

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

New UKCS Licence Award

London, 18 December 2019 - Serica Energy plc (AIM: SQZ) is pleased to announce that its wholly owned subsidiary, Serica Energy (UK) Limited, has received an Out of Round award of a 100% interest in the UK petroleum licence P2501, blocks 3/24c and 3/29c. These are located in the area adjacent to the Serica operated Rhum field.

The award contains the HPHT North Eigg and South Eigg prospects. The primary prospect is North Eigg which is estimated to contain 360 bcf (P50) and potentially over 1Tcf (P10) of recoverable gas. The North Eigg prospect is interpreted to share many geological similarities with the Rhum field. It is clearly defined on 3D seismic and forms a structural trap sealed against the East Shetland bounding fault.

Serica has committed to drilling an exploration well within three years and in the event of a commercial discovery intends to develop the field via a subsea tie-back to the Serica operated and 98% owned Bruce facilities. As well as providing Serica with potentially significant additional reserves, a tie-back to the Bruce platform would reduce unit operating costs and extend the economic life of this strategic North Sea infrastructure.

Mitch Flegg, Chief Executive of Serica Energy, commented:

"We are delighted to have received this Out of Round award.

Since we completed our acquisition of the Bruce, Keith and Rhum ("BKR") assets just over a year ago, our strategy has been to optimise economic returns through a hub strategy that includes operating efficiencies, investment and securing new third-party business in the BKR catchment area. Not only is this award an important step in our BKR hub strategy, it reinforces exploration as a material part of Serica's upstream business.

These are exploration prospects and so there is no guarantee of success. In the event of a commercial discovery, the optimal development option will be a tie-back to the Bruce platform, which we would seek to fast track. In the meantime, our other efforts to enhance the value of the BKR assets will continue unabated. These include planning for the rig intervention in 2020 designed to bring the Rhum-3 well into production for the first time and efforts to bring new third-party business to the Bruce facilities."

Additional Information

This Out of Round licence award comprises blocks 3/24c and 3/29c which contain the North Eigg and South Eigg prospects respectively. Serica is the operator of the adjacent P198 licence, which comprises Block 3/29a and contains the producing HPHT Rhum Field.

Serica's in-house evaluation of the new licence area has focused on prospects that could add significant value for Serica and have synergies with its BKR assets.

Serica's in-house volumetric estimates for Jurassic sandstones in the HPHT North and South Eigg prospects are given below.

| | Unrisked Prospective Resources (Recoverable) | | | | | |
|------------|---|-----|------|---------------------------|-----|-----|
| | Dry Gas (bcf) | | | Oil / Condensate (mmbbls) | | |
| | P90 | P50 | P10 | P90 | P50 | P10 |
| North Eigg | 105 | 367 | 1216 | 0.6 | 2.2 | 7.3 |
| South Eigg | 68 | 259 | 929 | 0.4 | 1.6 | 5.6 |

Serica has been awarded a phase C licence with a three-year duration and a commitment to undertake 3D seismic reprocessing and drill an exploration well. Water depths at the North Eigg location are around 100 metres and an exploration well could be drilled with an HPHT semi-submersible rig or an HPHT heavy-duty jack-up rig.

Serica is committed to optimising the BKR hub performance through improved efficiencies, continued investment and new technology. Optimum placement of a North Eigg well would benefit from the latest seismic processing techniques and designing and drilling the well would focus on the latest HPHT drilling methods. In the event of a North Eigg discovery, Serica would investigate creative options for HPHT subsea tie-backs to the Bruce facilities and topsides modifications to ensure a low cost, efficient design to enable early development, maximise recovery and optimise production. Serica anticipates that there will be ample capacity within the Bruce facilities to handle North Eigg production.

Qualified Persons Statement

The technical information contained in the announcement has been reviewed and approved by Clara Altobell, VP Technical at Serica Energy plc. Clara Altobell (MSc in Petroleum Engineering from Imperial College, London) has over 20 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).

Standard

The Prospective Resource estimates contained in this announcement have been prepared using Monte Carlo simulation in accordance with the Petroleum Resources Management System guidelines, June 2018.

Regulatory

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

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NOTES TO EDITORS

Serica Energy is a British independent oil and gas exploration and production company with exploration, development and production assets in the UK and exploration interests offshore Namibia.

Serica is the operator of the producing Bruce, Keith and Rhum fields in the UK Northern North Sea, holding a 98% interest in the Bruce field, a 100% interest in the Keith field and a 50% interest in the Rhum field.

Serica holds an 18% non-operated interest in the producing Erskine field in the UK Central North Sea and a 50% operated interest in the Columbus Development which has been approved by the OGA and has commenced development.

Further information on the Company can be found at 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.

GLOSSARY

| | |
|--------|---|
| bcf | billion cubic feet of gas |
| HPHT | high pressure high temperature |
| mmbbls | million barrels |
| P10 | A high estimate that there should be at least a 10% probability that the quantities recovered will equal or exceed the estimate |
| P50 | A best estimate that there should be at least a 50% probability that the quantities recovered will equal or exceed the estimate |
| P90 | A low estimate that there should be at least a 90% probability that the quantities recovered will equal or exceed the estimate |
| Tcf | trillion cubic feet of gas |