

Thursday 15 March 2006

SERICA ENERGY ANNOUNCES BILITON FARM-OUT AGREEMENT

London, 15 March, 2007 - Serica Energy plc (AIM and TSX Venture: SOZ) is pleased to announce the farm-out of a percentage of the Company's interest in the Biliton PSC, Indonesia, whilst retaining the role of Operator.

In line with its strategy to spread exploration risk and manage costs, Serica has signed an agreement with Nations Petroleum, a subsidiary of the privately owned oil exploration and production company Nations Energy Company Ltd., to farm-out a 45% interest in the Biliton PSC, subject to required regulatory approval. In return Nations Petroleum will bear the majority of the costs of the two well drilling programme scheduled to commence in Q2 2007.

Serica will remain as operator and retain a 45% interest in the Biliton PSC. A number of potentially significant prospects have been identified within the PSC, which is located in a virtually unexplored basin, and the Seadrill-5 drilling rig is contracted from Q2 2007 to drill the two exploration wells back-to-back.

Paul Ellis, Chief Executive, said:

"We are extremely pleased to announce the farm-out of a 45% interest in the Biliton PSC, whilst retaining operatorship and a 45% interest for Serica.

In line with the strategy announced at the time of our UK fundraising in December 2005, this allows Serica and its shareholders significant exposure to high impact exploration drilling whilst managing the cost to the Company."

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Background Notes

Serica Energy plc is an international oil and gas exploration company with operations in the UK North Sea, Norway, Ireland, Spain, Indonesia and Vietnam. 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 can be obtained from the Company's web-site www.serica-energy.com and at www.sedar.com.

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.

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