

Thursday 15 June 2006

Serica Energy plc plans to develop the Kambuna Field in Indonesia

London, June 15, 2006 - At the Serica Energy plc (TSX Venture: SQZ; AIM: SQZ) AGM today Antony Craven Walker, Chairman, made the following comments:

'Serica made great progress in 2005, achieving one hundred per cent success with the drill bit and a successful listing on London's AIM market, giving it investment community support in Europe and Canada and a strong financial position.

Serica's Board expects to give full project sanction for development of the Kambuna Field, offshore North Sumatra, Indonesia in the near future. Serica is operator of the Kambuna Field, holding a 65% interest, and this development is integral to the Company's plan to move its operated assets in Indonesia into the production phase and satisfy a growing market in the region. The field is expected to come onstream in 2008 at an initial rate of 50 million cubic feet of gas per day and 5,000 barrels per day of condensate. The full extent of the Kambuna Field has yet to be defined and the Company will carry out a 3D seismic survey in 2006 to identify further extensions. This is a major step forward for Serica and has the potential to be a material producing asset in the medium to long term.

As part of the development plan we intend to fast track the development of the field using 'dry' wellheads and a Floating Production Storage and Offtake vessel ('FPSO'), which offers significantly lower drilling and production costs than a subsea solution.

We also plan to construct the infrastructure to deliver the gas to market, and the terms of the gas sales contract are under negotiation. We estimate there will be a gas market shortfall in North Sumatra of around 100 to 200 mmscfd by 2010. In addition to the Kambuna field development Serica has also submitted a Plan of Development for the Tanjung Perling field in the neighbouring Asahan Block which Serica also operates. We will continue to explore for additional gas supplies to add to the Kambuna and Tanjung Perling developments with nine prospects and leads already identified.

With a high impact exploration programme across Indonesia and the UK due to commence shortly and near term development in Indonesia on track for first gas in 2008 Serica is well placed to generate growth for shareholders.'

The Company is also pleased to announce that all of the resolutions set out in the Notice of Annual General Meeting dated 21 May 2006 were duly passed, without amendment, at the Annual General Meeting held today.

A presentation given by the management at today's AGM, outlining the development plan and exploration and development drilling programme commencing in the UK and Indonesia Q4 2006, is now available to view on the Company's website, www.serica-energy.com.

Enquiries

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Background Notes

Serica Energy plc is an international oil and gas exploration company with operations in Indonesia, the UK North Sea and Spain. The Company's ordinary shares are listed in London on AIM and on the Canadian TSX Venture Exchange under the symbol "SQZ". The 2005 Annual Report and Accounts are available [here](#) and www.sedar.com. The Annual General Meeting will be held in London on 15th June 2006.

Lundin Petroleum AB is an independent Swedish oil and gas exploration and production company with assets in Albania, France, Indonesia, Iran, Ireland, Netherlands, Nigeria, Norway, Sudan, Tunisia, United Kingdom and Venezuela. Lundin has an existing 15.88% stake in the Lematang PSC.

Forward Looking Statements

This disclosure contains certain forward looking statements that involve substantial known and unknown risks and uncertainties, some of which are beyond Serica Energy plc's control, including: the impact of general economic conditions where Serica Energy plc operates, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Serica Energy plc's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Serica Energy plc will derive there from.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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