



Results presentation

April 2016

Serica is a fast-growing, agile player set to benefit from its Erskine acquisition and well placed for future opportunities



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HIGHLIGHTS

Profitable
producer

Cash of
US\$24M
at end March '16

Production of
3,000
boepd over H2 2015



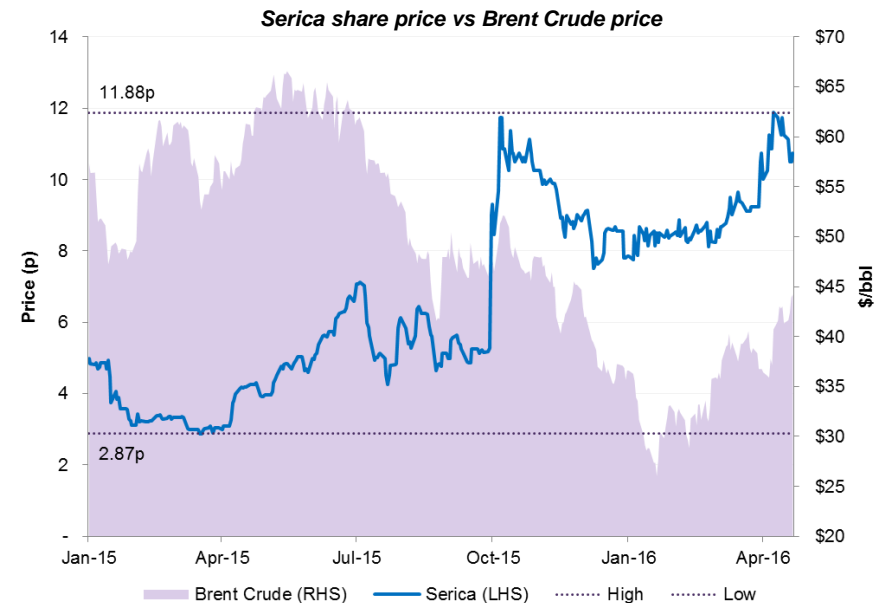
High impact
exploration
portfolio

Profit after tax of
US\$6.5M

Zero debt, no
material
commitments

FINANCIALS

Profit and Loss	2015 (\$Millions)	
Revenue	24.0	7 months' production
Operating costs	(6.6)	\$10.90/boe after exceptional Q3 credits
DD&A	(1.3)	\$2.20/boe reflects low Erskine acquisition cost
GROSS PROFIT	16.1	
Pre-licence costs and net impairment	(8.5)	Exploration write-offs net of asset reinstatement
G&A	(2.7)	1/3 reduction compared to 2014
Exchange/ finance/ share based costs	(0.5)	
Tax credit	2.4	
Discontinued operations	(0.3)	
PROFIT FOR THE YEAR	6.5	



FINANCIALS

Balance sheet	2014 (\$Millions)	2015 (\$Millions)	
Exploration and evaluation assets	58.1	51.9	Columbus investment to date plus retained exploration
PP&E	-	8.9	Erskine acquisition
Deferred tax	-	2.4	
Total non-current assets	58.1	63.2	
Inventories and receivables	2.3	4.6	Mainly December 2015 sales revenue
Cash	9.9	21.6	Strong build during 2015
Current liabilities	(4.0)	(9.6)	Includes 2 nd Erskine instalment
Non-current liabilities	-	(5.6)	3 rd /4 th Erskine instalments
NET ASSETS	66.3	74.2	
Share capital and reserves	248.6	250.0	
Accumulated deficit	(182.3)	(175.8)	
TOTAL EQUITY	66.3	74.2	

OPERATIONS STRATEGY

Deliver value from our portfolio of production, development and exploration assets in Europe and Africa

Lower costs and increase production

Increase reserves and extend field life

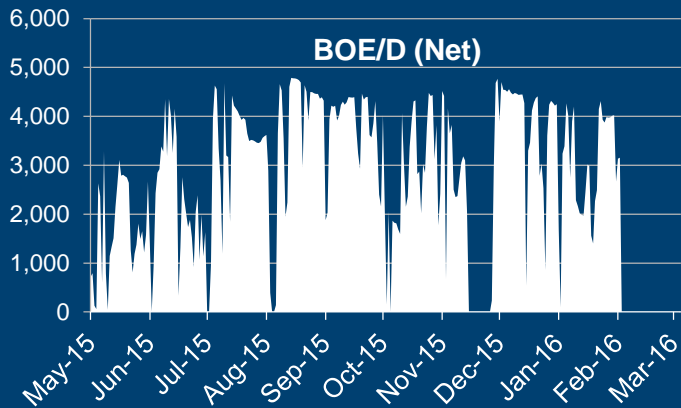
Pursue synergies through collaboration with partners in Central North Sea infrastructure hub

Operate with lean but strong and experienced management team



ERSKINE MATERIAL BENEFITS

- Low cost/boe acquisition
- Higher production capability
- Reduced operating costs
- Strong cash flow
- Increased reserves
- Efficient utilization of tax position
- Strategic position in hub infrastructure



ERSKINE: IMPACT ON COMPANY PERFORMANCE

Share price performance since June 2015 Erskine acquisition



2015 gross profit	\$16 million
End March '16 cash	\$24 million
Current market cap	\$38 million

Company's robust financial position stands it in good stead to manage impact of current temporary pipeline shutdown

INCREASED PRODUCTION



**EXTENDED LIFE
ADDING VALUE**

Gross profit of
\$16.1M from **18%**
interest in Erskine

Net production H2 '15
3,000 boepd

50% increase in reserves
4.2mmboe

ERSKINE: OFFTAKE ROUTE & INFRASTRUCTURE

Erskine Platform

- Unmanned wellhead platform with 5 production wells
- Access to wells for wireline intervention
- Multiphase pipeline from Erskine to Lomond

Lomond Processing

- Condensate and gas are separated through the Erskine Production Module (EPM) located on Lomond
- Gas and condensate are pumped from Lomond via Everest to shore

CATS

- Gas joins the CATS pipeline via riser tower at Everest
- Gas is sold at CATS terminal to SSE (contract) and BP (spot)
- Associated LPG and condensate are sold at CATS Terminal

Forties Pipeline System (FPS)

- Condensate is transported via FPS to Cruden Bay
- Production is sold to BP



COLUMBUS

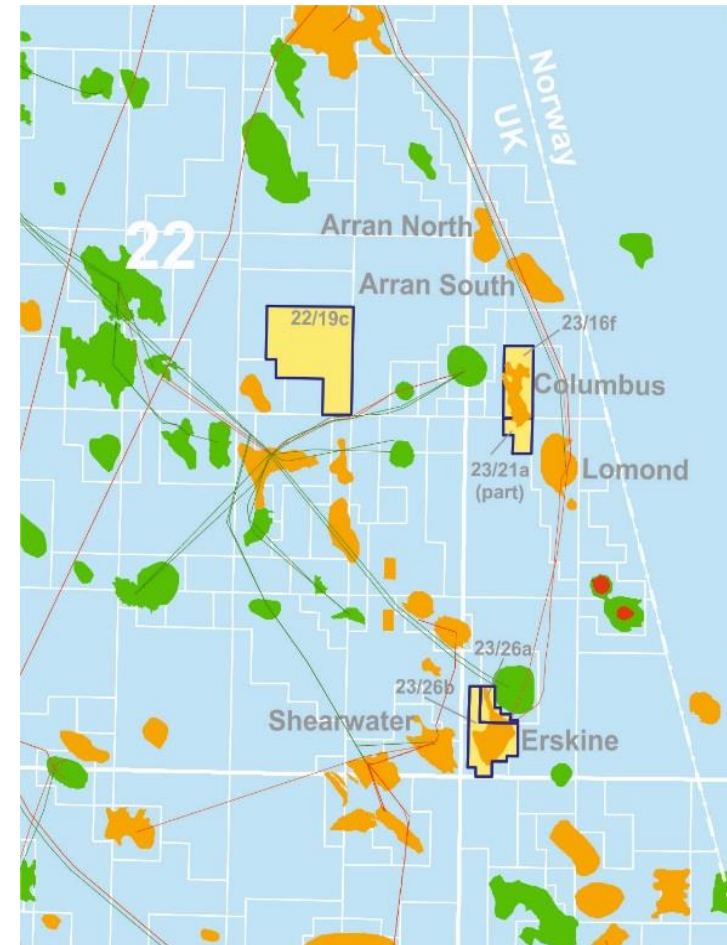
Undeveloped gas condensate field located in UK Central North Sea, 8km north of Lomond Platform

Serica's interest increased from 33.2% to 50% through acquisition of the SSE and BG interests in the field

Overall increase in contingent resources from 5.2 mmbob to 6.2 mmbob net to Serica

Development plan to tie-back a subsea production well to Lomond, where fluids can be processed and exported

Columbus would extend economic life of the Lomond/Erskine facilities by lowering opex per barrel



COVERING THE FULL CYCLE

PRODUCTION: Erskine Field

- Can deliver up to *4,500boepd net to Serica
- Average rate for January and February 2016 over 3,300boepd (net)
- 4.2mmboe reserves booked at 1 January 2016

DEVELOPMENT: Columbus

- Plans are progressing to develop 6.2mmboe contingent resource net to Serica

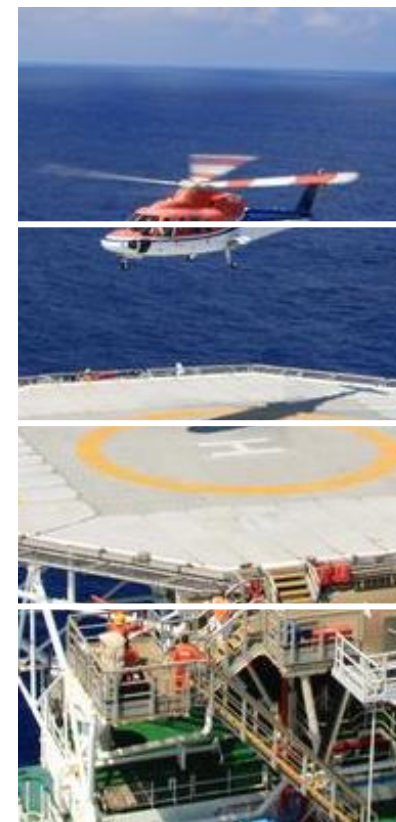
UK EXPLORATION: Well Carries

- 22/19c fully carried well could deliver up to 40mmboe net to Serica
- East Irish Sea Doyle well carry £11 million gross well costs

FRONTIER EXPLORATION

- Licences in Ireland, Morocco and Namibia with no major commitments
- Offers exposure to very large prospects and significant mid-term upside

*maximum daily production seen in 2016



SEEKING ACQUISITIONS

Financial credibility and strength

- Completion of Erskine deal in tough market adds credibility
- Healthy balance sheet builds confidence
- Net cash of \$24 million and no current borrowings creates capacity

Further opportunities within Lomond/Columbus hub

- Erskine and Columbus interests give Serica strategic position
- Key to unlocking full hub value is better co-operation between aligned group of owners
- Smaller players have a role to play as assets become less material for majors

Competitive advantage

- Accumulated tax losses offer UKCS tax shelter
- Small company focus critical for extracting value from late-life or marginal new fields
- Serica has the track record and capability to deliver business growth



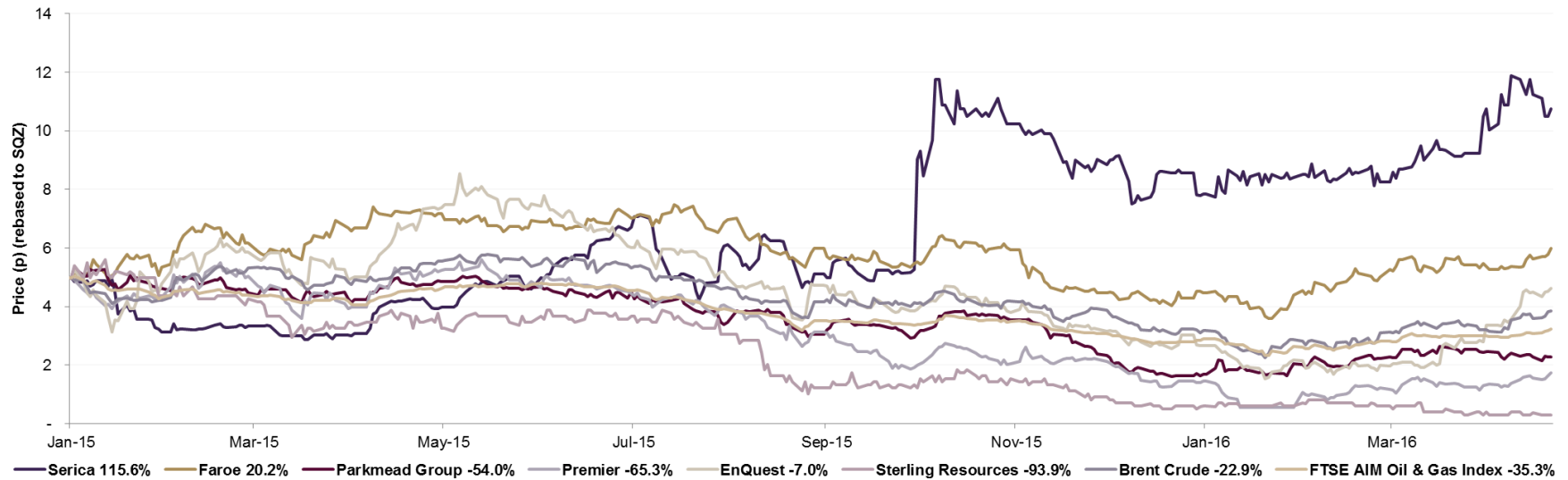
CORPORATE STRATEGY

Seek opportunities where small and nimble players can deliver greater value

Take advantage of current low cost/low price environment for acquisitions

Limit financial downside exposure and seek opportunities to spread operational risk

Extract full value from UKCS ring-fence tax position



Serica share price vs peers

2016 - BUILDING MOMENTUM

Further efficiencies on Erskine

Identify and progress optimum Columbus offtake route and development

Maintain exploration upside without overcommitting funds

Build asset base through acquisition

Well placed to finance the right deals



SUMMARY

Serica is considerably stronger than it was a year ago – notwithstanding wider industry headwinds

Cash resources and zero debt position means we are strongly placed to create further value

Sustaining low operating costs will drive cash generation in rising oil price environment

We must maintain momentum into 2016

