



SERICA ENERGY plc
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31 May 2016

Dear Shareholder

Please find attached the Notice of Annual General Meeting ('AGM') to be held at 11:00am on Thursday, 23 June 2016 (the "AGM").

Serica is a UK registered company listed on the Alternative Investment Market ('AIM') in London. Serica is no longer listed on the Toronto Stock Exchange ('TSX') in Toronto but remains a reporting issuer under the securities laws of certain provinces in Canada. Serica meets the requirements of a designated foreign issuer under Canadian securities laws and, as long as it complies with UK securities regulatory requirements, Serica is exempt from certain continuous disclosure obligations under Canadian securities laws including the requirement to file quarterly financial statements, the annual information form and the management information circular. All the disclosure documents which are required as a result of the Company's listing on AIM are filed on SEDAR.

At this year's AGM, there are 6 resolutions which the shareholders are asked to approve. Resolutions 1 to 5 are proposed as ordinary resolutions which means that more than half the votes cast must be in favour of the resolution in order for it to be passed. Resolution 6 is a special resolution which means that at least three-quarters of the votes cast must be in favour of the resolution. An explanation of some of the main resolutions to be tabled is given below.

Resolution 3 – Re-election of director:

In accordance with article 84 of the Company's articles of association Antony Craven Walker is standing for re-election. Short biographical details of Antony Craven Walker is set out on page 21 of the Annual Report 2015.

Resolution 4 – Approval of the Serica Energy plc Company Share Option Plan (the "CSOP"):

The Serica 2005 Share Option Plan expired in 2015 and the Company is therefore seeking approval to adopt a new share option plan (the CSOP). Although not strictly a requirement under the AIM Rules, the Board considers that it is appropriate to seek shareholder approval for the implementation of the CSOP.

A summary of the CSOP rules is set out in Appendix One to the Notice of the AGM.

Resolution 5 – Allotment of share capital:

This resolution will, if passed, provide your directors with flexibility to issue shares within the limits prescribed by the Investment Association (formerly the Association of British Insurers) and the National Association of Pension Funds. It will authorise your directors to allot ordinary shares up to a maximum nominal amount of US\$8,789,301.30 representing one third of Serica's issued ordinary share capital as at 31 May 2016. It will also authorise your directors to allot ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of US\$17,578,602.60 representing two thirds of Serica's issued ordinary share capital as at 31 May 2016. The authority will expire on 30 June 2017 or at the conclusion of the next annual general meeting whichever is earlier.

Directors:
Antony Craven Walker (Executive Chairman)
Jeffrey Harris
Neil Pike
Ian Vann

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5450950)
Registered office: 52 George Street, London W1U 7EA

Resolution 6 – Disapplication of statutory pre-emption rights:

This resolution will, if passed, renew broadly on the same terms the authority given at last year's annual general meeting enabling your directors (apart from offers or invitations to shareholders in proportion to their holdings of shares) to allot, for cash, an amount of the shares authorised for allotment under Resolution 6 up to a maximum of 10% of Serica's issued share capital as at 31 May 2016 without being required to comply with statutory pre-emption rights. The purpose is to enable Serica to take advantage of specific opportunities to raise additional finance quickly if required, and without the time, cost and expense of the Company having to produce a prospectus.

Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy in accordance with its instructions and return it to Capita Asset Services.

It is the intention of management to give an update on the Company's forward strategy at the meeting and we look forward to as many shareholders as possible attending the AGM.

Yours faithfully,



Antony Craven Walker
Executive Chairman

SERICA ENERGY plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5450950)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting of the shareholders of Serica Energy plc (the "Company") will be held on Thursday 23 June 2016 (the "Meeting") at 11.00 am (British Summer Time) at Durrants Hotel, 26-32 George Street, London W1H 5BJ for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. to receive the consolidated financial statements and the reports of the board of directors and of the auditors for the year ended 31 December 2015;
2. to re-appoint the auditors, Ernst & Young LLP, and to authorise the board of directors to fix their remuneration;
3. to re-elect Antony Craven Walker as a director of the Company;
4. that the directors be authorised to adopt the rules of the Serica Energy plc Company Share Option Plan, in the form produced at the AGM and initialed by the Chairman of the AGM for the purposes of identification (a summary of which is set out in Appendix One to the Notice of AGM), be and are hereby approved;
5. that the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights"):
 - i. up to an aggregate nominal amount of US\$8,789,301.30; and
 - ii. up to a further aggregate nominal amount of US\$8,789,301.30 provided that (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006) and (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date and to other holders of equity securities entitled to participate therein, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

provided that this authority shall expire on 30 June 2017 or, if earlier, the date of the next Annual General Meeting of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the directors to allot relevant securities be and are hereby revoked.

SPECIAL RESOLUTION

6. that the directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash either pursuant to the authority conferred by Resolution 5 or by way of a sale of treasury shares as if section 561(1) of the Companies Act 2006 did not apply to such allotment provided that this power shall be limited to:
- i. the allotment of equity securities in connection with an issue or offer of securities (but, in the case of the authority granted under paragraph (ii) of Resolution 5, by way of a rights issue only) in favour of holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates, or legal or practical problems under the laws of, or the requirements of any regulatory authority or stock exchange in, any territory or any other matter; and
 - ii. the allotment otherwise than pursuant to 5(i) above, to any person or persons of equity securities up to an aggregate nominal amount of US\$2,636,790.40

and shall expire upon the expiry of the general authority conferred by Resolution 5 above, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuant of such offer or agreement as if this power had not expired.

The letter from the Chairman provides additional information relating to the matters to be dealt with at the Meeting.

Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to return it to the Company's registrars, Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF in the United Kingdom. In the case of non-registered shareholders who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Capita Asset Services not later than 48 hours before the time appointed for the Meeting or any adjournment thereof, together with any power of attorney or other authority (or a certified copy thereof) under which it is signed.

DATED 31 May 2016
BY ORDER OF THE BOARD OF DIRECTORS

Antony Craven Walker
Executive Chairman

NOTES

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company no later than 6.00pm on the day that is two days before the time for holding the meeting or any adjournment of it. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. Only holders of ordinary shares are entitled to attend and vote at this meeting.

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the AGM. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form of proxy for the meeting is enclosed.

To be valid any proxy form or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) by our registrar, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Kent BR3 4ZF, or electronically using the Share Portal Service at www.capitashareportal.com no later than 48 hours before the time for the holding of the meeting or any adjournment of it. If you are a CREST member, see note 3 below.

Completion of a form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

3. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
5. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
6. Copies of executive directors' service agreements, copies of the terms and conditions of appointment of non-executive directors and a copy of the existing memorandum and articles of association are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the AGM (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting. A copy of this notice can be found at www.soundenergyplc.com.
7. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Appendix One – Serica Energy plc Company Share Option Plan

The terms of the Serica Energy plc Company Share Option Plan (the "CSOP") are summarised below:

Administration

Options may be granted, and the CSOP will be administered, by the Remuneration Committee, constituted from the Company's board of directors from time to time.

Eligibility

Options may be granted to any of the employees or executive directors of the Company or its subsidiaries.

Form of options

Under the CSOP, options will take the form of either:

- options to acquire Shares granted under Part A of the CSOP; or
- options to acquire Shares granted under Part B of the CSOP, which are UK tax-advantaged options governed by relevant statutory provisions ("Tax-Advantaged Options").

Exercise price

No consideration shall be payable for the grant of an option.

The exercise price of an option will not be less than the greater of:

- the market value of a Share on the dealing day immediately preceding the date of grant, or averaged over the three dealing days immediately preceding the date of grant; and
- in the case of options over unissued Shares, the nominal value of a Share,

but subject to any adjustment on a variation of Share capital.

Performance conditions

The Remuneration Committee may determine that performance conditions will apply to the exercise of options.

Exercise of options

Options will normally become exercisable three years after the date of grant. Options may not be exercised later than the tenth anniversary of the date of grant.

If the Remuneration Committee so determines, options granted under Part A may be satisfied in whole or in part by transfer or issue of Shares, without payment from the option holder, equivalent in value to the gain which would be made by the option holder on exercise.

Leavers

Options will normally lapse where the option holder ceases to hold office or employment with the Group. Options will not lapse where the cessation of office or employment with the Group is due to injury, disability, ill-health, redundancy, retirement, the transfer of the option holder's employment in connection with a business sale, the company with which the option holder holds office or employment ceasing to be a member of the Group, or any other reason if the Remuneration Committee so determines (a "Good Leaver").

Where an option holder ceases employment prior to the normal vesting date for a Good Leaver reason, an option will continue and become exercisable on its normal vesting date for a period of six months. Where an option holder ceases employment after the normal vesting date for a Good Leaver reason a vested option may be exercised during a period of six months from the day following the date of cessation. On the death of an option holder, options shall become exercisable for a period of twelve months.

Corporate actions

In the event of a change of control, options will normally become exercisable for a period of six months. In the event of the passing of a resolution for the voluntary winding-up of the Company, options will become exercisable for a period of two months. In the event of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of the Shares to a material extent, options (other than Tax-Advantaged Options) may be adjusted as set out below or the Remuneration Committee may allow options to become exercisable for a period of two months, or such other period as the Remuneration Committee may permit. Where the corporate action forms part of an internal re-organisation, unless the Remuneration Committee determines otherwise, option shall not become exercisable but may be rolled-over into an option over shares in the new controlling company of equivalent value.

Extent of vesting

Where, prior to the end of the vesting period, an option holder ceases employment for a Good Leaver reason or there is a corporate action, the number of shares in respect of which an option is exercisable will, unless the Remuneration Committee determines otherwise, be pro-rated on the basis of the proportion of the vesting period which has elapsed to the date of cessation or the corporate action (as applicable).

Timing of grant of options

Options under the CSOP may, save in exceptional circumstances or in connection with the recruitment of an eligible employee, only be granted within a period of 42 days from the dealing day following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant options, or make invitations, during such period). Options may also be granted within 42 days of adoption of the CSOP.

Options under the CSOP may not be granted more than ten years after the date of approval by shareholders.

Non-transferable and non-pensionable

Options are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

Plan limits

Shares may be newly issued, transferred from treasury or market purchased for the purposes of the CSOP.

The number of Shares subject to outstanding awards or options granted within the previous ten years and when added to the number of Shares issued for the purpose of awards and options granted within the previous ten years shall not exceed 10 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant under all employees' share schemes adopted by the Company.

The number of Shares subject to outstanding awards or options granted within the previous ten years when added to the number of Shares issued for the purpose of awards and options granted within the previous ten years shall not exceed five per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant under all discretionary employees' share schemes adopted by the Company.

These limits do not include rights to Shares which have been released, lapsed or otherwise become incapable of exercise.

Treasury shares will count as new issue shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

Variation of share capital

The number of Shares subject to options may be adjusted, in such manner as the Remuneration Committee may determine, following any variation of share capital of the Company or, except for Tax-Advantaged Options, a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of Shares to a material extent.

Alterations

The Remuneration Committee may amend the rules of the CSOP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on option holders relating to eligibility, plan limits, the basis of individual entitlement, the price payable for the acquisition of Shares and the provisions for the adjustment of options without prior shareholder approval, except in relation to performance conditions or for amendments which are minor amendments to benefit the administration of the CSOP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or the Company (or other Group companies).

Overseas plans

The CSOP contains provisions which permit the Remuneration Committee to establish a further plan for the benefit of overseas employees based on the relevant CSOP but modified as necessary or desirable to take account of overseas tax, exchange control or securities laws. Any new Shares issued under such plans would count towards the individual and overall plan limits outlined above.

Sub-plan for non-employees

Options may also be granted under Part C of the CSOP on similar terms to Part A of the CSOP, the non tax-advantaged part, for non-employees and services providers to the Group. Options under Part C may be satisfied by newly issued or treasury shares within limits approved by shareholders at the Company's Annual General Meetings rather than the above provisions relating to "Plan limits" applying.

A copy of the proposed new Serica Energy plc Company Share Option Plan is available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the Registered Office of the Company. These will be available for inspection on the morning of the AGM at the meeting venue from 10:00 a.m. until its conclusion.