

Serica Energy plc

("Serica" or the "Company")

BP to farm-in to Serica's Luderitz Basin Blocks, offshore Namibia

London, 15 March 2012 - Serica Energy plc (AIM & TSX: SQZ) announces that, subject to the consent of the Ministry of Mines and Energy in Namibia, BP will be joining Serica in the exploration of Licence 0047 offshore Namibia by farming-in to Serica's interest.

The Licence, comprising Blocks 2512A, 2513A, 2513B and 2612A (part), was recently awarded to Serica Energy Namibia B.V. (a wholly owned subsidiary of Serica) and covers an area of approximately 17,400 square kilometres in the deep water central Luderitz Basin. Serica currently has an 85% interest in the blocks. Its partners are the National Petroleum Corporation of Namibia (Pty) Limited ("NAMCOR") (10%) and Indigenous Energy (Pty) Limited ("IEPL") (5%). Both NAMCOR's and IEPL's interests are carried by Serica for prescribed work programmes.

Under the transaction, BP will pay to Serica a sum covering Serica's past costs and earn a 30% interest in the Licence by meeting the full cost of an extensive 3D seismic survey. As a result of the farm-out, Serica's interest in the Licence following completion of the seismic survey will be 55%. Serica has also announced today that it has signed a contract with Polarcus Seismic Limited to acquire up to 4,150 square kilometres of 3D seismic across the Licence (see separate announcement).

The deep water geological basins offshore Namibia, including the Luderitz Basin, are at the early frontier stage of exploration. Although the presence of very large structures have been shown to exist from seismic surveys, very few wells have been drilled in the deeper water Namibian basins to date and the full hydrocarbon potential of the area has not yet been fully tested. Water depths in Serica's Luderitz Basin blocks range from 300 to 3,000 metres. Drilling in these depths of water, whilst becoming more commonplace in the industry, requires sophisticated drilling techniques and equipment and is very costly.

Serica has therefore granted an option for BP to increase its interest in the Licence by meeting the full cost of drilling and testing an exploration well to the Barremian level before the end of the first four year exploration period. In the event that this option is exercised, Serica's interest in the Licence will be 17.5% carried through the first well, which will have very considerable value if the exploration drilling is successful. Serica will continue to be the operator of the Licence during the initial seismic period with BP taking over as operator if it exercises its option to drill and test a well.

Tony Craven Walker, Serica's Chairman and Interim Chief Executive said:

"Serica's licence interests in the emerging Atlantic margin basins offshore Ireland, Morocco and Namibia are attracting growing industry interest. In Namibia we recognise the benefits of having a partner who brings technical and development expertise to the group to complement Serica's early stage exploration capability.

We are therefore very pleased that BP has decided to join Serica and its partners in the exploration of the Luderitz Basin blocks. The blocks, located in the centre of the largely unexplored Luderitz Basin, cover a very large area and contain multiple play types with considerable potential. We were awarded the blocks only two months ago and, with BP now participating in the exploration effort, we are able to make a very fast start to what is likely to be a considerable and potentially very rewarding exploration programme."

Enquiries:

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The technical information contained in the announcement has been reviewed and approved by Peter Sadler, Business Development Director of Serica Energy plc. Peter Sadler is a qualified Petroleum Engineer (MSc Imperial College, London, 1982) and has been a member of the Society of Petroleum Engineers since 1981.

NOTES TO EDITORS

Serica Energy was formed in 2004 and, since then, has drilled 19 wells in locations as diverse as the UK Offshore, the Atlantic margin offshore Ireland, offshore Indonesia (North West Sumatra, East Kalimantan and Java) and offshore Vietnam. Seventeen of these wells were drilled by the Company as Operator, fourteen of the wells encountered oil or gas and six of these were commercial. The first of the commercial discoveries, the Kambuna field in North West Sumatra, was developed by the Company. The second, the Columbus field in the UK North Sea, is now in the pre-development stage with project sanction targeted for early 2012. The Company also has a residual economic interest in the Bream oil field offshore Norway, which will be crystallised when the field is developed, and licence interests offshore Ireland, Morocco and Namibia.

The Company is listed on both the Toronto Stock Exchange and the London AIM under the ticker SQZ.

To receive Company news releases via email, please contact nick.elwes@collegehill.com and specify "Serica press releases" in the subject line.

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: geological, geophysical and technical risk, 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 therefrom.