



Tuesday 22 August 2006

## SERICA ENERGY PLC ANNOUNCES EXERCISE OF WARRANTS

**London, 22 August 2006** – Serica Energy plc (AIM and TSX Venture: SQZ) announces the issue of 5,739,425 new ordinary shares following the exercise of warrants.

The exercise of these warrants represents a 100% take-up of the original 6,875,000 warrants issued at a price of Cdn\$1.20, expiring 6 August 2006. 1,135,575 of the warrants had been exercised prior to 30 June 2006. The proceeds will be directed primarily towards the Company's extensive exploration and appraisal drilling programme in the UK North Sea and Indonesia and on its development projects in Indonesia.

Paul Ellis (Chief Executive Officer) commented:

*"I am pleased that all warrant holders chose to exercise their warrants, showing support for the Company's progress and excitement about the upcoming exploration and appraisal drilling programmes in the UK North Sea and Indonesia."*

### Background Notes

The warrants were issued in connection with a financing by Serica in November 2004. The Company now has 150,537,956 issued shares and 157,181,456 on a fully diluted basis. The Company has no further warrants outstanding.

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](http://www.serica-energy.com) and [www.sedar.com](http://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](mailto:heather@chfir.com) and specify "Serica press releases" in the subject line.*

