

## **SERICA ENERGY AGREES US\$52.75 MILLION ASSET SALE IN INDONESIA**

London, 10 July 2008 - Serica Energy plc (AIM & TSX-V: SQZ) ("Serica" or "the Company") is pleased to announce that it has reached agreement with Salamander Energy plc ("Salamander"; LSE: SMDR) for the sale of a 15% interest in the Glagah-Kambuna Technical Assistance Contract ("the Kambuna TAC") and a 23.4% interest in the Kutai Production Sharing Contract ("the Kutai PSC") to a subsidiary of Salamander.

The total consideration due to Serica, based on an effective date of 1 July 2008, is US\$52.75 million. Completion is subject to the required government and partner consents.

The Kambuna TAC, located 40 kilometres offshore northern Sumatra, Indonesia, contains the Kambuna gas condensate field in which Serica and Salamander currently hold interests of 65% and 35% respectively. First gas from the Kambuna field is expected to be produced by the end of 2008 with production from the field expected to reach the planned field plateau production rate of 50 million cubic feet per day of gas plus 4,000 to 5,000 barrels per day of condensate after fully commissioning the onshore facilities early in 2009. After completion of the transaction Serica will hold an interest of 50% in the Kambuna TAC.

The Kutai PSC, located onshore and offshore East Kalimantan, Indonesia, is an early stage exploration block operated by Serica with a present interest of 78%. Both 2D and 3D seismic surveys are planned this year in preparation for the commencement of exploratory drilling in 2009. After completion of the transaction Serica will hold an interest of 54.6% in the Kutai PSC.

Serica Chief Executive, Paul Ellis, said:

*"This is an excellent deal for Serica, as it demonstrates the viability of our strategy of creating and then realising a portion of the shareholder value added through the drillbit since our initial success at Kambuna at the end of 2005. In addition, from next year we will begin to enjoy significant cash flow from our retained 50% interest in the field.*

*We are fulfilling our strategy of unlocking the considerable unrealised value which lies in the Company's assets and focussing our resources on new projects where we see high potential return, in particular on projects in our core areas at the early stages of appraisal and development. In the North Sea this includes the submission of the Columbus Field Development Plan and appraisal drilling in the Chablis field. In 2009, we are planning major exploration programmes in our blocks in Indonesia, Vietnam, the UK and Ireland.*

*With US\$52.75 million from this transaction in addition to the cash of US\$50.9 million that we had at 31 March 2008, Serica is in a strong financial position and well placed to achieve this programme and to identify new opportunities to enhance and accelerate shareholder value."*

### **Enquiries:**

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

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