

Serica Energy plc

("Serica" or the "Company")

Operations Update

London, 15 December 2020 - Serica Energy plc (AIM: SQZ), a British independent upstream oil and gas company with operations centred on the UK North Sea and over 80% gas production, hereby provides the following operations update.

Highlights

- Solid production performance delivering 26,300 boe/d total net production to Serica during the most recent three-month period
- Significant strengthening of gas prices important to Serica's 80% gas production portfolio
- Operational milestone as longest period without a recordable injury since March 2016 achieved
- Rhum R3 Intervention Project work continues following delays due to poor weather and equipment repairs
- Formal award of four new blocks in the UK 32nd licensing round confirmed
- Decision to withdraw from Namibia to focus on Serica's North Sea-focused portfolio and opportunities

Production Operations

We are pleased to announce that Serica has passed a significant operational safety milestone with a year elapsed since the last recordable injury on the Bruce platform. This is the longest period without a recordable injury since March 2016 and has been achieved despite the added complexities of operating in a socially distanced manner due to COVID precautions. This milestone demonstrates the professionalism, skill and teamwork of everyone on the platform and throughout the Company.

Production performance from the Bruce hub has been good. During the most recent three-month period, the preliminary production rate from Bruce, Keith and Rhum has averaged 24,100 boe/d net to Serica. Net Erskine production during the same period has averaged 2,200 boe/d giving total net Serica production of 26,300 boe/d for the period.

As over 80% of Serica's production is gas, the Company is pleased to note that spot gas prices have continued to strengthen following the historically low prices encountered earlier this year. In January, average Heren NBP day-ahead spot prices were around 28p/therm but then fell significantly during the early stages of the COVID lock down reaching below 10p/therm on several days. The average price to date this quarter has exceeded 38p/therm.

Rhum Field: R3 Intervention Project

Offshore operations on the R3 Intervention Project using Awilco Drilling's WilPhoenix semi-submersible drilling rig, commenced in October and are ongoing. Progress has been slower than had been anticipated due mainly to two factors. Poor weather conditions have resulted in approximately 11 days of weather-related downtime and the resolution of a

technical problem with rig equipment has led to a further 28 days of downtime. As a result, rig operations will not be completed before late January 2021.

Serica and its partners have some financial protection against the effects of both weather and rig-related downtime. During periods of inactivity due to weather the 'day-rate' paid for the rig is reduced and for periods of rig downtime longer than 24 hours no day-rate is payable. Despite this, it is anticipated that the Serica share of costs associated with the R3 Intervention Project will increase by some £3 million.

The technical problems encountered to date have caused delays but do not impact the ability to successfully complete the intended work programme. A further update on the R3 Intervention Project will be provided when rig operations are completed.

Exploration

UK

We are pleased to announce that the UK Oil & Gas Authority has formally awarded Serica four new blocks in the UK 32nd licensing round. Blocks 3/25b, 3/30, 4/26 and 9/5a are in the vicinity of our Bruce hub and include several leads which, if successful, could be tied back to Serica's existing infrastructure. The work programme does not include any commitment wells but is designed to mature these leads to drill-ready status.

Namibia

Serica was originally awarded Licence 047 in Namibia in November 2011, covering Blocks 2512A, 2513A, 2513B and 2612A (part). The initial work commitment was fulfilled when BP farmed-in to the licence and funded a 3D seismic survey at no cost to Serica. In late 2013, BP decided to exit the licence rather than making a commitment to drill in the next licence period. Serica continued with its technical work to interpret the seismic and geological data, and secured extensions to the licence and waivers on area relinquishment and well commitments.

Following a full review, however, Serica has now elected not to seek a further renewal period or to continue with a new licence application and is therefore withdrawing from Namibia to focus on its North Sea portfolio. The pace of exploration activity in Namibia has been slower than we hoped, and the development of any discovery would likely have been expensive, time consuming and inconsistent with our sustainability objectives.

With the Company's major producing assets now centred in the UK North Sea our immediate strategy is focused on delivering value from these assets. Exploration efforts in the immediate future will be concentrated on prospects in the vicinity of our existing assets, thereby adding value and extending the life of our production portfolio.

Mitch Flegg, Chief Executive of Serica Energy, commented:

"We are pleased with the performance of our offshore production operations over the past three months, which have also benefited from the significant strengthening of gas prices during that period. The delays to the Rhum R3 Intervention Project are frustrating but do not affect its viability or long-term value. We are not prepared to take shortcuts, despite the slower than hoped progress, as we remain fully committed to a safe execution of the originally planned work scope. An update will be given once rig operations are complete.

Serica is committed to protecting and increasing shareholder value against the current backdrop of lower oil prices and slowing industry commitment to deep-water exploration. We have therefore decided that the expense of maintaining the Namibian licence will be better redirected to lower-risk, nearer-term opportunities to build on our North Sea portfolio where we are currently engaged in an exciting period of value-adding operations.

I would like to thank the National Petroleum Corporation of Namibia (NAMCOR) and the Ministry for Mines and Energy for their support and assistance during our time in Namibia.”

Additional Information

Rhum is a gas condensate field producing from two subsea wells, R1 and R2, tied into the Bruce facilities through a 44km pipeline. Rhum production is predominantly gas which is exported to St Fergus for delivery into the National Transmission System. Small quantities of associate condensate are exported onshore via the Forties Pipeline System. The field has produced at relatively constant rates through the past year.

The third well, R3, requires intervention work before it can be brought on production. On 12 October 2020 Serica announced that it had commenced the intervention work on R3 well on behalf of the Rhum partners.

Serica also holds a 50% interest and is operator of the Columbus gas-condensate development where operations are progressing on schedule towards the drilling of the development well in the first half of 2021 with first production later in the year.

Regulatory

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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).

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NOTES TO EDITORS

Serica Energy is a British independent oil and gas exploration and production company with a portfolio of exploration, development and production assets.

Serica is the operator of the producing Bruce, Keith and Rhum fields in the UK Northern North Sea, holding interests of 98%, 100% and 50% respectively. Serica also holds an

18% non-operated interest in the producing Erskine field in the UK Central North Sea and a 50% operated interest in the Columbus Development.

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.