

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

OFAC License Renewal

London, 23 January 2023 - Serica Energy plc (AIM: SQZ), a British independent upstream oil and gas company with operations centred on the UK North Sea, announces that it has received a renewed License and secondary sanctions assurance from the US Office of Foreign Assets Control ("OFAC") relating to the North Sea Rhum field, in which the Company has a 50% interest. The License and assurance will allow certain U.S. and U.S.-owned or controlled entities and also non-U.S. entities to continue providing goods, services and support to Rhum beyond 31 January 2023, when the current License was due to expire. This will enable operations and production from the Rhum field delivering gas supplies to UK consumers to continue unaffected. The new License is for a period of two years with an expiry date of 31 January 2025. The License may be renewed on application by Serica assuming the conditions continue to be met.

Mitch Flegg, Chief Executive of Serica Energy, commented:

"Once again we have secured a prompt renewal of the OFAC License for a period of a further two years. We are grateful to the UK government and regulatory authorities who have supported us in this process.

The renewal of this License satisfies one of the Completion Conditions required for the acquisition by Serica of Tailwind Energy Investments Ltd."

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 / George Chrysostomou

+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. 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 to vote on the proposed issuance of shares in connection with the transaction, which will be held on Friday 27 January. This can be found on our website www.serica-energy.com along with a presentation outlining the transaction and an update on the recent operational and financial performance of the two companies.

The Board of Serica, following an extensive period of due diligence over a number of months, which included a fairness opinion in accordance with good corporate practice believes the transaction will have a number of benefits for Serica:

- Diversifies and strengthens portfolio by adding a new production hub in the Triton area, resulting in a balanced mix of gas and oil and an enlarged hopper of short cycle organic growth opportunities
- Significantly increases reserves and production, lifting Serica into the top ten UK producers; with net production expected to increase by 50-80% in 2023 and sustained until 2025 at above 40,000 boe/d, and reserves increased by 67% as at 1 January 2022 before allowing for the full impact of Tailwind's successful 2022 work programme
- Expected to be immediately accretive to Serica's reserves, production, cash flow and earnings per share
- Enhances financial strength, retaining a net cash position at completion with strong ongoing cashflows thereafter supporting M&A, organic investments and returns to shareholders
- Introduces Mercuria as a committed strategic investor with deep energy experience and wide geographic reach

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.