

Tuesday 13 December 2005

First day of unconditional dealings on AIM

13 December 2005 - Serica, an international oil and gas exploration company with principal activities in the UK North Sea, Indonesia and Spain, announces that the Company's Ordinary Shares of US\$0.1 each have today been admitted to trading on the AIM Market of the London Stock Exchange ('AIM'). The Company's trading symbol is 'SQZ'.

Admission Details

- 67,368,421 Ordinary Shares have been conditionally placed with investors by JPMorgan Cazenove, the Company's Nominated Adviser and UK Broker, to raise £64.0 million (before expenses) for the Company.
- On admission to AIM a total of 142,548,580 shares were in issue capitalising the Company at £135.4 million at the placing price of 95p per share.
- The Company is also quoted on the TSX-V Exchange [TSX-V: SQZ]. Unless permitted by Canadian securities legislation, the new Ordinary shares may not be traded in Canada before 14 April 2006.

Use of Proceeds

- On 6 October 2005 the Company announced the successful drilling of the Kambuna-2 well, offshore Northern Sumatra. Serica plans to submit a preliminary plan of development for the Kambuna Field, in which it is operator and has a 55 per cent. working interest, by year end.
- Following this success, funds will be used to finance Serica's planned exploration, appraisal and development program over the next 24 months, principally on operated blocks where Serica has substantial interests
- In 2006 and 2007, the Company estimates that it will spend US\$60 million on its exploration and appraisal program and a further US\$34 million on the development of the Kambuna Field, and of the Singa Field in Southern Sumatra
- Eleven exploration or appraisal wells are planned over the period
- The Gaffney, Cline & Associates Ltd Competent Person's Report confirms the potential for drilling prospects to add significantly to the Company's reserve base
- Appraisal and development over next 24 months will accelerate Serica's objective of bringing its four discoveries onto production

Key Strengths

The Directors consider the key strengths of Serica to be:

- Highly experienced management with sustained record of creating value for shareholders and particular knowledge of the areas in which Serica operates
- Operator with working interests of 50-100 per cent. in all of its properties other than in the Lematang PSC
- A diverse portfolio including existing oil and gas discoveries and ready to drill exploration prospects as detailed in the Gaffney, Cline & Associates Ltd Competent Person's Report:
- Four existing discoveries
- Two near-term development opportunities with production targeted to commence in 2008
- Thirty-two prospects and leads, which require further evaluation, including seismic and drilling



Tony Craven Walker, Chairman of Serica, commented:

'Serica`s technical team has assembled a portfolio of exploration properties, in Indonesia, the UK North Sea and in Spain, which have considerable upside potential.

'The successful outcome of Kambuna-2 and Togar-1A, our first two wells drilled as operator, highlights this potential.

'Our admission to AIM and the accompanying fundraising gives Serica the financial resources to explore, appraise and develop its quality asset base which has the potential to generate material value for shareholders.'

13 December, 2005

A copy of the Gaffney, Cline & Associates Ltd Competent Person`s Report is available on the Company`s website: www.serica-energy.com, and on SEDAR; www.sedar.com

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No shares of Serica have been marketed to, nor are available for purchase in whole or in part by the public in the UK or elsewhere in connection with the proposed fundraising.



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