

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

**Operations Update**

**London, 7 February 2023** - Serica Energy plc (AIM: SQZ), a British independent upstream oil and gas company provides the following operations update.

**Production**

Serica's net production continues to benefit from the ongoing investment programmes that the company has undertaken since the acquisition of interests in Bruce, Keith and Rhum in 2018. Serica's 2022 net production averaged 26,182 boe/d.

Serica's net production is as follows:

		FY 2022	Jan 2023
Bruce / Keith	(boe/d)	6,892	5,558
Rhum	(boe/d)	15,721	14,581
Erskine	(boe/d)	1,683	1,846
Columbus	(boe/d)	1,886	1,742
<b>Total</b>	<b>(boe/d)</b>	<b>26,182</b>	<b>23,727</b>

The R3 reintervention programme in 2021 has increased the gas element of Serica's production such that the proportion is now greater than 90% gas.

Early production rates in 2023 were slightly lower than the 2022 average due to a period of maintenance work on a gas compressor on the Bruce platform which limited Bruce and Rhum production, but which has now been returned to service.

Net production from the Tailwind portfolio of assets has averaged 19,600 boe/d in January 2023 giving a combined net production rate of over 43,300 boe/d in January.

**2023 Production Guidance**

As previously announced, and subject to completion, the average net production for 2023 from the combined Serica and Tailwind portfolios is expected to be in the range of 40,000 – 47,000 boe/d.

**Operations**

The Diving Support Vessel *Deep Discoverer* has mobilised to the Triton area and has commenced the work programme to tie-in Tailwind's Gannet GE-04 well. This well was drilled late in 2022 and completed in January. It is expected that first production will occur in February. The well results were above the pre-drill expectation and flow rates are expected to exceed 8,000 barrels of oil per day when the well is fully beaned up during March.

A number of interventions on Bruce platform wells are planned in Q2 2023 and the second Bruce Light Well Intervention Vessel campaign will take place in Q3 2023. This work follows on from the successful 2022 campaign and is designed to add production through re-entry and workover of existing production wells.

The first phase of the Bruce compressor upgrades will start in 2023 with commissioning in 2024. This project aims to reduce carbon emissions by 10% of the Bruce total as Serica continues to demonstrate its commitment to lowering the carbon intensity of its operations. Design and selection studies for compressor electrification projects have also commenced.

### **Tailwind Transaction**

Completion under the SPA is subject to the satisfaction of certain conditions precedent. Two of these conditions have now been satisfied as follows:

- Approval by ordinary resolution of Serica's shareholders to allot the Consideration Shares – approval was received at a General Meeting on 27 January 2023
- Renewal or replacement of the OFAC License issued to Serica on terms which permit the continued operation of the Rhum field - Serica has received a renewed OFAC License running for two years from the expiry date of the previous License which was 31 January 2023

The outstanding conditions are:

- Approval under the UK National Security and Investment Act 2021
- Receipt of the customary comfort letter from the NSTA (UK oil and gas regulator)
- Confirmation that the Acquisition will not require the repayment of Tailwind's existing RBL
- Admission of the Consideration Shares to AIM

Work continues on each of these outstanding conditions, and it is expected that they will be satisfied before the end of March 2023.

### **Mitch Flegg, Chief Executive of Serica Energy, commented:**

"The production performance of both the Serica and Tailwind portfolios has remained strong despite some extremely challenging weather conditions during January. There is an exciting investment programme of value-adding activities throughout 2023 which has started with the work to tie-in the Gannet GE-04 well. I look forward to updating the market with results of this programme as data becomes available."

### **Regulatory**

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, as retained in the UK pursuant to S3 of the European Union (Withdrawal) Act 2018.

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**

Mitch Flegg (CEO) / Andy Bell (CFO)

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

Richard Crichton / David McKeown

**+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](mailto: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. The Company is responsible for 5% of the gas produced in the UK and is pursuing growth opportunities that promote UK energy security, fit within the parameters of the UK North Sea Transition Deal and where it can add value by deploying its proven technical and commercial expertise.

Serica operates the producing Bruce, Keith and Rhum fields in the UK Northern North Sea, and the producing Columbus field in the UK Central North Sea. Serica also holds a non-operated interest in the producing Erskine field in the UK Central North Sea.

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.

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.