

## **Serica Energy plc**

### **("Serica" or "the Company")**

#### **Corporate Presentations for Annual General Meeting**

**London, 30 June 2022** - Serica Energy plc (AIM: SQZ), announces that at the Annual General Meeting today, presentations will be made by both the Chairman, Tony Craven Walker, and the Chief Executive, Mitch Flegg. Copies of the presentations are available on the Company website [www.serica-energy.com](http://www.serica-energy.com) under Investors/Presentations.

The presentations highlight the following points:

- 2022 production guidance remains unchanged at 26,000 – 30,000 boe/d net to Serica
- Cash and deposits stood at £246 million on 31 May 2022 with a further £150 million lodged as security - combined total: £396 million
- In view of continuing strong profitability and cash generation during 1H 2022, it is planned to commence the payment of interim dividends. The level will be announced with the Interim results in September and is currently expected to be 6p per share to reflect the strength of Serica's year-to-date performance whilst leaving scope for a material final dividend
- The UK Government's new Energy Profits Levy ("EPL") introduces a 25% levy on profits arising on or after 26 May 2022. Serica's profit prior to that date is unaffected. Legislation will include a sunset clause effective at the end of December 2025 should the Levy not be retired earlier
- The EPL introduces significant investment incentives designed to encourage the reinvestment of profits such that each £1 invested by Serica can lead to an overall tax saving of up to 91.25 pence
- Tony Craven Walker, currently Executive Chairman, becomes Non-Executive Chairman from 1 July

#### **Chairman, Tony Craven Walker, commented:**

"In the light of the Russian invasion of Ukraine, the need to maintain offshore supplies of domestic oil and gas to complement a build-up of new technologies and investment in renewables is of strategic importance to the UK. Given that, a stable and supportive fiscal environment that provides encouragement for British companies such as Serica with the proven expertise and capability to play a leading part in delivering those supplies is more important than ever. It is therefore unfortunate that the sudden and arbitrary imposition of the EPL will undermine this stability when it is most needed, not least given the highly volatile swings we have seen recently in the gas market which further complicate planning processes.

Notwithstanding this, our growing cash balance with no current borrowings places us in a strong position to re-invest for future growth. We have the strength to achieve that whilst also having a progressive dividend policy. It is the Board's intention therefore to introduce an interim dividend at the level of 6p/share at the time of the Interim results in September to complement the final dividend which would follow the publication of the Company's full year accounts".

**Mitch Flegg, Chief Executive, commented:**

"I am pleased that Serica has continued to make good progress with strong results. Our established strategy of investing in our portfolio to enhance production and create greater value means that Serica is able to take near-term advantage of the investment incentives included within the EPL which are designed to encourage companies to continue to reinvest profits. Our 2022 Capital Expenditure programme will qualify to benefit from these incentives and we shall be looking to extend this programme. Serica has a strong balance sheet with significant cash, no borrowings and is a current taxpayer which gives us the leverage and resources to do so.

We are in the process of identifying and accelerating capital investment programmes for subsequent years to increase production and add reserves whilst reducing carbon emissions. Whilst we shall continue to lobby for an early termination of the EPL I believe Serica remains very well positioned to continue to deliver on its strategy and build value for its shareholders."

**Regulatory**

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

The technical information contained in the announcement has been reviewed and approved by Fergus Jenkins, VP Technical at Serica Energy plc. Mr. Jenkins (MEng in Petroleum Engineering from Heriot-Watt University, Edinburgh) is a Chartered Engineer with over 25 years of experience in oil & gas exploration, development and production and is a member of the Institute of Materials, Minerals and Mining (IOM3) and the Society of Petroleum Engineers (SPE).

**Enquiries:****Serica Energy plc**

Tony Craven Walker, Executive Chairman  
Mitch Flegg, CEO

**+44 (0)20 7390 0230****Peel Hunt (Nomad & Joint Broker)**

Richard Crichton / David McKeown / Georgia Langoulant

**+44 (0)20 7418 8900****Jefferies (Joint Broker)**

Tony White / Will Soutar

**+44 (0)20 7029 8000****Vigo Consulting (PR Advisor)**

Patrick d'Ancona / Finlay Thomson

**+44 (0)20 7390 0230****serica@vigoconsulting.com****NOTES TO EDITORS**

Serica Energy is a British independent oil and gas exploration and production company with a portfolio of UKCS assets.

Serica is the operator of the producing Bruce, Keith and Rhum fields in the UK Northern North Sea, holding interests of 98%, 100% and 50% respectively, and holds a 50% operated interest in the Columbus field in the UK Central North Sea. Serica also holds an 18% non-operated interest in the producing Erskine field in the UK Central North Sea.

Over 85% of Serica's production is natural gas, a key element in the UK's energy transition.

Further information on the Company can be found at [www.serica-energy.com](http://www.serica-energy.com).

The Company's shares are traded on the AIM market of the London Stock Exchange under the ticker SQZ, and the Company is a designated foreign issuer on the TSX. To receive Company news releases via email, please subscribe via the Company website.