

SERICA ENERGY PLC INVESTOR PRESENTATION

COMPLETION OF BKR AND BK ACQUISITIONS

30 November 2018



All reserves and resources estimates quoted in this presentation are taken from the relevant Competent Persons' Reports

- Bruce, Keith and Rhum assets – Ryder Scott CPR , 1 August 2018
- Erskine, Columbus and Rowallan assets – Netherland, Sewell and Associates CPR, 31 October 2018

These CPR's are published in full in the Supplementary Admission Document dated 26 November 2018 which can be found on the Serica website www.serica-energy.com



01

BRUCE, KEITH AND RHUM TRANSACTIONS

Building a significant North Sea focused independent operator with diversified revenue streams and a strong balance sheet



A Series of Acquisitions

Four strategically important transactions to purchase interests in Bruce, Keith & Rhum



Additional revenue streams diversify production portfolio

- Serica's strategy has been to reduce reliance on a single producing asset (Erskine) by gaining interests in three more producing fields



Significant additions to production volumes and reserves

- The acquisition of interests in Bruce, Keith and Rhum has increased Serica's 2P reserves to 63.7m mboe
- Net production from the acquired assets is over 23,000boe/d YTD 2018



Maintains balance sheet strength

- Bulk of consideration payments deferred and contingent
- No shareholder dilution



Immediate impact upon completion

- Acquisitions immediately cash flow and value accretive
- Transactions effective 1 January 2018

Transaction Details

- Transactions effective from 1 January 2018; completed on 30 November 2018
- Modest upfront considerations payable on completion
- Deferred considerations payable on success
- Decommissioning cost of existing assets retained by BP, Total E&P and BHP. Serica to assume Marubeni share of decommissioning liability
- Serica to pay BP, Total E&P and BHP additional consideration equal to 30% of such costs at time of decommissioning net of tax relief, capped at Serica's net cash flows from the relevant Bruce, Keith and Rhum interests

- Additional earn-out structure enables Serica, BP, Total E&P and BHP to share risk and benefit from future asset performance. BP, Total E&P and BHP to receive the following share of net cash flow from the relevant Bruce, Keith and Rhum interests over four years:

2018	2019	2020	2021
60%	50%	40%	40%

- No amounts payable by Serica unless cash flow is positive
- Calculated on monthly basis with offset of positive and negative cash flows
- No share of cash flow applicable to Marubeni transaction
- Prior to completion the share of net cash flow is computed on a notional post-tax basis, post completion the share of net cash flow is calculated on a pre-tax basis

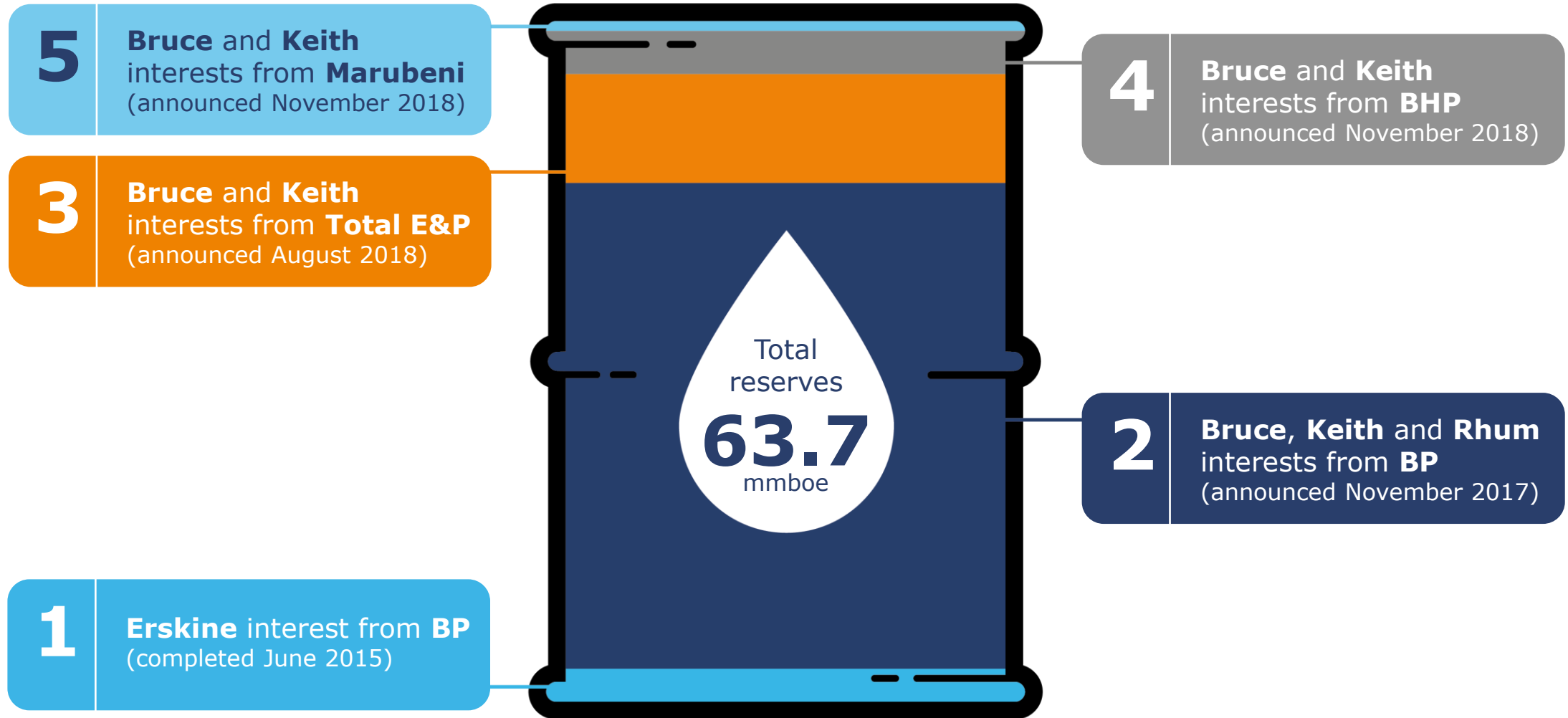
Bruce **98%**
Keith **100%**
Rhum **50%**



**Serica post-transaction
field interests**

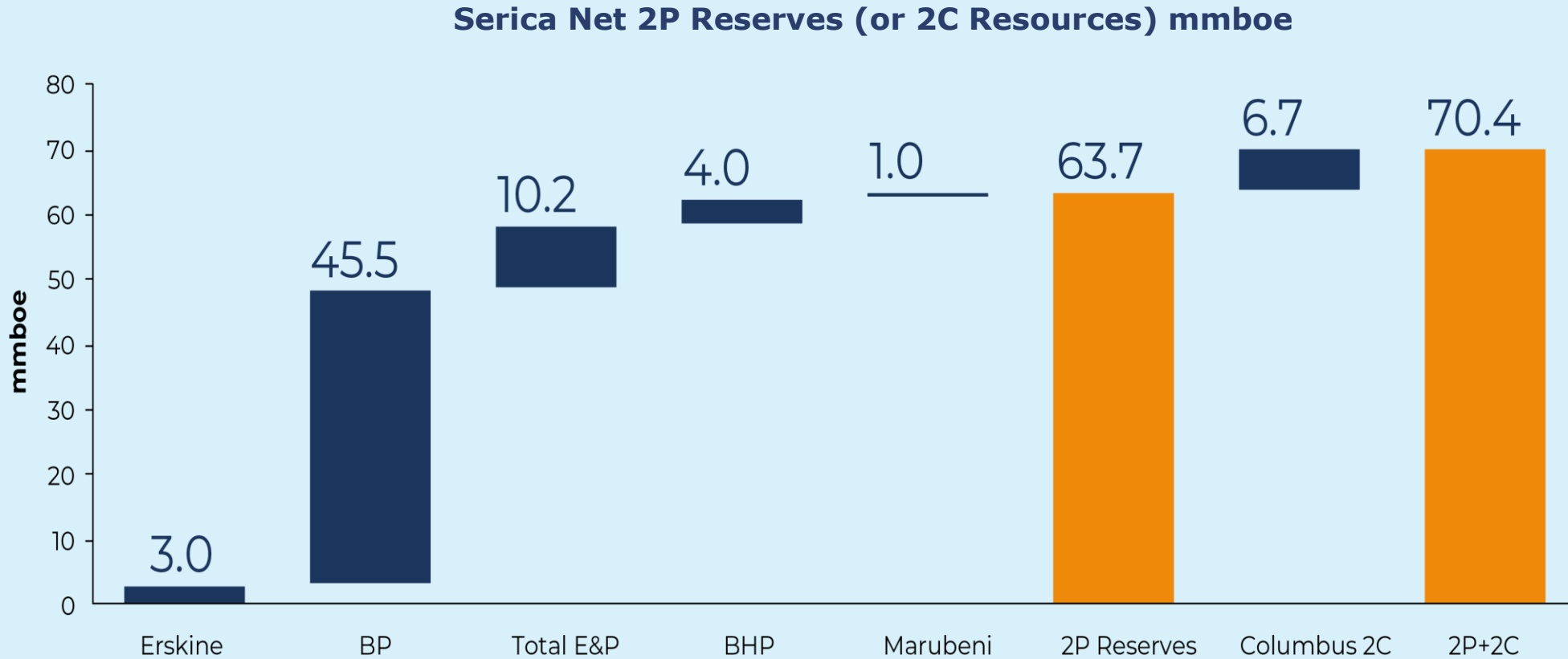
Successful Acquisition Strategy

Building a North Sea production portfolio



Reserves and Resources

Successive acquisitions delivering significant growth



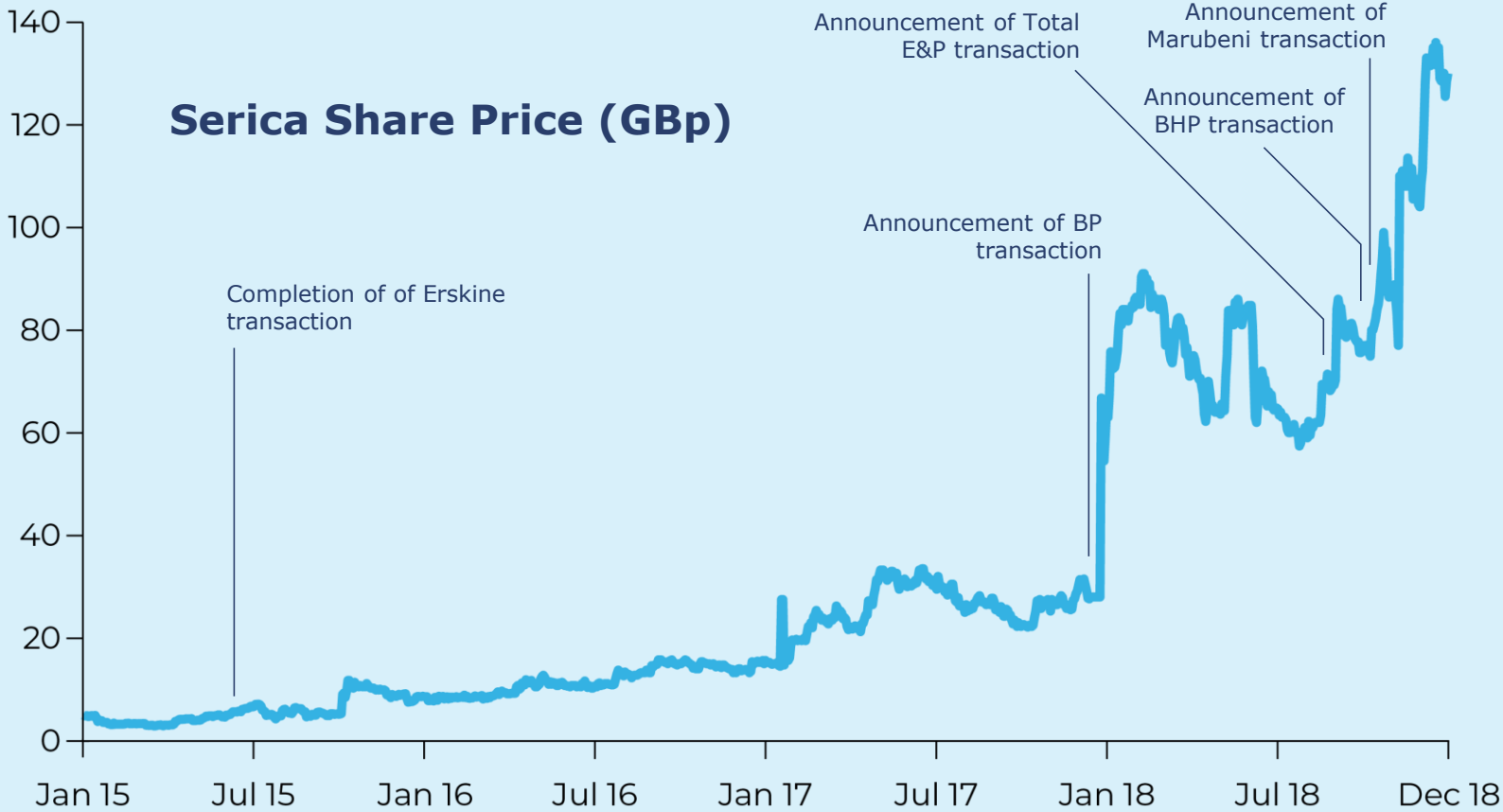
**Serica
Interest
Post
Completion**

BRUCE
98%

KEITH
100%

RHUM
50%

Building Shareholder Value with Bruce Keith & Rhum Acquisitions

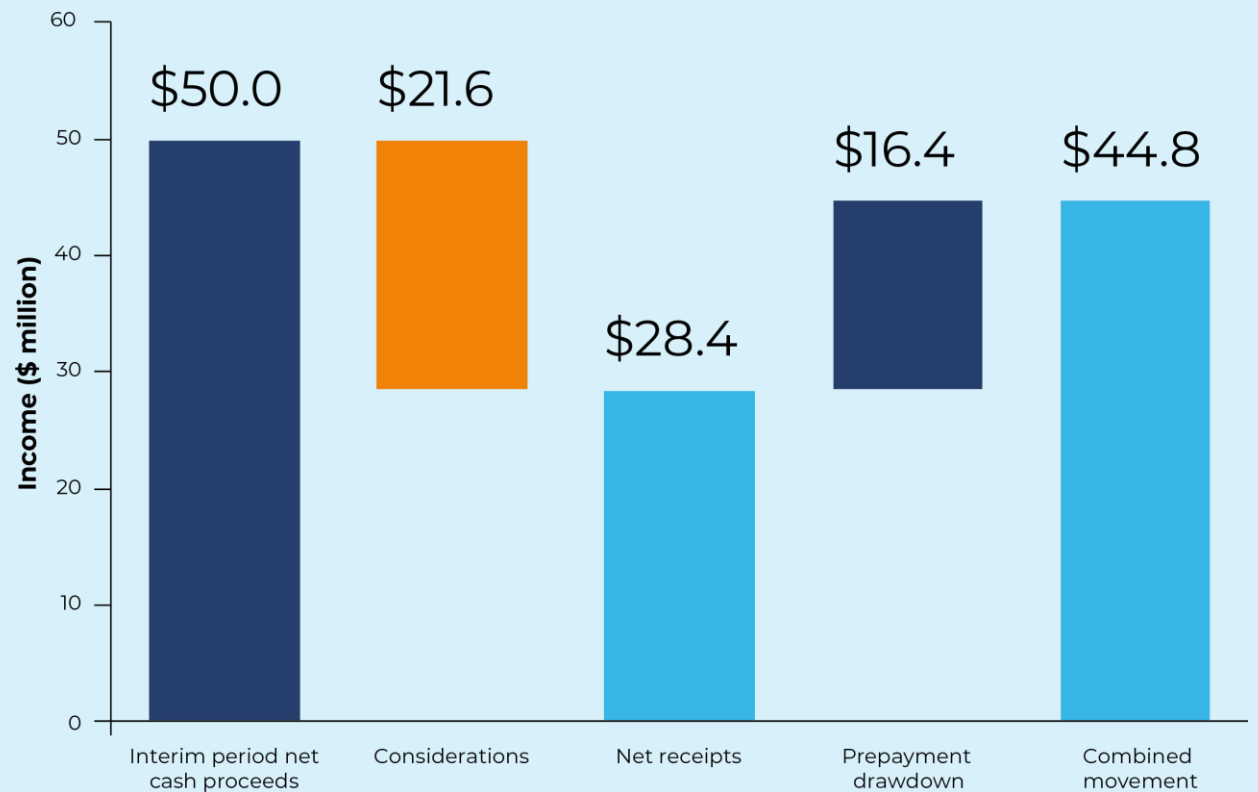


Short Term Cash Impact

- ▶ Interim period post-tax net cash adjustment (including working capital) of \$50.0 million
- ▶ Total initial consideration of \$21.6 million (made up as previously reported: BP £12.8 million, Total \$5.0 million, BHP £1.0 million and Marubeni -\$1.0 million)
- ▶ Net receipts from transactions of \$28.4 million
- ▶ Additionally Serica has taken the option of drawing down the 'BP Prepayment Facility' of £12.8 million
- ▶ The net effect is that Serica's combined cash movement on completion is estimated to be \$44.8 million

All figures quoted above in original currency (i.e. a mixture of GBP and USD).

Serica Cash Impact \$million



Plotted numbers use an exchange rate of £1 = \$1.28

Financial Impact of Bruce, Keith and Rhum Transactions



>\$45/boe

YTD commodity prices have been strong with oil prices averaging \$72.50/bbl and gas prices 59p/therm. Realised prices for BKR/BK production (>80% gas) exceed \$45/boe

YTD cash BKR/BK operating, processing and transportation costs in line with expectations at ~\$18/boe



\$50 million

Under the net cash flow sharing arrangements Serica receives a 40% share of the net cash flow, which is then adjusted for notional tax of 40%, for the period from the effective date of the transaction until the completion date

\$50 million received by Serica before payment of initial consideration of approximately \$22 million



~23,000boe/day net production 2018 YTD

Despite operational setbacks in H1, production (net to the BKR/BK interests being acquired by Serica) amounts to over 23,000boe/day YTD



60mmboe increased reserves

The acquisition of interests in the Bruce, Keith and Rhum fields adds over 60mmboe to Serica's net 2P reserves



Accelerates use of Serica's tax losses

Serica expects to be able to optimise the value of its pool of carried forward UK tax allowances by accelerating their use against taxable profits post completion

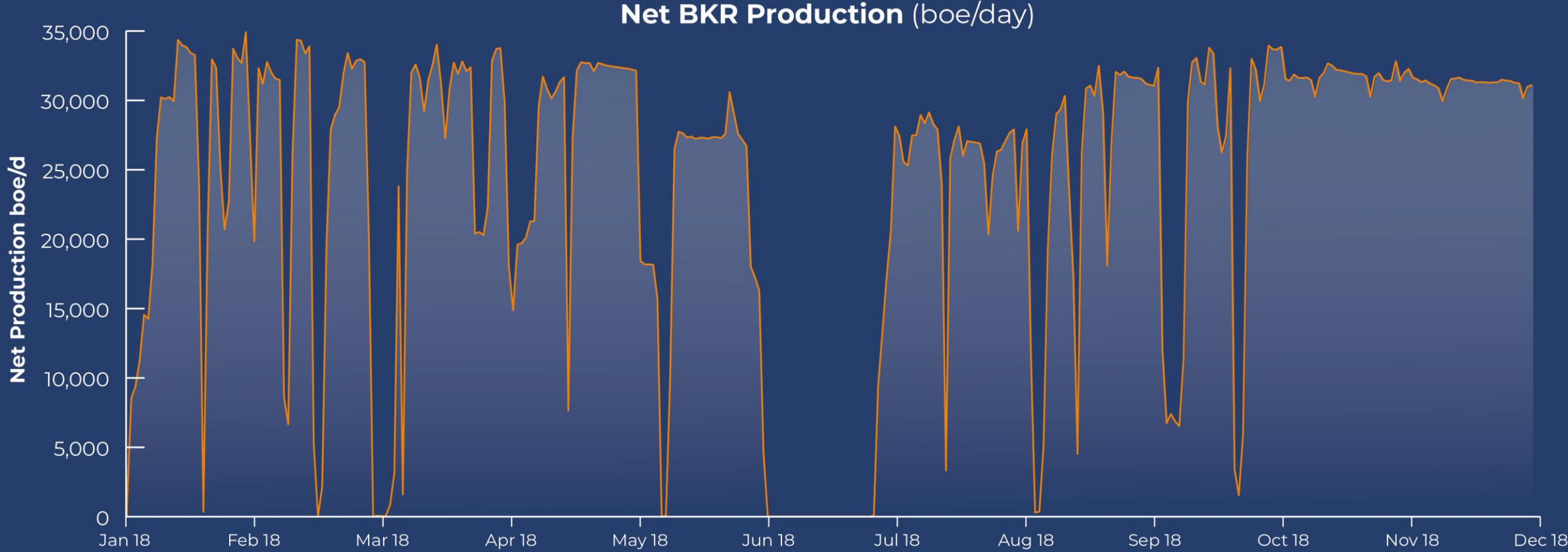
The value of the pool stood at approximately \$146.5 million at 1 January 2018

02

BRUCE, KEITH AND RHUM OPERATIONS



BKR/BK Production Performance



Securing Continued Rhum Production

30
SEPT

On 30 September 2018 the US Office of Foreign Assets Control ("OFAC") issued a new licence authorising the provision of essential goods, services and support by certain US persons and businesses to the Rhum field until 4 November 2018, replacing an existing authorisation which expired on 30 September 2018

9
OCT

On 9 October 2018 Serica announced that the OFAC had issued a further Licence enabling services to continue beyond 4 November subject to certain conditions being fulfilled in respect of the interest in the field held by Iranian Oil Company (UK) Limited ('IOC')

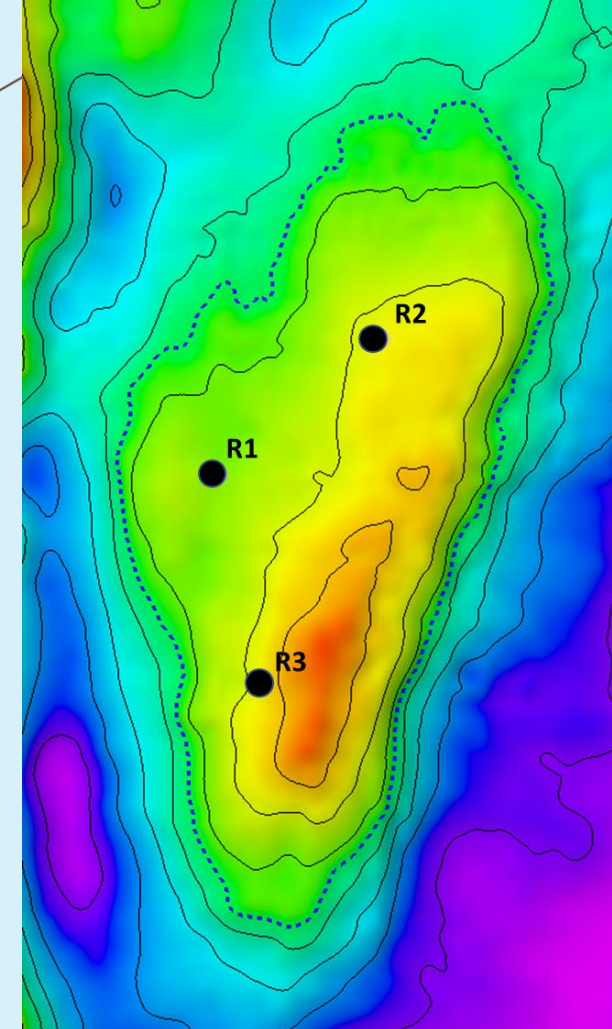
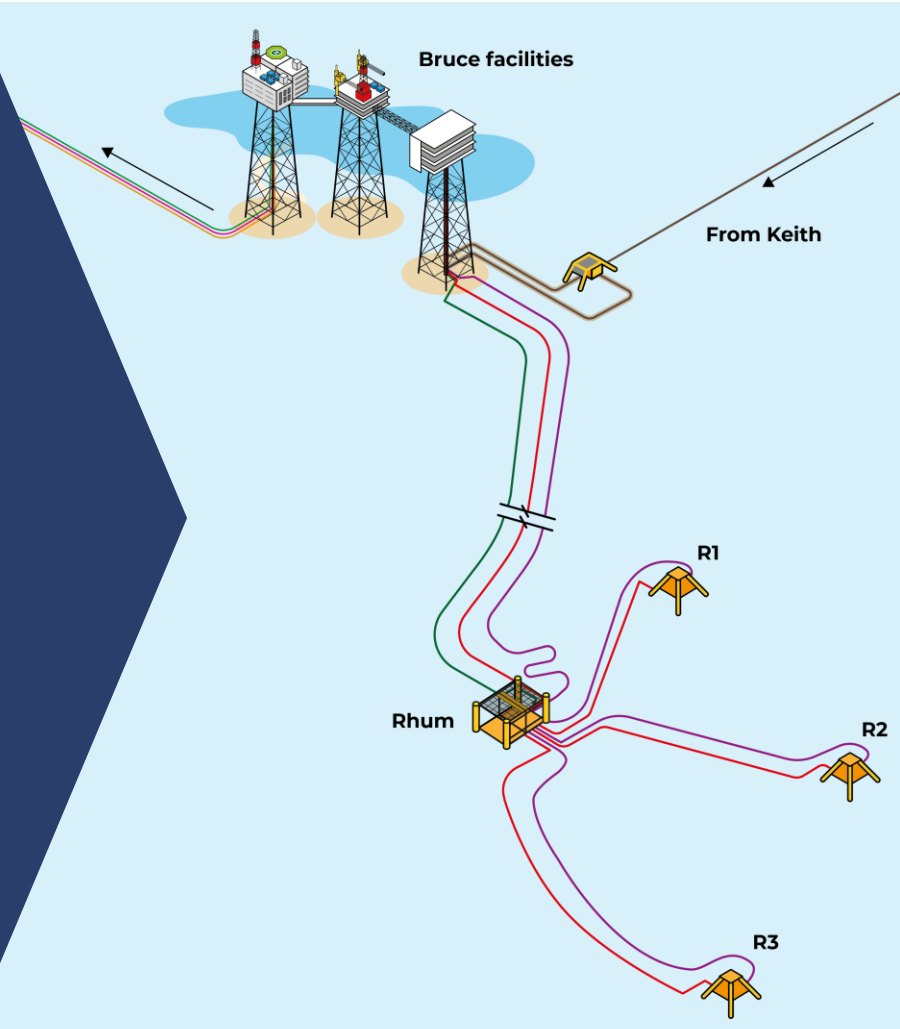
5
NOV

On 5 November 2018 Serica announced that the conditions of the License issued to BP and Serica had been met in full. These arrangements provide that all benefits accruing from and relating to IOC's interest in the Rhum field will be held in escrow for such period as U.S. sanctions apply and ensure that neither IOC nor any direct or indirect parent company of IOC will derive any economic benefit from the Rhum field during that period. IOC will also exercise no decision-making powers in respect of Rhum during the same period

The arrangements enable third party service providers to continue to provide services unhindered and production from the Rhum field to continue uninterrupted

Rhum Reservoir Management

- Serica holds 50% with the remaining 50% held in escrow
- Rhum is a gas field producing close to 200mmscfd gross from two subsea wells tied back to Bruce, R1 and R2
- A third well (R3) was drilled but never put into production due to technical issues
- A jack-up or semi-sub rig is required to carry out the work to establish R3 production
- R3 produces from the same reservoir as R1 and R2. When put in production, it will increase the daily production rate of the field and accelerate reserve recovery
- Serica is planning the R3 intervention work and investigating rig availability



03

OPERATIONS

Maximising economic recovery and life of fields to deliver shareholder value

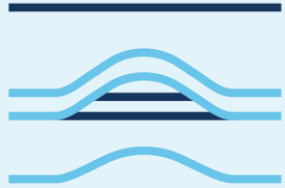


Serica's North Sea Portfolio

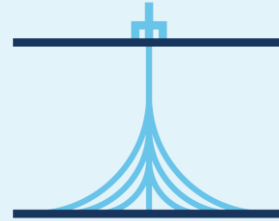
- Exploration
- Development
- Production



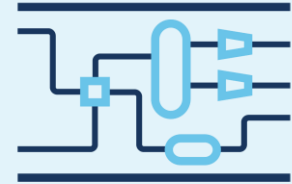
Full Lifecycle Portfolio



EXPLORE



DEVELOP



PRODUCE

Rowallan: December 2018 spud

- The Rowallan well spud is planned for mid-December 2018
- The Ensco 121 is preparing to move to the well location
- Serica is fully carried on all Rowallan well costs on this high pressure, high temperature prospect

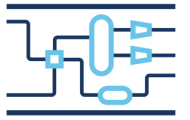
Columbus: FDP approved

- As operator with a 50% interest, Serica is moving the Columbus field towards development
- The OGA granted approval of the FDP in October 2018
- The Columbus well is targeted to be drilled in 2020 with first production in 2021

BKR and Erskine

- Serica now has production from four fields into two platforms over three offtake routes
- There is currently high uptime in all assets with continued high gas price
- YTD net production averaging over 23,000boe/d
- Net production averaging over 34,000boe/d in November 2018

Erskine Field Flowing at Full Capacity



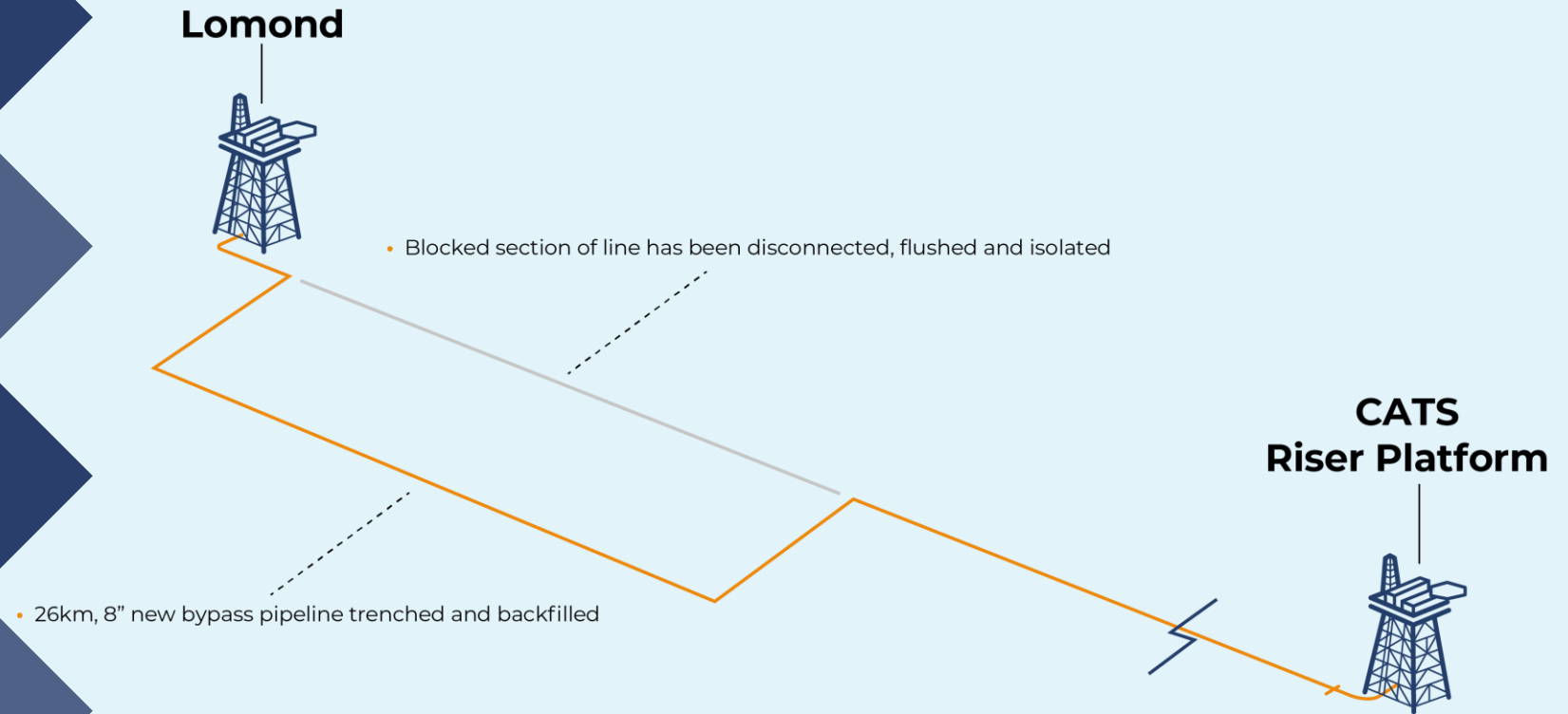
PRODUCE

▶ A 26km section of the condensate export line from Lomond to the CATS Riser Platform has been replaced

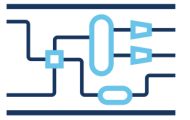
▶ The pipelay was completed without incident and within budgeted time

▶ A regular pigging programme has commenced on the new line in order to prevent wax build up

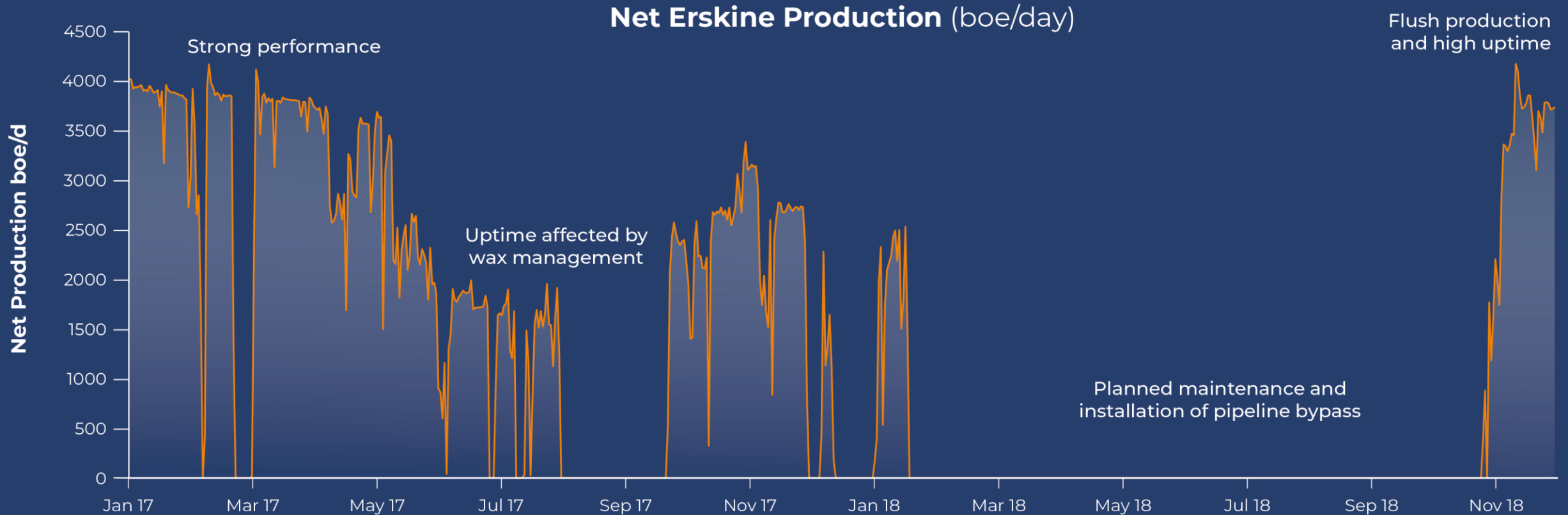
▶ Average Erskine daily production since start of November 2018 in excess of 3,500 boe/d net to Serica



Erskine Production Performance



PRODUCE



Columbus Development (Serica 50%)



- ▶ In June 2018 Serica submitted the Columbus FDP to the OGA
- ▶ OGA gave approval to the FDP in October 2018
- ▶ The Columbus development area will be drained by a single producing well tied into the recently approved Arran to Shearwater pipeline and processed on the Shearwater platform
- ▶ The Columbus well is targeted to drill in 2020
- ▶ Production is expected to commence in 2021 after the Arran development is complete (pipeline laid and topsides modifications at Shearwater) and the Columbus well tied in



Rowallan: UK Block 22/19c (Serica 15%)



▶ The Ensco 121 Heavy Duty Jack-Up rig is preparing to mobilise to the well location

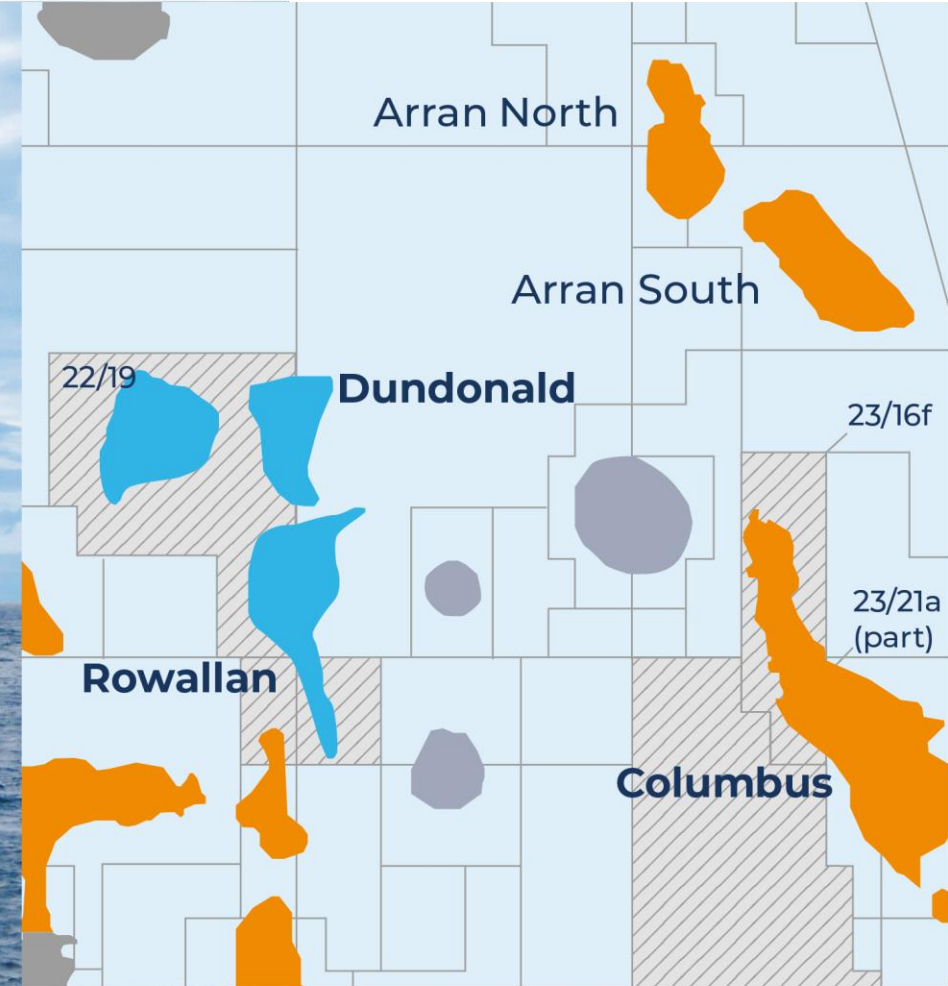
▶ Spud date is targeted for mid-December 2018

▶ Serica is fully carried and so pays no costs for drilling the well

▶ The well is targeting Jurassic and Triassic HPHT sandstones below 3500m

▶ Approx. 20 mmboe P₅₀ prospective resources net to Serica on block 22/19c

▶ The success case may extend onto Serica's 30th Round blocks



Serica has been awarded licences in three strategic areas in the Central North Sea:

Rowallan South (20%)

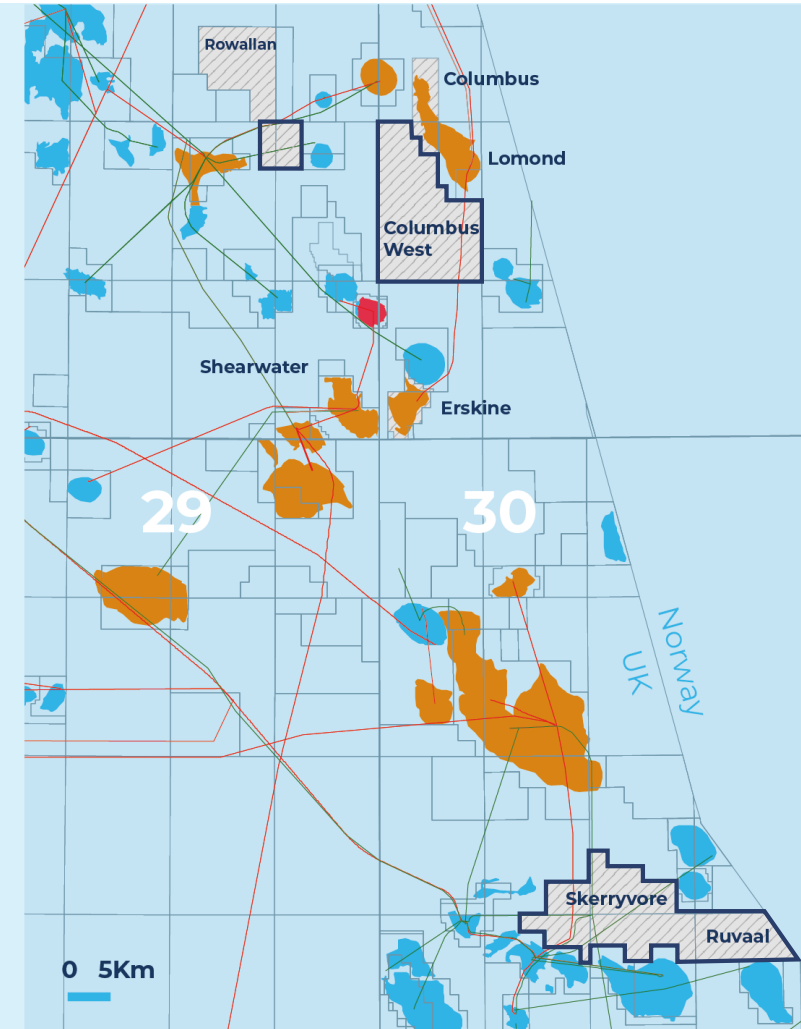
- The Rowallan Prospect is mapped to continue into the blocks immediately south of Serica's existing licence
- Serica has 20% equity in these blocks with operator ENI and partner Mitsui

West of Columbus (50%)

- Advanced seismic techniques have indicated potential hydrocarbon accumulations down-dip of the Columbus field
- Further interpretation and mapping is aimed at identifying drilling targets
- Ideally positioned for a swift development

Skerryvore/Ruvaal (20%)

- Significant prospects identified through seismic interpretation and close to discoveries
- Partner Parkmead has a long history in the area
- Drill or drop decision after further technical work



04

ABOUT SERICA



Our Board



Tony Craven Walker
Executive Chairman

- A leading figure in the British independent oil industry since the early 1970s, having started his career at BP in 1966
- Founded two British independent oil companies: Charterhouse Petroleum, where he held the post of Chief Executive; and Monument Oil and Gas, where he was Chief Executive and later Chairman
- Founder member of BRINDEX (Association of British Independent Oil Exploration Companies)
- Appointed non-executive Chairman of Serica in 2004. Became Executive Chairman in June 2015



Mitch Flegg
Chief Executive

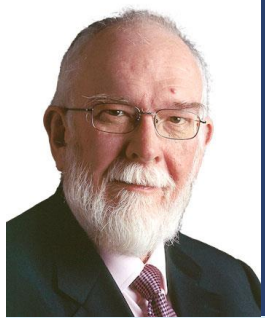
- Over 35 years' experience in the upstream oil and gas industry, including positions at Shell and Enterprise Oil
- First joined Serica in 2006
- Left Serica to become Chief Executive Officer of AIM-listed Circle Oil plc in 2015
- Re-joined Serica as CEO in November 2017



Neil Pike
Non-executive Director

- Involved in the global petroleum business as a financier since joining the energy department at Citibank in 1975
- An industry specialist with Citibank throughout his career, he was closely involved in the development of specialised oil field finance
- Latterly, he was responsible for Citibank's relationships with the oil and gas industry worldwide
- Neil was appointed to the Board of Serica in 2004

Our Board



Ian Vann
Non-executive Director

- Joined BP in 1976
- Directed and led BP's global exploration efforts from 1996 until his retirement in January 2007
- Appointed to the executive leadership team of the Exploration & Production Division of BP in 2001, initially as Group Vice President, Technology and later as Group Vice President, Exploration and Business Development
- Appointed to the Board of Serica in 2007



Trevor Garlick
Non-executive Director

- Over 35 years' experience in North Sea Upstream operations and development
- BP Head of Country in Norway 2007 and Regional President for UK and Norway 2010-2016
- Operator's Co-Chair of the industry association Oil and Gas UK 2014 – 2016
- Director of Opportunity North East Limited and Vice Chairman of the Oil & Gas Technology Centre
- Appointed to the Board of Serica in 2018



Malcolm Webb
Non-executive Director

- Joined Burmah Oil in 1974 as a legal adviser
- Held senior legal and management roles at the British National Oil Corporation, Charterhouse Petroleum Plc and PetroFina SA
- From 2000 to 2004, Director General of the industry association Oil & Gas UK
- From 2004 until his retirement in 2015, Chief Executive of Oil & Gas UK
- Appointed to the Board of Serica in 2018

Senior Management Team



Clara Altobell
VP Technical



Andy Bell
VP Finance



Stephen Lambert
VP Commercial



Mike Killeen
VP Operations



Danny Fewkes
Group Treasurer



Carol Stewart
Business Manager

Teamwork and Ambition

OUR TEAM GOAL IS TO:

- ✓ Build on BP's impressive operational performance
- ✓ Extend the field life of Bruce, Keith & Rhum
- ✓ Comply with or surpass HSE legislation and industry standards
- ✓ Encourage a culture of mutual respect



Focus on Safe Working

Serica's management is committed to providing a **Safe, Reliable and Responsible** operating environment for all of our staff and contractors. To achieve this the company will strictly adhere to HSE legislation and the best industry standards to ensure that everyone working with us will protect the environment and one another.



Operating BKR from our new Operational Headquarters

Serica has completed a comprehensive transition and integration process and built an expert team covering all disciplines, working from our new Aberdeen Operational HQ:



Offshore Operations



Engineering



Commercial



Supply Chain



IT



HR

A Robust Business Base for Future Growth



INVEST

Investing to enhance production and increase reserves



GROW

Increased scale and diversification of revenue streams



BUILD

Commitment to operational excellence with Aberdeen HQ



TEAM

Combining expert skillsets for team breadth and depth



EXPLORE

Exploring future opportunities

Disclaimer

- The information presented herein is subject to amendment and has not been independently verified. Serica Energy plc ("Serica") does not represent that the information and opinions contained herein are necessarily adequate or accurate and no liability is accepted for any errors or omissions
- This presentation contains forward-looking statements, corporate plans and strategies which are based upon Serica's internal projections, assumptions, expectations or beliefs concerning such matters as the company's future operational, financial and strategic performance, prospective resources, operational timing, costs and finances. Such forward-looking statements are subject to significant risks and uncertainties which may result in Serica's actual performance, results and accomplishments being materially different to those projected in such statements
- Factors that may cause actual results, performances or achievements to differ from expectations expressed herein include, but are not limited to, regulatory changes, future levels of supply and demand, pricing, weather, wars, acts of terrorism, financial markets, competitor activity and other changes of conditions under which the company is obliged to operate
- Serica undertakes no obligation to revise any such forward-looking statements to reflect any changes in Serica's expectations with regard to such statements or any change in circumstances or events
- This presentation and its appendix are not for publication, release or distribution directly or indirectly, in nor should they be taken or transmitted, directly or indirectly into, the United States, Australia, Canada, Japan or South Africa or any other jurisdictions where to do so would constitute a violation of the relevant laws of such jurisdictions. This presentation may not be reproduced, redistributed or disclosed in any way in whole or in part to any other person without the prior written consent of the Company
- Resource disclosure in this presentation has, except where noted, been prepared by the operators of projects in which Serica Energy plc ("Serica") has an interest and has not been prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Readers are cautioned that the disclosure herein and in the appendix may not be equivalent to NI-51-101-compliant disclosure
- This presentation is not an offer to sell or a solicitation of an offer to buy or acquire, securities of Serica in any jurisdiction or an inducement or an invitation to enter into investment activity. No part of the presentation, nor the fact of its distribution, should form the basis of, or be relied upon in connection with, any contract or commitment or investment decision whatsoever

For further information visit www.serica-energy.com
or e-mail info@serica-energy.com

