“US\$” or “US dollar”	the lawful currency of the United States of America

SERICA ENERGY PLC

*(Incorporated and registered in England and Wales under
the Companies Act 1985 with registered no. 5450950)*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Serica Energy plc (“**Serica**” or the “**Company**”) will be held at No.1 Cornhill, London, EC3V 3ND, United Kingdom on Friday 4 January 2008 at 4.00 p.m. GMT, for the purpose of considering, and if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

Resolution 1 – Increase in authorised share capital (Ordinary Resolution)

That the authorised share capital of the Company be increased from US\$20,000,000 and £50,000 to US\$25,000,000 and £50,000 by the creation of 50,000,000 Ordinary Shares of US\$0.10 each.

Resolution 2 – Authority to allot Placing Shares (Ordinary Resolution)

That, conditional upon the passing of Resolutions 1 and 3, the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the 1985 Act to exercise all the powers of the Company to allot 24,770,354 Placing Shares, being relevant securities (as defined in Section 80(2) of the 1985 Act), provided that this authority shall expire on the date of the next annual general meeting of the Company.

Resolution 3 – Disapplication of pre-emption rights (Special Resolution)

That, conditional upon the passing of Resolutions 1 and 2 and in place of all existing powers, the Directors be and they are hereby empowered pursuant to Section 95 of the 1985 Act to allot equity securities (as defined in Section 94(2) of the 1985 Act) for cash pursuant to the authority conferred by Resolution 2 above as if Section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall be limited to the allotment of 24,770,354 Placing Shares and shall expire on the date of the next annual general meeting of the Company.

Explanatory notes:

Resolution 1 is required in order to maintain headroom in the Company’s authorised share capital.

Resolution 2 enables the Directors to allot the Placing Shares.

Resolution 3 entails Shareholders’ waiver of their pre-emption rights in respect of the Placing Shares and enables the Directors to allot the Placing Shares for cash.

The definitions to terms used in this notice are to be found in the letter from the Chairman of the Company to Shareholders dated 12 December 2007.

By order of the Board of Directors

Tony Craven Walker
Chairman

12 December 2007

Registered Office

87-89 Baker Street
London
W1U 6RJ

Notes

- (1) A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies, in accordance with the Company's Articles of Association, to exercise all or any of his rights to attend and to speak and vote at the meeting. A proxy need not be a Shareholder of the Company and the appointment of a proxy does not preclude a Shareholder from attending and voting in person if he or she wishes to do so. A form of proxy is enclosed for this purpose. The instrument to appoint a proxy must be lodged with Capita Registrars, 34 Beckenham Road, Kent BR3 4TU or the Company's Canadian Registrars Equity Transfer & Trust Company at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, Canada as soon as possible but in any event so as to arrive not later than 48 hours before the time appointed for the meeting or any adjournment thereof together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Your attention is also drawn to the notes at the bottom of the form of proxy.

A Shareholder has the right to appoint one or more persons as his proxy or proxies, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. The person named in the enclosed form of proxy is the chairman of the Extraordinary General Meeting, (which is expected to be a Director of the Company); a Shareholder has the right to appoint a person or persons other than the chairman of the Extraordinary General Meeting as his proxy or proxies. Further details are included in the notes to the form of proxy.

A Shareholder who has given a proxy may revoke the proxy in accordance with the provisions contained in the Company's Articles of Association by an instrument in writing, including another proxy, duly executed by the Shareholder or by his or her attorney authorised in writing, deposited with the Company as provided above. A Shareholder may also revoke a proxy in any other manner permitted by law, but such revocation must be prior to the exercise of such proxy in respect of any particular matter.

- (2) Proxies are being solicited by or on behalf of management for use in connection with the Extraordinary General Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Company or by the Company's registrars (Capita Registrars or Equity Transfer & Trust Company) at a nominal cost. The costs of solicitation will be borne by the Company.
- (3) Only those Shareholders registered in the register of members of the Company as at 4.00 p.m. on 2 January 2008 shall be entitled to attend and vote at the meeting to which this notice relates in respect of the number of shares registered in their name at that time. Changes to the entries on the register of members of the Company after 4.00 p.m. on 2 January 2008 shall be disregarded in determining the rights of any person to attend or vote at the meeting to which this notice relates.
- (4) The person named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of a contrary instruction, the chairman of the Extraordinary General Meeting, intends to vote in favour of the passing of all of the Resolutions, in respect of the Ordinary Shares in respect of which he is appointed as proxy.** The enclosed form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the Notice of Extraordinary General Meeting and with respect to other matters which may properly come before the Extraordinary General Meeting or any adjournment thereof. At the time of the printing of this document, the Board of Directors knows of no such amendments, variations or other matters to come before the Extraordinary General Meeting, other than the matters referred to in this Notice of Extraordinary General Meeting. However, if any other matters which are not now known to management should properly come before the Extraordinary General Meeting, the proxies will be voted on such matters in accordance with the best judgment of the named proxies.
- (5) Copies of the Company's most recent Canadian annual information form (together with the documents incorporated therein by reference) and most recent management information circular are available on SEDAR at www.sedar.com and are available on request from the Company.
- (6) On the date hereof, 151,647,956 Ordinary Shares in the capital of the Company were issued and outstanding, together with one "A" Share of £50,000 held by Serica Energy Corporation as nominee for and on behalf of the holders of Ordinary Shares. Each Ordinary Share and the "A" Share entitles the holder thereof to vote on matters to be acted upon at a meeting of Shareholders.
- (7) Other than Fidelity International Limited, which currently holds 13.8 per cent. and Caledonia Investments which holds 10.1 per cent. of the Ordinary Shares, there are no persons, firms or corporations who, to the knowledge of the directors and senior officers of the Company, beneficially own, directly or indirectly, or exercise control or discretion over voting securities of the Company carrying more than 10 per cent. of the voting rights attached to the voting securities of the Company.
- (8) Since the beginning of 2006, no insider of the Company or associate or affiliate of any insider of the Company, has, or has had, any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries or affiliates.
- (9) Financial information is provided in the Company's annual report and accounts which include: financial statements; the auditors' reports thereon; and management discussion and analysis. Copies of the annual report and accounts for the year ended 31 December 2006 are available on the Company's website, on SEDAR at www.sedar.com or on request from the Company.
- (10) The Company's auditors are Ernst & Young LLP of 1 More London Place, London SE1 2AF.
- (11) The total indebtedness relating to the purchase of securities, or indebtedness for other than securities of the Company incurred by current directors, officers and employees of the Company or its subsidiaries is nil.