Monday 21 August 2006

SERICA ENERGY PLC ANNOUNCES AWARD OF LICENCE OFFSHORE IRELAND

London, August 21, 2006 — Serica Energy plc (AIM and TSX Venture: SQZ) is pleased to announce that, in the 2006 Irish Offshore Licensing Round, it has been offered a Licence covering Blocks 27/4, 27/5 (part block) and 27/9 ("the Blocks") which cover an area of approximately 611 sq km in the Slyne Basin off the west coast of Ireland. Serica is the operator and will hold a 100% interest in the Licence.

The Blocks are already covered by modern 3D seismic data and Serica will be reprocessing around 300 square kilometres of this data as part of its work programme to assess the prospectivity of the Blocks in the first phase of the Licence. If Serica elects to proceed to the second phase of the Licence it will drill at least one exploration well.

Chris Atkinson (Chief Operating Officer) commented:
"We are delighted to have been offered these Blocks offshore Ireland as part of our strategy to expand into new areas in which we have technical knowledge. Our technical team has a detailed understanding of the Slyne Basin and is looking forward to re-evaluating its undoubted prospectivity with the benefit of modern 3D seismic data."

Background Notes

The Blocks lie in water depths of 200 to 300 metres, about 40 km south of the Corrib Gas Field. Corrib was discovered by Enterprise Oil plc in 1996 and is now being developed by Shell. It is expected to produce up to 350 million cubic feet of gas per day at peak production.

A number of prospects have been identified in the Blocks in the Triassic Sherwood Sandstone, the producing reservoir in the Corrib Field. There are also secondary targets in the Middle Jurassic sandstones.

Serica Energy plc is an international oil and gas exploration company with operations in Indonesia, the UK North Sea and Spain. 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 are available at www.serica-energy.com and www.sedar.com.

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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.