

Serica Energy plc (“Serica” or the “Company”)

Resumption of Production from Erskine

London, 29 July 2016 - Serica Energy plc (AIM: SQZ) provides the following operations update:

Serica is pleased to announce that oil and gas production from the Erskine field has recommenced following the clearance of a pipeline blockage and the completion of scheduled maintenance works on the Lomond platform.

The pipeline blockage, which occurred earlier this year in the Lomond to Everest condensate export line, was caused when a foam cleaning device known as a pig became lodged in the pipeline due to a build-up of wax. Successful clearance procedures included pressure pulsing using diesel from both ends of the pipeline and latterly the injection of a wax solvent. The field then remained shut-in to accommodate a planned two month maintenance programme on the Lomond platform, which commenced in late May to coincide with the planned one month shut down for maintenance of the CATS gas export and processing facilities through which Erskine gas is exported.

On completion of these maintenance programmes condensate flow from the Lomond field started in mid-July in order to flush the export line, with higher volume Erskine production re-commencing from late on the 27th July. Following a short period for final clean-up during the first week of August, production from Erskine is projected to build-up rapidly to the fully unconstrained levels achieved prior to the shut-down.

As part of the ongoing operations designed to improve production efficiencies and ensure continuous export availability, an increased programme of regular pigging and wax inhibitor injection is to be implemented in order to prevent a re-occurrence of wax build-up once full production has been re-established. The scheduled pigging operations will also enable a full integrity survey of export infrastructure to be completed to determine the potential to extend infrastructure operating life.

Tony Craven Walker, Serica’s Chairman commented:

"Since Serica acquired its interest in the Erskine field in June 2015, it has made a significant contribution to cashflow and profits. This has equipped us to withstand issues such as this shutdown. Now that production has resumed we expect this strong performance to continue as we seek to add further interests to increase shareholder value at a time of low oil and gas prices."

Technical Information

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).

