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

Interim Results

London, 30 September 2016 – Serica Energy plc (AIM: SQZ) announces its interim financial results for the six months ended 30 June 2016. The results are summarised below and copies are available at www.serica-energy.com and www.sedar.com.

Highlights:

UK North Sea Erskine Field

- Strong production in January-February averaging over 3,200 boepd net.
- Production then interrupted by blockage in downstream condensate export route and scheduled maintenance programme.
- Field back on stream on 29 August and now performing well, averaging over 2,700 boepd net to 28 September.

Other Assets

- Work continues on optimising Columbus development plan in conjunction with other asset owners in the area.
- Two carried wells on material prospects in the UK planned for 2017/18: blocks 22/19c – Serica 15% (Rowallan Prospect) and 113/27c – Serica 20% (Doyle Prospect).
- No significant remaining exploration work obligations.
- Work continues offshore Ireland and Namibia to seek farm-in partners.

Financial

- Net loss after tax for 1H16 of US$2.8 million as results impacted by field shut-in.
- End period cash position of US$20.8 million at 30 June 2016.
- Erskine field back producing in late August and generating cash return at current oil prices.
- Cash at 29 September US$13.1 million after second stage-payment to BP and ongoing Erskine costs, but before September sales receipts.
- Cash resources successfully managed during period of shut-down and now expected to build.
- Operating and G&A costs reduced materially to accommodate low oil prices.

Tony Craven Walker, Serica's Chairman commented:

"Though the blockage in the Erskine condensate offtake route impacted first half income, the field is now back onstream and underlying reservoir performance continues to offer strong encouragement. Our net reserves, which have increased over 50% to 4.2 million boe as of 1 January 2016 according to NSAI estimates, will now hopefully be producing in a stronger oil price environment than at the start of the year. We also welcome the plans of Shell, the new Lomond facility operator, to target further cost reductions and improve offtake route reliability".

Enquiries:

Serica Energy plc

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

Peel Hunt

Richard Crichton	richard.crichton@peelhunt.com	+44 (0)20 7418 8900
Ross Allister	ross.allister@peelhunt.com	+44 (0)20 7418 8900

Instinctif

David Simonson	david.simonson@instinctif.com	+44 (0)781 347222
George Yeomans	george.yeomans@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 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 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 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).

The Company is listed on AIM 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.

INTERIM REPORT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

The following Interim Report of the operations and financial results of Serica Energy plc ("Serica") and its subsidiaries (together the "Group") contains information up to and including 28 September 2016 and should be read in conjunction with the unaudited interim consolidated financial statements for the period ended 30 June 2016, which have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's independent auditors.

References to the "Company" include Serica and its subsidiaries where relevant. All figures are reported in US dollars ("US$") unless otherwise stated.

The results of Serica's operations detailed in the interim financial statements are presented in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares are listed on AIM in London. Although the Company delisted from the TSX in March 2015, the Company is a "designated foreign issuer" as that term is defined under National Instrument 71-102 - *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers.* The Company is subject to the foreign regulatory requirements of the Alternative Investment Market of the London Stock Exchange in the United Kingdom.

Serica is an oil and gas company with production, development and exploration activities based in the UK, Ireland, Namibia and Morocco.

CHAIRMAN'S REVIEW - UPDATE

After a very strong performance from our Erskine field interest since its acquisition in June last year and into the early months of 2016, it proved frustrating that a blockage in the Lomond to Everest condensate export pipeline interrupted Erskine production at the end of February. Remedial work to remove a stuck pig and clear the line of a wax build-up ran into a planned summer Lomond maintenance shutdown with no further production delivered during the first half. Though the issues have now been resolved and Erskine oil and gas production fully restarted on 29 August, this reduced sales revenue substantially for the first half leading to a loss after tax of US$2.8 million.

It is important to emphasise that the Erskine field capability remains strong, that the lost production will be recovered over coming periods and that it may well be delivered at improved prices compared to 1H 2016 levels. Average production of over 3,200 boe per day net to Serica over January and February demonstrated underlying reservoir capability, further highlighted by a peak flush-production rate of 5,000 boe net to Serica achieved on one day soon after restart. This supports the reserve upgrade, reported by NSAI earlier this year, to 4.2 million boe net to Serica effective 1 January 2016 compared to our previous estimate of 2.7 million boe net.

As the blockage has illustrated, actual production rates achieved from Erskine are heavily dependent upon facility constraints both on the Lomond platform and transportation infrastructure further down the export routes including the Forties oil pipeline system and CATS gas pipeline system. The new Lomond operator, Shell, is currently reviewing the causes of recent interruptions with a view to improving all aspects of future facility reliability, an outcome that would benefit both Erskine and Lomond partners.

Erskine production levels of 2,500-3,000 boe per day, net to Serica, should be achievable over the remainder of 2016 and into 2017. Erskine and Lomond operators have both achieved overall cost reductions over the past eighteen months and recognise the importance of continuing these efforts even as oil prices stabilise. Equally, the introduction of new production streams to the Lomond hub, including our own Columbus field as well as a number of other potential candidates would spread costs to mutual benefit. Efforts continue to bring these projects to fruition.

The strong build of cash resources over the period from Erskine acquisition in mid-2015 until the interruption at the end of February, left the company well-placed to weather a period such as this and renewed production from Erskine should allow the Company to continue to build its financial strength.

Though Erskine has necessarily been a focus during this period, management has continued to work on Columbus offtake options and seeking investment opportunities to complement our existing asset portfolio.

Further work has been carried out on optimising a Columbus development plan. This includes greater collaboration with other field and infrastructure owners to maximise overall economic recovery from the wider area and cost cutting measures including the potential to drill a production well direct from the Lomond platform. This work is aimed at demonstrating full operational integrity and extending availability of downstream infrastructure, including the Lomond platform, which is a pre-requisite for a development decision.

On the exploration front, we look forward to the drilling of wells on our UKCS 22/19c and 113/22 blocks targeted for late 2017 or 2018, both of which are subject to cost carries and are targeting material prospects. We are also progressing the farm-out of our Namibian acreage, with a number of interested parties.

Overall, though the line blockage deferred income during 2016, Erskine is now back on stream and performing well. Meanwhile, work on improving offtake route reliability and cost structures is expected to more than compensate any short-term negative impact. In addition to benefitting Erskine, this will help to enhance the economics of a Columbus development and improve the opportunities for other undeveloped fields in the area to use the Lomond hub. We therefore see this area as offering further value-adding potential for Serica to pursue.

REVIEW OF OPERATIONS

UK Operations

Production

<u>Central North Sea: The Erskine Field - Blocks 23/26a (Area B) and 23/26b (Area B)</u>

All of Serica's production comes from the Erskine field, a gas and condensate producing field located in the UK Central North Sea and acquired from BP in June 2015. Serica has an 18% working interest and its partners are Chevron 50% (operator) and Shell 32%. Erskine fluids are processed and exported via the Lomond platform, which is 100% owned and operated by Shell, who acquired Lomond and a share in Erskine from BG in February this year.

Earlier this year, an independent audit of the Erskine field estimated proven plus probable reserves of 4.2 million boe net to Serica as of 1 January 2016. This represents an increase of 50% compared to pre-acquisition reserves estimates. The increase is due to a combination of high field production rates and an expectation of continued lower annual operating costs, resulting in a deferment of the projected field cessation date.

The field continued to perform strongly at the beginning of the year, demonstrating good reservoir capability, with high export facility availability and consistent delivery from the wells, averaging over 3,200 boe per day net to Serica in January and February. However, this was followed by a period of field shut-in during 2016, which is explained in more detail in the paragraphs below. Going forward, production efficiency is expected to increase, with no major maintenance shut-down currently scheduled for 2017 and an ongoing objective of the Lomond operator to reduce the frequency of maintenance shut-downs. The other major causes of downtime have also been addressed, with a cleaning and monitoring programme for the condensate export pipeline that runs between Lomond and the Everest platform, and the planned installation of a back-up export pump.

During January, Shell, as Lomond operator, started a maintenance programme to clean and inspect the condensate export pipeline that runs between Lomond and the Everest platform. This involved sending cleaning devices, known as 'pigs', down the pipeline. On 27 February a pig became stuck in the pipeline, causing a blockage and export ceased. The blockage was caused by the pig encountering a build-up of wax in the line that had been deposited over time by the export fluids. The operation to clear the blockage took more than two months due to the engineering requirements to gain access to the blockage with wax dissolving solution and allowing optimal time to soak and dissolve the wax, whilst planned maintenance work was brought forward.

Shell's maintenance shut-down period on Lomond was scheduled to occur during May and June, coinciding with the planned CATS gas transmission system maintenance period in June. The work to clear the pipeline blockage was still in progress when the planned Lomond maintenance commenced. On completion of this work, further wax treatment was required before restarting Erskine production in July. However, after producing for a few days, a failure of an export pump on Lomond occurred which required its complete overhaul. This together with its recommissioning resulted in there being no Erskine production until the end of August.

When the wells restarted at the end of August, the combined production rates were higher than any rates observed since the field was acquired by Serica in 2015, at over 5,000 boe per day net to Serica on an individual day. This gives a good indication that the extended shut-down has resulted in reservoir pressure recharging and offers confidence in the latest reserves estimate. Since production started at the end of August, there have been some further restrictions imposed by the Forties Pipeline System, which exports Erskine condensate to shore, that have meant that Erskine has not been able to produce at full capacity. Production rates have averaged approximately 2,700 boepd net during September and are expected to meet the guidance of 2,500 – 3,000 boepd net for the remainder of the year.

Going forward, in order to improve facility reliability, there are plans to complete the Lomond/Everest condensate export pipeline cleaning programme and to install a second export pump to act as a back-up. Serica is working in partnership with the operators of Erskine and Lomond to improve the performance of the processing and export facilities and ensure ongoing efficiency and longevity. The OGA is promoting this collaborative industry approach through their MER (Maximum Economic Recovery) strategy to optimise North Sea fields.

Development

Central North Sea: The Columbus Field - Blocks 23/16f and 23/21a

The Columbus field is a gas and condensate field in the UK Central North Sea, located 5km north of the Lomond platform and has been fully appraised by four wells over blocks 23/16f and 23/21a. Serica is operator and holds a 50% working interest over the two blocks. An independent review of the field carried out earlier this year gave a 'best estimate' (P_{50}) of 6.2 million boe contingent resources net to Serica. This estimate was based on a single well development, producing into the Lomond platform. Serica is working with the OGA and the operator of Lomond to explore low cost development concepts that will expedite production from Columbus and ultimately add value to Lomond and Erskine by reducing unit operating costs over the platform and potentially extend the life of the platform and fields. These concepts include assessing the feasibility of drilling a long reach well from the Lomond platform.

The economic success of a Columbus development depends on low capital expenditure, reliable export facilities and low operating costs. These three elements relating to development via Lomond are currently under evaluation before making a financial investment decision on Columbus, expected in 2017. Further third party business across Lomond would enhance its suitability as a host for Columbus by reducing unit operating costs. Serica, in conjunction with the OGA, is actively promoting this as part of the MER strategy.

Exploration

Central North Sea: Block 22/19c – Rowallan Prospect

Serica holds a 15% interest in the licence, operated by ENI and with JX Nippon and Mitsui as partners. Serica is fully carried on all associated costs up to and including the drilling of an exploration well. A well is being planned on the Rowallan prospect, which is potentially a large HPHT gas condensate prospect. Serica estimates P_{50} prospective resources on Rowallan, net to Serica's retained 15% interest, to be 20 million boe. The Rowallan prospect looks very similar to the Culzean field located in nearby Block 22/25a, which is currently under development. Operations to prepare the site for drilling are expected to start next year, with drilling likely to commence in 2018. Two similar prospects, Dundonald and Sundrum have also been identified on the licence.

East Irish Sea: Blocks 113/22a, 113/26b and 113/27c - Doyle Prospect

Serica holds a 20% working interest in two licences in the East Irish Sea and is carried for costs on an exploration well up to a gross cap of £11 million. The Doyle gas prospect is located in shallow water and can be drilled with a low-cost jack-up rig. Zennor Petroleum, the operator of the licences estimate P_{50} gross resources of 265 bcf and hopes to drill a well in 2017/18.

Ireland

Frontier Exploration Licences 1/09 and 4/13: Rockall Basin

Serica holds a 100% working interest in two licences in the Irish Rockall Basin, FEL 1/09 and FEL 4/13. Further geological and geophysical studies have been undertaken to help delineate the Rockall prospects, which comprise large faulted structures and a turbidite fan which is analogous to prospects in the Porcupine Basin. The highest ranked drilling target would penetrate both the Derryveagh fan prospect and the Aghla More (formally Midleton) faulted structure. Serica estimates P_{50} resources for these stacked prospects of 4Tcf of gas and 250 million barrels of condensate. Serica is looking to attract a partner to participate in this drilling opportunity.

Frontier Exploration Licence 01/06: Slyne Basin

Licence FEL 1/06 (Serica 50% interest and operatorship) contains three drill-ready oil and gas prospects, the highest ranked being the Boyne Prospect. All material work obligations have been completed and Serica is looking for a farm-in partner to enable an exploration well to be drilled. The Boyne well would target stacked prospects in the Triassic (Corrib analogue) and Jurassic (Bandon discovery) formations with a Serica P_{50} gross resource estimate of 115 million barrels.

Namibia

Luderitz Basin: Blocks 2512A, 2513A, 2513B and 2612A (part)

Serica holds an 85% working interest in a licence in the Luderitz Basin, offshore Namibia. The extensive acreage (over 17,000 square kilometres) contains numerous prospects and leads, the largest having P_{50} gross un-risked prospective recoverable oil resources of 623 million barrels (with a P_{90} to P_{10} range of 138 million to 2.8 billion barrels). This year, a new prospect was identified, supported by a seismic anomaly which could directly indicate the presence of hydrocarbons. Although this prospect is smaller than the main prospect, with estimated P_{50} resources of 300 million barrels, it lies in shallower water and would therefore cost less to drill.

Serica continues to market this opportunity and a number of companies are reviewing the data. An application to extend the licence has been made to allow more time to secure a partner to drill an exploration well on the licence.

Morocco

Sidi Moussa

Serica holds a 5% working interest in the Sidi Moussa licence. The licence has been extended until August 2017 to allow the operator, Genel, time to secure a partner and drill a second exploration well on the licence. Serica has elected not to participate in the second well, but has an option to buy back in following completion.

FINANCIAL REVIEW

The completion of the Erskine acquisition on 4 June 2015 brought a significant new revenue stream comprising sales of oil, gas and other liquids. The Company accounts for its share of field revenues and costs post acquisition, hence comparative figures for 1H 2015 include Erskine revenues and costs only for the period from 4 June to 30 June 2015, the period end.

Group loss after tax from continuing operations of US$2.8 million for 1H 2016 compares to a loss of US$0.6 million for 1H 2015. Following the strong full year 2015 financial figures, results for 1H 2016 have been adversely impacted by the extended Erskine field shut-in.

Erskine asset overview

In June 2015 the Company completed the acquisition of an 18% interest in UK blocks 23/26a (Area B) and 23/26b (Area B) containing the Erskine Field, from BP. The transaction provided Serica with an immediate and long-term cash flow stream, is tax efficient for the Company, accelerating recovery of past tax losses in the UK, and is in line with Serica's strategy to unlock the value of its existing assets and provide a basis from which it can generate future growth.

The field performed strongly in the period post-acquisition on 4 June 2015 through to 27 February 2016 when it was suspended due to a blockage in the Shell Lomond to Everest condensate line. Work to clear this was intended to be complete by mid-April but was aggravated by wax deposits in the area of the blockage. Efforts to clear the line were concluded but a two month maintenance shut-down was already planned on the Lomond platform to correspond with a one-month shutdown of the CATS system through which Erskine gas is exported. The field fully recommenced production on 29 August.

The impact of the extended field shut-in on reported 1H 2016 results is frustrating, but production net to Serica has averaged over 2,700 boepd since the 29 August restart, and the field is still expected to generate good cash flow throughout Q4 2016 and beyond, even if oil prices remain at current levels. All of the oil is sold at monthly average spot prices and from 1 October 2016 all of the gas is sold in the market at monthly average spot prices.

Results from operations

A high level summary of the income statement results for continuing operations is given below.

Income statement – continuing operations

Serica generated a 1H 2016 gross loss of US$2.6 million (1H 2015: gross profit US$1.1 million) from its 18% interest in the Erskine Field.

Sales revenues
The Company currently generates all its sales revenue from the Erskine field in the UK North Sea. Revenue is earned from gas, oil and NGL product streams.

In the period 1 January to 27 February 2016, prior to the field shut-in for the blockage in the Lomond-Everest pipeline, net Erskine field gas production averaged 10.4 mmscf per day together with average condensate production of 1,610 barrels per day. Taking into account the field shut-in from end February to the period end of 30 June, average net production rates for 1H 2016 were 3.3 mmscf per day for gas and 513 barrels per day for condensate. Average daily production rate comparatives for the full 1H 2015 period are not provided as production in 1H 2015 only covered a 26 day period post acquisition. In the period from 4 June to 31 December 2015, net Erskine field gas production averaged 8.6 mmscf per day together with average condensate production of 1,462 barrels per day.

The 1H 2016 gas production was sold at prices averaging US$4.1 per mscf (1H 2015: US$4.9 per mscf) and generated US$2.4 million of revenue net to Serica. NGL products are derived from associated gas production and earned revenue of US$0.9 million net to Serica.

Oil sales in 1H 2016 were US$5.5 million from 149,000 lifted barrels at an average realised price of US$36.6/bbl. As oil and NGL liftings in the period included significant overlifts above produced volumes, recorded 1H 2016 sales revenues were therefore adjusted down by US$3.1 million, representing the increase in overlift in the period.

Separate to the oil revenue earned from liftings, the Company also earned US$0.4 million net of premium in the period from its oil hedges, included within other income.

Cost of sales and depletion charges
Cost of sales is driven by production from the Erskine field and comprises field operating costs and a depletion charge against the asset’s net book amount. Direct field operating costs and depletion charges in 1H 2016 cover the full six month period whereas the 1H 2015 comparatives only cover the 26 day period post the completion of the asset acquisition on 4 June 2015.

The overall 1H 2016 charge of US$8.4 million (1H 2015: US$1.1 million) comprised field operating costs of US$8.0 million (1H 2015: US$0.9 million) and non-cash depletion of US$0.4 million (1H 2015: US$0.2 million).

The most significant elements of the field opex are as follows: Erskine’s contribution to the running costs of the Lomond facilities, direct standalone Erskine field operating costs, other transportation costs for use of the FPS and CATS pipelines, and charges for any necessary surface or sub-surface maintenance work. Significant operational expenditure continues during periods of field shut-down when no revenue is earned. The 1H 2016 expense also includes an agreed level of contribution from the Erskine partners to the exceptional costs incurred by the Lomond operator to resolve the Lomond/Everest pipeline blockage issue.

Operating costs are billed in GBP sterling and, following the decline in the strength of GBP sterling against the US$ in June 2016, the reported US$ equivalent figures are expected to reduce during 2H 2016 compared to US$ oil revenue streams.

Depletion charges principally represent the costs of Erskine acquisition spread over the estimated remaining commercial life of the field.

The US$ reported value of any movements in product over/underlift have been classified within revenue.

Other expenses and income
The Company generated a loss before tax from continuing operations of US$3.9 million for 1H 2016 compared to a loss before tax of US$0.6 million for 1H 2015.

Other income of US$0.4 million in 1H 2016 (1H 2015: US$nil) represented hedging gains net of premium.

Pre-licence expenditure of US$0.1 million for 1H 2016 has increased from the 1H 2015 charge of US$0.02 million although activity on new business in the period is still at relatively low levels as the Company continues its focus on its existing UK Central North Sea asset portfolio. Pre-licence costs included direct costs and allocated general administrative costs incurred on oil and gas activities prior to the award of licences, concessions or exploration rights.

Asset write-offs of US$0.03 million in 1H 2016 (1H 2015: US$0.2 million) relate to minor exploration and evaluation ("E&E") assets where no further prospectivity is envisaged.

Administrative expenses of US$1.0 million for 1H 2016 decreased from US$1.5 million for 1H 2015. Following the severe drop in oil prices during 2H 2014 and consequent impact upon the financial resources available to companies such as Serica, management reviewed all of its expenditure commitments and reduced its personnel, office and other costs substantially. The Company has therefore seen the benefit of the savings achieved in the 1H 2016 results. £ sterling overheads have also benefitted from the weaker average £ sterling exchange rate compared to US dollars.

Foreign exchange
Serica retains certain non-US$ cash holdings and other financial instruments relating to its operations. The US$ reporting currency value of these may fluctuate from time to time causing reported foreign exchange gains and losses. Serica maintains a broad strategy of matching the currency of funds held on deposit to the expected expenditures in those currencies. Management believes that this mitigates most of any actual potential currency risk from financial instruments.

Foreign exchange charges of US$0.4 million for 1H 2016 (1H 2015: gains of US$0.1 million) largely reflect a reduction in the reported US$ equivalent of GBP sterling cash balances caused by the weakening of GBP against the US$ after the EU referendum result. Unrealised losses on the revaluation of GBP cash balances have been partially offset by realised gains on settlement of significant GBP creditors.

Finance revenue of US$0.035 million in 1H 2016 increased from negligible levels in 1H 2015, and consisted of bank interest receivable.

Finance costs of US$0.1 million were incurred in 1H 2016 (1H 2015: US$0.013 million) largely comprising the interest accruing on the long-term liability payable to BP.

The income statement deferred taxation credit of US$1.1 million arose from the recognition of a corresponding deferred tax asset on the Erskine field interest.

Balance Sheet

During 1H 2016, total investments in E&E assets increased by US$0.8 million from US$51.8 million to US$52.6 million. Activity on the Company's exploration portfolio continues to be relatively limited at this stage in the oil and gas cycle. US$0.3 million was incurred in the UK on the Columbus development and other exploration licences. In Ireland, US$0.2 million was incurred on exploration work on the Rockall licences and US$0.1 million on the Slyne interest. In Africa, US$0.2 million was incurred in respect of the Luderitz basin licence interests in Namibia.

The property, plant and equipment balance of US$8.5 million as at 30 June 2016 entirely comprises the net book amount of the Erskine asset acquisition costs less depletion charges to-date.

Trade and other receivables at 30 June 2016 totalled US$0.9 million, a decrease of US$3.3 million from the 2015 year-end balance of US$4.2 million. The 2015 year-end balance included US$3.2 million from December oil, gas and LPG sales earned from the Erskine field so the decrease in balance during the 1H period is largely due to there being no significant sales debtors as at 30 June 2016 following the Erskine field shut-in.

Cash and cash equivalents decreased from US$21.6 million to US$20.8 million during 1H 2016. All cash has been received from Erskine field December 2015 and 1H 2016 sales. These inflows were offset by payments for Erskine opex, other E&E costs on work across the portfolio in the UK, Ireland and Namibia, and ongoing administrative costs and corporate activity. Significant operational expenditure continues during periods of field shut-down when no revenue is earned.

Short term trade and other payables totalled US$6.4 million at 30 June 2016. This balance largely comprises capital and operational expenditure for the Erskine interest, and the US$2.8 million (including accrued interest) short-term tranche of Erskine consideration which was paid to BP on 1 July 2016.

The US$3.2 million over-lift liability as at 30 June 2016 reflects the over-lift position of oil and two NGL products for the Erskine field.

Long-term liabilities of US$5.6 million as at 30 June 2016 comprise two of the three tranches of outstanding consideration payable to BP following the acquisition of the Erskine producing asset. The aggregate outstanding sum is payable in three equal tranches of US$2.8 million plus accrued interest on 1 July 2016 (now settled), 1 July 2017 and 1 July 2018 respectively.

Decommissioning at the end of Erskine field life will be met by BP, with Serica being responsible for any costs above a fixed 18% net level of £31.32 million adjusted for inflation. No provision for decommissioning liabilities for the Erskine field is recorded as at 30 June 2016 as the Company's current estimate for such costs is under the agreed capped level to be funded by BP.

Cash balances and future commitments

Current cash position, capital expenditure commitments and other obligations

At 30 June 2016, the Group held cash and cash equivalents of US$20.8 million. The cash balance had decreased to US$13.1 million as at 28 September 2016 following the US$2.8 million payment of a further tranche of Erskine consideration to BP in July, ongoing payments towards Erskine field opex (including a contribution to the exceptional costs for the clearance of the pipeline blockage) but before September sales receipts due in October. Following the full restart of Erskine production on 29 August 2016, the Group expects to build its cash resources and cash balances during Q4 2016 from Erskine sales revenue.

During Q3 2016 the Group acquired oil price put options covering 750 bbls per day at US$35/bbl for the period from 1 October 2016 to 31 March 2017. The Group's gas sales contract with SSE expires on 30 September 2016 from which date gas sales will be on a spot market basis and, accordingly, the Group also acquired gas price put options covering 40,000 therms per day at 35p/therm for Q4 2016 and 38p/therm for Q1 2017.

Erskine field commitments
Net revenues from the Erskine field are expected to cover ongoing field expenditures as well as the three remaining tranches of US$2.775 million (excluding interest) cash consideration payable to BP. The first of these was settled on 1 July 2016 and the second and third are due on 1 July 2017 and 2018 respectively.

Management believe there are sufficient resources to meet the current committed programme for 2016 and 2017 but remains conscious that a single field income stream exposes it to operational and infrastructure risks and the consequent need for adequate working capital to cover associated fluctuations in revenue. The field has a history of intermittent production performance whilst operational expenditure continues during periods of field shut-down when no revenue is earned.

Non-Erskine commitments
The Group has no significant exploration commitments.

In the UK, the Group's costs of the exploration well on 22/19c will be fully carried by a third party, and although a carry on the exploration well on the Doyle prospect is subject to a cap, no overrun is currently forecast. The Group has no significant commitments on its other exploration licences.

The Company will continue to give priority to the careful management of existing financial resources. Although a key objective for the Group is to get the Columbus development back on track, the Group would seek to use alternative means of finance to fund its share of development costs.

Other

Asset values and Impairment

At 30 June 2016 Serica's market capitalisation stood at US$39.3 million (£29.3 million), based upon a share price of £0.1113, which was exceeded by the net asset value at that date of US$71.4 million. By 28 September 2016 the Company's market capitalisation had increased to US$51.0 million. Management conducted a thorough review of the carrying value of the Group's assets and determined that no significant write-downs were required.

Additional Information

Additional information relating to Serica, can be found on the Company's website at www.serica-energy.com and on SEDAR at www.sedar.com

Approved on behalf of the Board
Antony Craven Walker
Executive Chairman

29 September 2016

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: 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.

Serica Energy plc

Group Income Statement

For the period ended 30 June

Continuing operations	*Notes*	Six months ended 30 June 2016 US$000 (Unaudited)	Six months ended 30 June 2015 US$000 (Unaudited)	Year ended 31 Dec 2015 US$000 (Audited)
Sales revenue	4	5,739	2,186	24,017
Cost of sales	5	(8,372)	(1,067)	(7,934)
Gross (loss)/profit		(2,633)	1,119	16,083
Other income		389	-	-
Pre-licence costs		(126)	(22)	(117)
Impairment and write-off of E&E assets	7	(25)	(185)	(8,186)
Other asset write-offs		-	-	(170)
Administrative expenses		(991)	(1,525)	(2,705)
Foreign exchange (loss)/gain		(391)	81	(430)
Share-based payments		(49)	(96)	9
Operating (loss)/profit from continuing operations		(3,826)	(628)	4,484
Finance revenue		35	2	38
Finance costs		(107)	(13)	(202)
(Loss)/profit before taxation		(3,898)	(639)	4,320
Taxation credit for the period	11	1,121	-	2,433
(Loss)/profit after taxation and (loss)/profit for the period		(2,777)	(639)	6,753
Discontinued operations				
(Loss)/profit for the period	6	(5)	30	(264)
(Loss)/profit for the period		(2,782)	(609)	6,489
Earnings per ordinary share (EPS)				
(Loss)/profit on continuing operations				
Basic and diluted EPS (US$)		(0.01)	(0.002)	0.03
(Loss)/profit for the period				
Basic and diluted EPS (US$)		(0.01)	(0.002)	0.03

Total Statement of Comprehensive Income
There are no other comprehensive income items other than those passing through the income statement.

Serica Energy plc
Consolidated Balance Sheet

	Notes	30 June 2016 US$000 (Unaudited)	31 Dec 2015 US$000 (Audited)	30 June 2015 US$000 (Unaudited)
Non-current assets				
Exploration & evaluation assets	7	52,577	51,814	59,009
Property, plant and equipment	8	8,518	8,894	10,635
Other receivables		-	-	247
Deferred tax asset		3,554	2,433	-
		64,649	63,141	69,891
Current assets				
Inventories		392	453	226
Trade and other receivables		934	4,165	1,515
Cash and cash equivalents		20,820	21,602	13,900
		22,146	26,220	15,641
TOTAL ASSETS		86,795	89,361	85,532
Current liabilities				
Trade and other payables		(6,434)	(9,407)	(7,916)
Overlift		(3,236)	(166)	(2,104)
Non-current liabilities				
Trade and other payables		(5,691)	(5,621)	(8,338)
TOTAL LIABILITIES		(15,361)	(15,194)	(18,358)
NET ASSETS		71,434	74,167	67,174
Share capital	9	229,308	229,308	229,308
Other reserves		20,674	20,625	20,730
Accumulated deficit		(178,548)	(175,766)	(182,864)
TOTAL EQUITY		71,434	74,167	67,174

Serica Energy plc
Statement of Changes in Equity

For the year ended 31 December 2015 and period ended 30 June 2016

Group

	Share capital US$000	Other reserves US$000	Deficit US$000	Total US$000
At 1 January 2015 (audited)	227,958	20,634	(182,255)	66,337
Loss for the period	-	-	(609)	(609)
Total comprehensive income	-	-	(609)	(609)
Share-based payments	-	96	-	96
Issue of shares	1,350	-	-	1,350
At 30 June 2015 (unaudited)	229,308	20,730	(182,864)	67,174
Profit for the period	-	-	7,098	7,098
Total comprehensive income	-	-	7,098	7,098
Share-based payments	-	(105)	-	(105)
At 31 December 2015 (audited)	229,308	20,625	(175,766)	74,167
Loss for the period	-	-	(2,782)	(2,782)
Total comprehensive income	-	-	(2,782)	(2,782)
Share-based payments	-	49	-	49
At 30 June 2016 (unaudited)	229,308	20,674	(178,548)	71,434

Serica Energy plc
Consolidated Cash Flow Statement
For the period ended 30 June

	Six months ended 30 June 2016 US$000 (Unaudited)	Six months ended 30 June 2015 US$000 (Unaudited)	Year ended 31 Dec 2015 US$000 (Audited)
Operating activities:			
(Loss)/profit for the period	(2,782)	(609)	6,489
Adjustments to reconcile loss for the period to net cash flow from operating activities			
Taxation credit	(1,121)	-	(2,433)
Net finance (income)/costs	(317)	11	164
Depletion and amortisation	414	155	1,341
Oil and NGL overlift increase/(reduction)	3,070	(1,485)	(3,407)
Other income	407	-	-
Other asset write offs	-	-	170
Impairment of E&E assets	25	185	8,186
Other non-cash movements	391	(788)	431
Share-based payments	49	96	(9)
Decrease/(increase) in receivables	3,211	884	(2,137)
Decrease /(increase) in inventories	61	28	(369)
Decrease in payables	(2,631)	(440)	(865)
Cash generated from operations	777	(1,963)	7,561
Taxation paid	-	-	-
Net cash in/(out)flow from operations	777	(1,963)	7,561
Cash flows from investing activities:			
Purchase of E&E assets	(788)	(3,151)	(3,957)
Purchase of P, P & E	(38)	-	-
Cash inflow arising on acquisition of oil & gas asset	-	9,089	8,874
Interest received	37	2	11
Net cash (out)/inflow from investing activities	(789)	5,940	4,928
Cash flows from financing activities:			
Finance costs paid	(2)	-	(254)
Net cash outflow from financing activities	(2)	-	(254)
Cash and cash equivalents			
Net (decrease)/increase in period	(14)	3,977	12,235
Effect of exchange rates on cash and cash equivalents	(768)	30	(526)
Amount at start of period	21,602	9,893	9,893
Amount at end of period	20,820	13,900	21,602

Serica Energy plc

Notes to the Unaudited Consolidated Financial Statements

1. Corporate information

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 29 September 2016.

Serica Energy plc is a public limited company incorporated and domiciled in England & Wales. The Company's ordinary shares are traded on AIM in London. The principal activity of the Company is to identify, acquire and exploit oil and gas reserves.

2. Basis of preparation and accounting policies

Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

These unaudited interim consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards following the same accounting policies and methods of computation as the consolidated financial statements for the year ended 31 December 2015. These unaudited interim consolidated financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the consolidated financial statements and the notes thereto in the Serica Energy plc annual report for the year ended 31 December 2015.

A number of new standards, amendments to existing standards and interpretations were applicable from 1 January 2016. The adoption of these amendments did not have a material impact on the Group's interim condensed consolidated financial statements for the period ended 30 June 2016.

Going Concern

The Directors are required to consider the availability of resources to meet the Group's liabilities for the foreseeable future. The financial position of the Group, its cash flows and capital commitments are described in the Financial Review above.

At 30 June 2016 the Company held net current assets of US$12.5 million including cash resources of US$20.8 million with no borrowings outstanding. The Erskine asset acquisition in 2015 has brought to Serica a producing interest capable of generating robust continuing cash flow at current oil and gas prices. Existing resources plus Erskine revenues are expected to be sufficient to cover ongoing Erskine costs and the outstanding instalments of the acquisition price plus other operational, technical and administrative costs in the short to medium term.

Mindful of the risks of reliance on revenues from a single field, which are underlined by the recent shutdown in 2016 caused by pigging problems, management will seek to continue building Group cash reserves so as to improve its financial resilience. The financial strategy is to restrict near-term spend on administrative costs and exploration licences, only committing to exploration drilling where the costs are substantially carried by third parties. The Company's costs of the exploration well on 22/19c will be carried by a third party as will the bulk of the subsequent Doyle well.

Management continues to seek new business opportunities to add shareholder value and, where these can offer attractive returns, appropriate financing structures will be investigated. When the final decision to proceed with the Columbus development is made, the Group would consider a range of alternative means of finance to fund its share of development costs.

After making enquiries and having taken into consideration the above factors, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the interim financial statements.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

The Group financial statements are presented in US dollars and all values are rounded to the nearest thousand dollars (US$000) except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Serica Holdings UK Limited, Serica Energy Holdings B.V., Serica Energy Corporation, Asia Petroleum Development Limited, Petroleum Development Associates (Asia) Limited, Serica Energy (UK) Limited, PDA Lematang Limited, Serica Glagah Kambuna B.V., Serica Foum Draa B.V., Serica Sidi Moussa B.V., Serica Energy Rockall B.V., Serica Energy Slyne B.V. and Serica Energy Namibia B.V.. Together, these comprise the "Group".

All inter-company balances and transactions have been eliminated upon consolidation.

3. Segmental Information

The Group's business is that of oil & gas exploration, development and production. The Group's reportable segments are based on the location of the Group's assets.

The following tables present revenue, profit and certain asset and liability information regarding the Group's geographical reportable segments for the periods ended 30 June 2016 and 2015. Costs associated with the UK corporate centre are included in the UK & Ireland reportable segment. Reportable information in respect of the Group's interest in the producing Kambuna field in Indonesia is disclosed as a separate segment, with income statement information for the Kambuna field in Indonesia additionally classified as 'discontinued'.

Period ended 30 June 2016	UK & Ireland US$000	Africa US$000		Continuing Total US$000	Discontinued US$000
Revenue	5,739	-		5,739	-
Operating and segment loss	(3,801)	(25)		(3,826)	(5)
Finance revenue				35	-
Finance costs				(107)	-
Loss before taxation				(3,898)	(5)
Taxation credit for the period				1,121	-
Loss after taxation				(2,777)	(5)

	UK & Ireland US$000	Africa US$000	Kambuna US$000	Total US$000
Other segment information:				
Segmental assets	83,576	3,219	-	86,795
Unallocated assets				-
Total assets				86,795
Segment liabilities	(15,302)	(58)	(1)	(15,361)
Total liabilities				(15,361)

Period ended 30 June 2015	UK & Ireland US$000	Africa US$000		Continuing Total US$000	Discontinued US$000
Revenue	2,186	-		2,186	-
Operating and segment (loss)/profit	(443)	(185)		(628)	30
Finance revenue				2	-
Finance costs				(13)	-
(Loss)/profit before taxation				(639)	30
Taxation charge for the period				-	-
(Loss)/profit after taxation				(639)	30

UK &

	Ireland US$000	Africa US$000	Kambuna US$000	Total US$000
Other segment information:				
Segmental assets	82,315	2,925	292	85,532
Unallocated assets				-
Total assets				85,532
Segment liabilities	(17,942)	(415)	(1)	(18,358)
Total liabilities				(18,358)

Unallocated assets and liabilities comprise financing items (including cash on deposit).

4. Sales Revenue

	Six months ended 30 June 2016 US$000	Six months ended 30 June 2015 US$000	Year ended 31 Dec 2015 US$000
Gas sales	2,431	649	9,137
Oil sales	5,457	-	10,377
NGL sales	921	52	1,096
(Increase)/reduction in liquids overlift	(3,070)	1,485	3,407
	5,739	2,186	24,017

5. Cost of sales

Six months ended 30 June:	Six months ended 30 June 2016 US$000	Six months ended 30 June 2015 US$000	Year ended 31 Dec 2015 US$000
Operating costs	7,958	912	6,593
Depletion (note 8)	414	155	1,341
	8,372	1,067	7,934

6. Discontinued Operation

During 2013, Serica's sole remaining interest in Indonesia was its 25% interest in the Glagah Kambuna Technical Assistance Contract ("TAC"). The TAC covered an area of offshore North Sumatra and contained the Kambuna gas field.

Following the developments of the Kambuna business segment in the second half of 2013, the financial results of the Kambuna field are now disclosed as 'discontinued' operations and separate from the results of the continuing business segments. The TAC was formally terminated on 31 December 2013 and the facilities handed over to Pertamina.

Results of discontinued operations
This discontinued operation has no significant further activity and generated a loss of US$5,000 in 1H 2016 (profit of US$30,000 in 1H 2015).

The loss of US$0.3 million for the full 2015 year comprised a final assessment for asset write-offs and minor operator expense as residual matters are closed out.

No revenue was earned in either the 1H 2016 or 1H 2015 period and there are no taxation components within discontinued operations.

Basic and diluted Earnings per ordinary share (EPS) on the result for 1H 2016 amounted to US$nil (1H 2015: US$nil).

7. Exploration and Evaluation Assets

	Total US$000
Cost:	
At 1 January 2015 (audited)	75,343
Additions	2,157
Asset write-offs	(13,122)
At 31 December 2015 (audited)	64,378
Additions	788
Asset write-offs	(25)
At 30 June 2016 (unaudited)	65,141
Provision for impairment:	
At 1 January 2015 (audited)	(17,500)
Impairment reversal for the period	4,936
At 31 December 2015 (audited)	(12,564)
Impairment charge for the period	-
At 30 June 2016 (unaudited)	(12,564)
Net Book Amount:	
30 June 2016 (unaudited)	52,577
31 December 2015 (audited)	51,814
1 January 2015 (audited)	57,843

E&E asset write offs in the Income Statement in 1H 2016 consisted of a minor charge against costs incurred on the Sidi Moussa block in Morocco.

The aggregate impairment and write-off charge against E&E assets in 2015 was US$8.2 million and comprised E&E asset write-offs of US$13.1 million and an impairment reversal of US$4.9 million million against the Columbus asset in the UK. The 2015 E&E asset write-offs of US$13.1 million related to the costs incurred on relinquished UK licences (US$3.5 million), a charge of US$5.8 million on the UK P1482 licence, a US$3.7 million charge against the Slyne asset in Ireland, and a US$0.1 million charge in Morocco.

8. Property Plant and Equipment

	Oil and gas properties	Computer / IT equipment	Fixtures, fittings and equipment	Total
	US$000	US$000	US$000	US$000
Cost:				
At 1 January 2015 (audited)	-	189	901	1,090
Acquisitions	10,235	-	-	10,235
Disposals	-	(189)	(901)	(1,090)
At 31 December 2015 (audited)	10,235	-	-	10,235
Additions	38	-	-	38
At 30 June 2016 (unaudited)	10,273	-	-	10,273
Depreciation and depletion:				
At 1 January 2015 (audited)	-	189	901	1,090
Charge for the period (note 5)	1,341	-	-	1,341
Disposals	-	(189)	(901)	(1,090)
At 31 December 2015 (audited)	1,341	-	-	1,341
Charge for the period (note 5)	414	-	-	414
At 30 June 2016 (unaudited)	1,755	-	-	1,755
Net book amount:				
At 30 June 2016 (unaudited)	8,518	-	-	8,518
At 1 January 2016 (audited)	8,894	-	-	8,894
At 1 January 2015 (audited)	-	-	-	-

The property, plant and equipment balance of US$8.5 million as at 30 June 2016 entirely comprises the net book amount of the Erskine asset acquisition costs capitalised on completion of the transaction on 4 June 2015. This includes non-cash consideration in the form of 13,500,000 ordinary shares issued to BP at nominal value of US$0.10 each as part of the acquisition consideration.

9. Equity Share Capital

The share capital of the Company comprises one "A" share of £50,000 and 263,679,039 ordinary shares of US$0.10 each. The "A" share has no special rights.

The balance classified as total share capital includes the total net proceeds (both nominal value and share premium) on issue of the Group and Company's equity share capital, comprising US$0.10 ordinary shares and one 'A' share.

Allotted, issued and fully paid: **Group**	Number	Share capital US$000	Share premium US$000	Total Share capital US$000
At 1 January 2015	250,179,040	25,108	202,850	227,958
Shares issued (i)	13,500,000	1,350	-	1,350
At 31 December 2015	263,679,040	26,458	202,850	229,308
Shares issued	-	-	-	-
At 30 June 2016	263,679,040	26,458	202,850	229,308

i) On 4 June 2015, the Company issued 13,500,000 ordinary shares at nominal value of US$0.10 each to BP as part of the acquisition of an 18% interest in UK blocks 23/26a (Area B) and 23/26b (Area B) containing the Erskine field.

As at 29 September 2016 the issued voting share capital of the Company is 263,679,039 ordinary shares and one "A" share.

10. Share-Based Payments

Share Option Plans

Following a group reorganisation in 2005, the Company established an option plan (the "Serica 2005 Option Plan") to replace the Serica Energy Corporation Share Option Plan (the "Serica BVI Option Plan"). There are no options outstanding under the Serica BVI Option Plan, nor can further options be granted under the Serica BVI Option Plan. No further options will be granted under the Serica 2005 Option Plan as the ability to do this expired on this plan's 10th anniversary in November 2015.

A new plan, the Serica Energy plc Company Share Option Plan ("Serica CSOP"), was approved for adoption at the Company's AGM in June 2016. This will govern all future grants of options by the Company to Directors, officers, key employees and certain consultants of the Group. The Directors intend that the maximum number of ordinary shares which may be utilised pursuant to the Serica CSOP will not exceed 10% of the issued ordinary shares of the Company from time to time in line with the recommendations of the Association of British Insurers.

As at 30 June 2016, the Company has granted 24,332,460 options under the Serica 2005 Option Plan, 8,466,330 of which were outstanding. 600,000 of the 8,466,330 options outstanding at 30 June 2016 under the Serica 2005 Option Plan are exercisable only if certain performance targets being met. These include the following options subject to market conditions; In April 2011, 200,000 options were awarded to an employee exercisable only if certain operational performance targets are met. In November 2012, 400,000 options were granted to a consultant subject to performance conditions. The 2,500,000 options granted to a director in July 2015 were all awarded at exercise prices higher than the current market price at the time of the grant to establish firm performance targets.

The Company calculates the value of share-based compensation using a Black-Scholes option pricing model (or other appropriate model for those Directors' options subject to certain market conditions) to estimate the fair value of share options at the date of grant. There are no cash settlement alternatives. The estimated fair value of options is amortised to expense over the options' vesting period. US$49,000 has been charged to the income statement in continuing operations for the six month period ended 30 June 2016 (2015 – US$96,000) and a similar amount credited to the share-based payments reserve, classified as 'Other reserve' in the Balance Sheet.

The options granted were consistently valued in line with the Company's valuation policy. Assumptions for options granted in 2015 included a weighted average risk-free interest rate of 3%, no dividend yield, a weighted average expected life of three years, and a volatility factor of expected market price of in a range from 50-70%.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

Serica BVI Option Plan	**Number**	**WAEP Cdn$**
Outstanding as at 1 January 2015	700,000	1.11
Expired during the period	(700,000)	1.11
Outstanding at 31 December 2015	-	-

Serica 2005 Option Plan

		£
Outstanding at 1 January 2015	10,680,460	0.44
Forfeited during the period	(5,193,940)	0.43
Expired during the period	(885,190)	0.50
Granted during the period	4,000,000	0.13
Outstanding at 31 December 2015	8,601,330	0.30
Expired during the period	(135,000)	1.035
Outstanding at 30 June 2016	8,466,330	0.28

In January 2016, 135,000 share options under the Serica 2005 Option Plan expired.

Share Options

As at 30 June 2016, the following director and employee share options were outstanding:

Expiry Date	Amount	Exercise cost £
January 2017	60,000	61,200
May 2017	210,000	218,400
March 2018	318,000	238,500
January 2020	1,155,000	785,400
April 2021	50,000	15,685
January 2022	1,123,330	240,112
October 2022	400,000	116,000
January 2023	300,000	81,750
November 2023	400,000	72,000
January 2024	450,000	58,500
June 2025	1,500,000	99,000
July 2025	1,000,000	120,000
July 2025	1,000,000	180,000
July 2025	500,000	120,000

11. Taxation

The major components of income tax credited/(charged) in the consolidated income statement are:

	Six months ended 30 June 2016 US$000	Six months ended 30 June 2015 US$000	Year ended 31 Dec 2015 US$000
Current income tax charge	-	-	-
Deferred income tax credit	1,121	-	2,433
Total taxation credit for the period	1,121	-	2,433

Recognised and unrecognised tax losses

Following the acquisition of a producing UK asset in 2015, the Group has recognised a deferred tax asset of US$3.5 million as at 30 June 2016 in respect of certain carried forward losses that are expected to be utilised in the foreseeable future to offset the taxable profits that the acquired asset is expected to generate.

The Group has UK ring fence tax losses of US$171.3 million available as at 31 December 2015 that are available indefinitely for offset against future ring fence trading profits of the company in which the losses arose.

Changes to UK corporation tax legislation

Legislation to reduce the main rate of UK corporation tax to 18% effective 1 April 2020 was introduced in Finance Act 2015. From 1 January 2015, the rate of Supplementary Charge (SC) was 20%, which reduced the headline rate of tax from 62% to 50% for ring-fenced trading profits. In March 2016 it was announced that the rate of SC would be reduced from 20% to 10% with effect from 1 January 2016. This was substantively enacted on 6 September and further reduces the headline rate of tax to 40% for ring-fenced trading profits.

12. Publication of Non-Statutory Accounts

The financial information contained in this interim statement does not constitute statutory accounts as defined in the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the financial year ended 31 December 2015, which are available at the Company's registered office at 52 George Street, London W1U 7EA and on its website at www.serica-energy.com and on SEDAR at www.sedar.com.

This interim statement will be made available at the Company's registered office at 52 George Street, London W1U 7EA and on its website at www.serica-energy.com and on SEDAR at www.sedar.com.

GLOSSARY

bbl	barrel of 42 US gallons
bcf	billion standard cubic feet
boe	barrels of oil equivalent (barrels of oil, condensate and LPG plus the heating equivalent of gas converted into barrels at a rate of 6,000 standard cubic feet per barrel)
boepd	barrels of oil equivalent per day
bpd	barrels of oil per day
CATS	Central Area Transmission System
CPR	Competent Persons Report
FEED	Front End Engineering Design
FPS	Forties Pipeline System
HPHT	High Pressure High Temperature
mscf	thousand standard cubic feet
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmscf	million standard cubic feet
mmscfd	million standard cubic feet per day
NGL	Natural Gas Liquid
P_{10}	A high estimate that there should be at least a 10% probability that the quantities recovered will actually equal or exceed the estimate
P_{50}	A best estimate that there should be at least a 50% probability that the quantities recovered will actually equal or exceed the estimate
P_{90}	A low estimate that there should be at least a 90% probability that the quantities recovered will actually equal or exceed the estimate
Proved Reserves	Proved reserves are those 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	Probable reserves are those 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 + probable reserves.
Possible Reserves	Possible reserves are those additional Reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves
Reserves	Estimates of discovered recoverable commercial hydrocarbon reserves calculated in accordance with the Canadian National Instrument 51-101
Contingent Resources	Estimates of discovered recoverable hydrocarbon resources for which commercial production is not yet assured, calculated in accordance with the Canadian National Instrument 51-101
Prospective Resources	Estimates of the potential recoverable hydrocarbon resources attributable to undrilled prospects, calculated in accordance with the Canadian National Instrument 51-101
TAC	Technical Assistance Contract
tcf	trillion standard cubic feet
UKCS	United Kingdom Continental Shelf