

Serica Energy plc ("Serica" or the "Company")

COMPLETION OF ACQUISITION OF 18% INTEREST IN NORTH SEA ERSKINE FIELD

London, 5 June 2015 - Serica Energy plc (AIM: SQZ) is pleased to announce that the transaction to purchase an 18% interest in the producing North Sea Erskine Field from BP was completed on 4 June 2015. As a result Serica has acquired an 18% interest in UK blocks 23/26a (Area B) and 23/26b (Area B) containing the Erskine Field, located in the UK Central North Sea, from BP Exploration Operating Company Limited and Britoil Limited both wholly owned subsidiaries of BP plc (together "BP").

Highlights

- The transaction provides Serica with an immediate and long term cash flow stream
- Approximately 3.3 mmbbl of producing, proven and probable reserves added at completion at a cost per barrel of approximately US\$4.0
- The effective date of the transaction is 1 January 2014. Adjustments for net revenue, associated liabilities and partial deferment of consideration have resulted in Serica receiving approximately US\$9 million cash on completion
- 13.5 million shares in Serica have been issued to BP who will now hold approximately 5% of Serica's enlarged issued share capital. BP has agreed to hold the shares as an investment for a period of not less than one year
- Provision for decommissioning at the end of field life has been provided for on the basis that Serica's estimate of decommissioning costs will be met by BP, with Serica being responsible for any costs above this level. BP responsible for decommissioning costs up to a gross £174 million (£31.32 million net to Serica) adjusted for inflation
- Transaction very tax efficient for Serica – uses only part of its US\$186 million ring fenced corporation tax losses leaving substantial losses available to Serica for future transactions
- Provides export routes via CATS and Forties pipeline systems – additional benefits and synergies with Serica's Columbus field interest
- Field production has recently recommenced following prolonged shutdown for major infrastructure improvements downstream. Facilities are being re-commissioned and production is expected to build over coming months
- 55,000 barrels of Serica's forward entitlement from Erskine condensate production were sold in 2014 at prices considerably in excess of today's spot prices (2014 average sales price of \$100 per barrel) thus insulating Serica from the impact of lower oil prices over recent months for this production volume

Tony Craven Walker, Chairman commented:

"The acquisition of an interest in the producing Erskine field from BP is an important step for Serica. In addition to improving our immediate cash resources and bringing cash flow to the Company, the purchase of an interest in Erskine brings us production from a field where there is significant room for improved productivity.

The Erskine field has shown that it is capable of producing up to 4,000 boepd net to Serica but, in 2014, only averaged around 1,100 boepd as the result of poor infrastructure performance downstream (excluding the period of planned shutdown). Considerable work has been undertaken over the past eight months to radically overhaul facilities involving a substantial investment and a field shut-down. It is expected that this will enhance efficiencies considerably and it is the intention of all field participants to continue to seek ways of improving production performance. If we are successful in this endeavour it will bring significant benefits for Serica shareholders.

The transaction is also enhanced significantly as a result of our tax position. At the year end this amounted to approximately US\$186 million of unused Ring Fence Corporation Tax losses from past UK investment made by Serica. This is a valuable asset which can be used to offset tax liabilities, not only from Erskine but also from other UK producing fields whether acquired or, in the instance of Columbus, developed by the Company."

The Erskine Field

The Erskine Field is a producing gas and gas condensate field operated by Chevron and is estimated by the Company to have remaining reserves net to the interest acquired of approximately 3.3 mmmboe as at completion. The partners in the field are now Chevron (operator with a 50% interest), BG (32% interest) and Serica (18% interest). Fluids from the field are transported from the Erskine platform (a normally unmanned wellhead platform) to the BG operated Lomond platform where they are processed. Erskine gas is delivered from Lomond via the CATS pipeline system to the terminal at Teeside with up to 60% of the gas purchased by SSE on fixed formula contract prices and the balance sold to BP at market price. The condensate separated at the Lomond platform is delivered via the Forties pipeline to Cruden Bay and sold to BP at spot prices. The field was closed in September 2014 for extensive maintenance and enhancement work on the Lomond field and recommenced production in late May 2015.

Impact on Serica

The transaction represents a material addition to Serica's interests in the Central area of the North Sea and provides production and cash flow to the business and tax efficiencies as well as strong synergies with Serica's existing operations. Serica's strategy regarding its existing assets is unchanged with ongoing exploration to be funded out of existing cash and cash flows from the Erskine field. Serica believes that the Erskine field is capable of significantly improved production performance now that extensive work on the Lomond platform to increase processing efficiencies has been completed.

The transaction brings an asset which has strong synergies with Columbus, being a gas and gas condensate stream which uses the Lomond platform as export facility. It strengthens Serica's position and augments Serica's economics as the Company negotiates an export option for Columbus production which lies eight kilometres from the Lomond platform. It extends Serica's strategic focus on the Central North Sea which includes HPHT prospects in Block 22/19c, in which Serica has a 15% carried interest, as well as the Columbus field.

Technical Information

The reserve estimates contained in this release are Company estimates derived from Operator estimates and have not been prepared in full compliance with Canadian National Instrument 51-101.

The technical information contained in the announcement has been reviewed and approved by Clara Altobell, Head of Operations at Serica Energy plc. Clara Altobell (MSc in Petroleum

Engineering from Imperial College, London) has 19 years of experience in oil & gas exploration, production and development and is a member of the Society of Petroleum Engineers (SPE) and the Petroleum Exploration Society of Great Britain (PESGB).

Issue of equity

Further to the issue of shares to BP, application has been made for the admission of 13,500,000 new ordinary shares of US\$0.10 each ("New Ordinary Shares") to trading on the AIM market of the London Stock Exchange. The New Ordinary Shares will rank pari passu in all respects with the existing ordinary shares of the Company.

The New Ordinary Shares are due to be admitted to trading on AIM on 8th June 2015. Following the issue of the New Ordinary Shares, the issued share capital will comprise 263,679,040 ordinary shares.

Enquiries:

Serica Energy plc

Tony Craven Walker, tony.cravenwalker@serica-energy.com +44 (0)20 7487 7300
Chairman

Peel Hunt

Richard Crichton richard.crichton@peelhunt.com +44 (0)20 7418 8900
Charles Batten charles.batten@peelhunt.com +44 (0)20 7418 8900

Instinctif

David Simonson david.simonson@instinctif.com +44 (0)20 7457 2020
Anca Spiridon anca.spiridon@instinctif.com +44 (0)20 7457 2020

NOTES TO EDITORS

Serica Energy is an oil and gas exploration and production company with exploration, development and production assets in the UK and Norway and exploration interests in the Atlantic margins offshore Ireland and West Africa. The Company is in partnership with other companies in its licences offshore UK, Ireland, Morocco and Namibia. Further information on the Company can be found at www.serica-energy.com.

The Company is listed on the AIM market of the London Stock Exchange under the ticker SQZ and is a designated foreign issuer on the TSX. To receive Company news releases via email, please contact serica@instinctif.com and specify "Serica press releases" in the subject line.

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: geological, geophysical and technical risk, 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 therefrom.

DEFINITIONS AND GLOSSARY OF ABBREVIATIONS

"barrel"	42 US gallons
"bpd"	barrels per day
"boepd"	barrels of oil equivalent per day (barrels of oil, condensate and LPG plus gas volumes converted into barrels at a rate reflecting the energy content of the gas)
"HPHT"	High pressure, High temperature
"mmboe"	millions of barrels of oil equivalent
"mmscfd"	millions of standard cubic feet per day
"net"	the portion that is attributed to the equity interests acquired
"proved reserves"	reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves
"probable reserves"	additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves
"reserves"	estimates of discovered commercially recoverable hydrocarbons