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Serica Energy announces farm-out of Indonesian blocks and expected spud date for drilling operations

TORONTO, Aug. 16 / CNW / - Serica Energy Corporation (TSX Venture: SQZ) today announced that it has entered into agreements with Duinord Petroleum Inc. to farm-out an interest in the Asahan Offshore Production Sharing Contract ("PSC") and the Glagah Kambuna Offshore Technical Assistance Contract ("TAC").

Subject to the necessary government approvals, Duinord will participate in the upcoming two well drilling program and will acquire a 25% working interest in both blocks. In consideration Serica will receive approximately US\$1 million in back costs and 50% of the cost of drilling the first two wells.

Following completion of the two well program, Serica will retain a 40% working interest in the Asahan PSC and a 55% working interest in the Glagah Kambuna TAC and remain operation of both blocks.

The two well program is scheduled to commence during the second half of August with the drilling of the Kambuna-2 well in the Glagah Kambuna TAC and immediately thereafter with the drilling of the Togar-1A well in the Asahan PSC. Serica operates both blocks which are located offshore North Sumatra, Indonesia.

About Serica Energy Corporation

Serica Energy Corporation is an international oil & gas exploration and production company with primary activities in Indonesia, the UK North Sea and Spain. The Corporation has offices in the United Kingdom, Singapore and Jakarta and is a publicly traded company listed in Toronto, Canada on the TSX Venture Exchange with the share symbol "SQZ".

To receive company news releases via email, please contact heather@chfir.com and specify "Serica press releases" in the subject line.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this release. In addition, this release is not for distribution to U.S. Newswire Services or for dissemination in the United States.

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