

## **FOR IMMEDIATE RELEASE**

Serica Energy plc (“Serica” or the “Company”)

29 September 2008

Statement re Proposed Offer for the Company

The Board of Serica (the “Board”) notes today’s announcement by Salamander Energy plc (“Salamander”) regarding an unsolicited possible all share offer for the Company. Serica confirms that following the market close on Friday, 26 September 2008, the Company received a highly preliminary, non-binding proposal from Salamander (the “Proposal”). The Proposal was for Salamander to acquire Serica on the basis of Serica shareholders receiving one new Salamander share for every three Serica shares currently held. Salamander required a response from the Company by no later than the evening of Sunday, 28 September 2008.

The Board of Serica considered the Proposal over the course of the weekend and unanimously concluded that the timing of the Salamander approach was opportunistic both in terms of the low price offered and the form of consideration being Salamander shares. In particular, the Proposal failed to reflect both the underlying value and potential which exists in Serica or a premium for control of the Company. Accordingly, the Board unanimously rejected the Proposal.

Commenting on the proposed offer by Salamander, Tony Craven Walker, Chairman of Serica said:

*“Salamander’s all share approach is both opportunistic and unwelcome. It fails to put a credible value on the Company’s existing oil and gas assets and comes just at a time when Serica is commencing a nine month drilling programme which has the potential to totally transform the Company. Serica’s strategy has been to use its expertise to secure the rights to large undrilled gas prospects including particularly those which it has identified in UK and Irish waters, an area in which Salamander has no expertise and which lies well outside Salamander’s area of focus which it states as being South East Asia.*

*These prospects, on which drilling is planned to start this October, contain the potential for major discoveries in areas in which there is a considerable demand for gas. The Company is well funded to meet this high impact programme. Salamander’s unsolicited approach is an unwelcome attempt to deprive Serica’s shareholders of the substantial benefit that could result from this programme which has taken considerable time and effort.”*

Serica shareholders are urged to take no action at this time. A further announcement will be made in due course.

Enquiries:

**Serica Energy plc**  
Paul Ellis,

+44 (0)20 7487 7300

Chief Executive Officer

Chris Hearne,

Finance Director

**JPMorgan Cazenove**  
Barry Weir

+44 (0)20 7588 2828

Steve Baldwin

**Tristone Capital Ltd**  
Simon Ashby-Rudd

+44 (0)20 7355 5871

**Pelham Public Relations -UK**  
James Henderson  
Alisdair Haythornthwaite

+44 (0)20 7743 6673

+44 (0)20 7743 6676

**CHF – Canada**  
Sasha Abrams

+1 416 868 1079

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*Dealing disclosure requirements*

*Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Serica, all 'dealings' in any 'relevant securities' of Serica (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which any offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the 'offer period' otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an 'interest' in 'relevant securities' of Serica, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the Takeover Code, all 'dealings' in 'relevant securities' of Serica by any potential offeror or Serica, or by any of their respective 'associates', must be disclosed by no*

*later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.*

*A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk)*

*'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.*