

SERICA ENERGY OPERATIONAL UPDATE

London, 20 January 2009 - Serica Energy plc (AIM & TSX-V: SQZ) (“Serica” or “the Company”) announces that it has completed the drilling and evaluation of its Chablis appraisal well and provides an operational update.

Chablis Appraisal Well 48/16b-3 and 3z

Drilling operations have been completed at the Chablis appraisal well in the UK Southern North Sea. The well was designed to appraise the Chablis gas discovery made in well 48/16b-2 in 2002 and was targeted to determine the thickness and quality of the Leman sandstone reservoir two kilometres to the east of the discovery well, where there was uncertainty concerning the reservoir parameters.

Well 48/16b-3 had reached a depth of 6,580 ft true vertical depth below mean sea level (“TVDSS”) when operational difficulties required the lower section of the well to be re-drilled as sidetrack well 48/16b-3z. No further problems were encountered and the well reached the planned total depth of 8,136 ft TVDSS on 12 January 2009.

Wireline logs were run and the results confirm that, as predicted, the reservoir quality and hydrocarbon saturation are markedly better in the current well than they were in the discovery well. The two wells also share a common gas-water contact, confirming continuity of the reservoir. However, the gas-bearing Leman reservoir was thinner than in the 48/16b-2 well.

Serica will now complete its analysis of the results and assess the remaining potential of the Chablis field in both the undrilled western part of the block and to the east where Chablis may extend into the adjoining block 48/17d, in which Serica also holds an interest. The 48/16b-3z well is currently being plugged and abandoned.

The licensees of Blocks 48/16b and 48/17d are Serica (65%, operator) and Hansa Hydrocarbons Limited (35%). Hansa earned its interest in the blocks from Serica under the terms of a farm-in agreement.

Operational Update

Indonesia: In the Kambuna field development (Serica 50%), the 15.5 kilometre onshore pipeline from Pangkalan Brandan to the coast is nearly complete and about 30% of the 42 kilometre offshore pipeline has been laid. The topsides for the offshore production platform are due to be installed in February and first gas is expected in the second quarter of 2009. In the Kutai PSC, offshore and onshore East Kalimantan, a 195 square kilometre offshore 3D seismic survey has been completed and a 280 kilometre onshore 2D seismic survey is underway

Norway: Serica has now completed the sale of its Norwegian interests and has received the funds due on completion. The Company remains entitled to a contingent payment related to the oil price when the Bream field, currently under appraisal, commences production.

Ireland: Serica is considering offers of rig slots for its Bandon exploration well (Serica 50%, operator), expected to be drilled off the west coast of Ireland this summer. In the present economic climate, rig rates are being reduced and Serica anticipates being able to secure a rig at a more attractive rate than was available in 2008. The Bandon prospect has a prospective resource range of 230 billion cubic feet to 1.7 trillion cubic feet and is one of the largest prospects in the Company’s exploration portfolio. Further details can be found on Serica’s web site (see press release of 3 September 2008). Serica’s costs on this well will be largely carried by a farminee.

East Irish Sea: Serica has completed the site survey and environmental sampling programme for an exploration well on the Conan prospect in Blocks 113/26b and 113/27c (Serica 100%) and is seeking a rig slot for this summer. The Conan prospect is a Sherwood sandstone reservoir target and exhibits the largest remaining undrilled amplitude anomaly in the East Irish Sea Basin, in which reserves of nearly 10 trillion cubic feet of gas equivalent have been discovered to date. The Company is currently seeking a farminee for the Conan exploration well. (Under its licence for the Blocks Serica has no obligation to drill a well.)

Vietnam: The Ocean General drilling rig has two wells to complete for other operators before arriving on location in Block 06/94 for the Tuong Vi exploration well (Serica 33%). It is expected to commence drilling the well in April or May 2009.

Further information regarding Serica's interests can be found on Serica's web-site at www.serica-energy.com

Paul Ellis MA (Oxon) Engineering and Serica's Chief Executive, who has over 35 years' experience in the upstream oil and gas industry, has reviewed and approved the technical information contained in this announcement.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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