

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

New US\$525 million 6-year Borrowing Facility

London, 18 December 2023 – Serica Energy plc (AIM: SQZ) is pleased to announce the signing of a new US\$525 million secured Reserves Based Lending ("RBL") facility.

Mitch Flegg, Chief Executive of Serica, commented:

"I am very pleased to announce the signing of a new RBL facility which substantially enhances Serica's financial firepower. This has been achieved in a challenging market for upstream financing. The standing of the international banks in the lending syndicate reflects the quality of Serica's asset portfolio, strong balance sheet and ambitions for further growth. The new facility, combined with our existing attributes, means that Serica can approach acquisition and investment opportunities from a position of considerable strength."

The new RBL facility replaces Serica's existing RBL and Junior facilities. The existing RBL facility has US\$271 million drawn and will be fully repaid upon completion of the new RBL facility, which is expected to occur in January 2024. The Junior facility remains undrawn.

Facility Highlights

- Significantly increased liquidity to support future acquisitions and investments.
- Option of potentially doubling RBL facility to over US\$1 billion through an accordion¹ feature.
- Debt maturity deferred by more than two years to end 2029.
- Establishes new relationships with a syndicate of leading international banks.
- Simplified financing arrangement with single facility.

Description of new RBL facility

- US\$525 million revolving credit facility available in multiple currencies. Serica's existing RBL facility is in amortisation phase with capacity falling to US\$330 million at the end of 2023.
- Maturity date of 31 December 2029 with amortisation commencing on 31 December 2026. Serica's existing RBL facility matures on 30 June 2027.
- Additional uncommitted accordion option of a further US\$525 million increasing the potential total facility to US\$1,050 million.
- \$100 million sub limit which can be utilised to issue Letters of Credit without the need for cash security.
- The Borrowing Base Assets comprise all of Serica's interests in producing fields except the Rhum field.
- Available amount under the facility is subject to semi-annual redeterminations.
- If 50% or more of the amount available is drawn, the minimum commodities hedging requirement is equal to 50% of forecast production from the Borrowing Base Assets in year one and 30% in year two. The hedging requirement is halved if less than 50% of the amount available is drawn.

¹ Uncommitted accordion feature provides option for additional financing of up to US\$525 million which can be exercised within thirty-six months of the facility signing date, subject to certain conditions.

- Initial interest rate for loan drawings of SOFR² plus a margin of 3.90% per annum. The margin under the existing RBL facility is 3.10% per annum.
- Net Debt to Adjusted EBITDAX financial covenant $\leq 3.5x$, tested semi-annually.

The Structuring & Coordination Banks include DNB (Facility Agent & Documentation Bank) and ING Bank N.V.. The Bookrunner Mandated Lead Arrangers include DNB, ING Bank N.V. and Nedbank CIB. The Mandated Lead Arranger is Natixis, London Branch. The Lead Arranger is ICBC Standard Bank plc.

The syndicate of banks received legal advice from Bracewell LLP. Serica received legal advice from Burness Paull LLP.

The financial advisor to Serica was Kirk Lovegrove and Company Ltd.

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 a portfolio of UKCS assets.

Serica completed the acquisition of the entire issued share capital of Tailwind Energy Investments Ltd on 23 March 2023.

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.

² "Secured Overnight Financing Rate" which has replaced previous customary use of LIBOR.

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.