

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For Immediate Release

23 March 2023

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

**Completion of the acquisition of Tailwind Energy Investments Ltd**

**London, 23 March 2023** - Further to the announcement on 21 March 2023, Serica Energy plc (AIM: SQZ) is pleased to confirm that it has successfully completed the acquisition of Tailwind Energy Investments Ltd ("**Tailwind**") from Tailwind Energy Holdings LLP (the "**Acquisition**") and that Admission of the Completion Consideration Shares to trading on AIM has occurred.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the announcements regarding the Acquisition made by the Company on 20 December 2022 and 21 March 2023.

Mitch Flegg, Chief Executive of Serica commented:

*"We are delighted to have completed the acquisition of Tailwind and welcome the new members of the Serica team. This is an important and exciting moment for Serica. The transaction creates a portfolio of assets which provides both greater resilience and an increase in the range of organic growth opportunities. Moreover, this has been achieved while preserving the Company's financial capacity to invest in its existing assets, execute further acquisitions and make sustained cash returns to shareholders.*

*We look forward to providing more information in the coming weeks on the progress made in exploiting the existing producing fields in recent months and the plans for future investments in the enlarged portfolio."*

Tony Craven Walker, Chairman of Serica commented:

*"As a result of this transaction, Serica has a broader asset spread with interests in two North Sea hubs, one of which it operates, and better exposure to an oil/gas mix. The combined entity is uniquely placed to prosper as an important contributor to the UK's energy security in support of energy transition. However, this does require a more considered approach from Government to revisit the counter-productive tax levels imposed on the UK oil and gas industry and to structure a predictable and far less damaging tax regime to support the innovation and investment required, particularly in view of currently much reduced oil and gas prices. We look forward to the opportunity and the challenge.*

*Today I am delighted to welcome Guillaume Vermersch and Rob Lawson to the Serica Board. Their presence adds to the breadth, depth and diversity of the expertise represented by the Board which has grown with the business during the last few years."*

Following the Acquisition, the attributes of Serica include:

- A balance of gas and oil production focused around the Bruce and Triton hubs in the UK North Sea.
- More than 80% of its production from operated fields.

- An ongoing programme of sanctioned short cycle organic investments in 2023 and 2024 including a second Light Well Intervention Vessel campaign on the Bruce field and infill wells on the Bittern, Gannet E, Guillemot North West and Evelyn fields.
- Potential 'near infrastructure' field developments.
- A strong financial position from which to deliver further business growth. The Company expects to announce its 2022 results, which will include detailed financial information, on 13 April 2023.

The Acquisition is expected to be immediately accretive to Serica's reserves, production, cash flow and earnings per share. Supported by the results of the Gannet GE-04 well announced on 20 February 2023, as previously advised, Serica's estimated pro-forma production of the combined portfolio is expected to be between 40,000 and 47,000 boe/d in 2023. Tailwind's net debt at completion was £215 million.

As announced on 20 December 2022 and in accordance with the SPA, Serica and Mercuria Holdings (UK) Limited ("**Mercuria**") have entered into the Relationship Agreement. Under the terms of the Relationship Agreement, Mercuria have nominated two new non-executive directors, Guillaume Vermersch and Robert Lawson, who have joined the Board upon completion of the Acquisition. Associated regulatory information is provided below.

Further to the intention stated in the announcement of the Acquisition on 20 December 2022, on 22 March Serica and Mercuria agreed the terms of a revised offtake and marketing agreement which has been entered into between Tailwind Energy Limited and Mercuria Energy Trading SA (the "**Offtake and Marketing Agreement**"). The revisions include the deferral of the expiry of the Offtake and Marketing Agreement to the cessation of production from the fields tied back to Triton FPSO. The expiry was otherwise due to occur in October 2026. The revised Offtake and Marketing Agreement will take effect once certain third-party consents are obtained.

Although entered into prior to Admission, the directors of the Board of Serica have considered the revised Offtake and Marketing Agreement as if it was a related party transaction under the AIM Rules for Companies ("**AIM Rules**") due to Mercuria becoming a Substantial Shareholder (as defined by the AIM Rules) of the Company following Admission. As is customary, the Company engaged a third-party expert to advise on the terms. The directors consider, having consulted with the Company's Nominated Adviser, Peel Hunt, that the terms of the revised Offtake and Marketing Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

As also stated on 20 December 2022, Serica's existing oil and gas marketing arrangements are unaffected.

## **Regulatory**

The following information is disclosed under Rule 17 of the AIM Rules and Schedule Two Paragraph (g) of the AIM Rules:

### **Guillaume Jean Roger Vermersch (aged 53)**

Mr Vermersch does not hold any ordinary shares nor options over ordinary shares in the Company.

Mr Vermersch is the CFO of Mercuria Energy Group which will hold 96,618,142 shares in Serica Energy plc.

| <b>Current Directorships</b>             | <b>Past Directorships (within the last five years)</b> |
|--|--|
| Ampni Holdings Co. Limited               | Amromco Holding SA                                     |
| Ampni Investments Co. Limited            | Mercuria Asset Holdings (Hong-Kong) Limited            |
| Mercuria Asia Group Holdings Pte Ltd     | Mercuria Energy Limited                                |
| Mercuria (China) Investment Co., Ltd     | Phoenix Global Resources Limited                       |
| Mercuria Energia SLU                     |  |
| Mercuria Energy Group Holding SA         |  |
| Mercuria Energy Group Limited            |  |
| Mercuria Energy Group Holding Ltd        |  |
| Mercuria Energy International, LLC       |  |
| Mercuria Energy Trading SA               |  |
| Mercuria Energy Trading Middle East DMCC |  |
| Mercuria Global Solutions SA             |  |
| Mercuria Holdings (Cyprus) Limited       |  |
| Minerva Bunkering (Gibraltar) Ltd        |  |
| Tailwind Energy Holdings LLP             |  |
| Upstream Latinoamerica SL                |  |

There is no further information which is required to be disclosed under Schedule Two, paragraph (g) of the AIM Rules in respect of Guillaume Jean Roger Vermersch.

### **Robert Stephen Lawson (aged 53)**

Mr Lawson does not hold any ordinary shares nor options over ordinary shares in the Company.

Mr Lawson is Executive Vice President of Mercuria Energy Group which will hold 96,618,142 shares in Serica Energy plc.

| <b>Past Directorships (within the last five years)</b> |
|--|
| BP Espana SAU  |
| BP Gas Marketing Limited                               |
| Britannic Strategies Limited                           |
| BP Oil International Limited                           |
| Britannic Energy Trading Limited                       |
| BP Gas & Power Investments Limited                     |

Mr Lawson is expected to become a Director of Mercuria Energy Group Ltd and Mercuria Energy Group Holding Ltd in due course. In addition, Mr Lawson is a current director of the British American Football Association.

There is no further information which is required to be disclosed under Schedule Two, paragraph (g) of the AIM Rules in respect of Robert Stephen Lawson.

The information contained within this announcement is deemed by Serica to constitute inside information as stipulated under the Market Abuse Regulation. By the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain. The person responsible for arranging the release of this announcement on behalf of Serica is Mitch Flegg, chief executive officer.

### **Total Voting Rights**

In accordance with the provision of the Disclosure Guidance and Transparency Rules ("DTRs") of the Financial Conduct Authority (the "FCA"), the Company confirms that, following Admission, its issued share capital will comprise 381,152,452 ordinary shares, each of which carries the right to vote, with no ordinary shares held in treasury. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the DTRs.

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### **NOTES TO EDITORS**

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

On 20 December 2022, Serica announced that it had entered into an agreement to acquire the entire issued share capital of Tailwind Energy Investments Ltd from Tailwind Energy Holdings LLP. A Circular was posted to shareholders on 9 January 2023, convening a General Meeting ("GM") to vote on the proposed issuance of shares in connection with the transaction. The resolution was voted on by way of a poll and duly approved at the GM which was held on 27 January.

Following the addition of the Tailwind assets to its portfolio, Serica has a balance of gas and oil production. The Company is responsible for about 5% of the natural gas produced in the UK, a key element in the UK's energy transition.

Serica's producing assets are focused around two main hubs: the Bruce, Keith and Rhum fields in the UK Northern North Sea, which it operates, and a mix of operated and non-operated fields tied back to the Triton FPSO. Serica also has operated interests in the producing Columbus (UK Central North Sea) and Orlando (UK Northern North Sea) fields and a non-operated interest in the producing Erskine field in the UK Central North Sea.

Serica's portfolio of assets includes several organic investment opportunities which are currently being pursued or are under consideration.

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.

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Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This announcement includes statements that are, or may be deemed to be, forward-looking statements, beliefs or opinions, including statements with respect to the Company's business, financial condition and

results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. These statements are made by the Company's directors in good faith based on the information available to them at the date of this announcement and reflect the Company's directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and the Company and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

Nothing in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share or dividend per share for the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for the Company.

Certain figures included in this announcement have been subjected to rounding adjustments.