

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

**KAMBUNA FIELD DEVELOPMENT UPDATE**

London, 29 May 2008 - Serica Energy plc (AIM & TSX-V: SQZ) is pleased to provide an update on the development of the Kambuna Field offshore North Sumatra, Indonesia.

At the opening ceremony of the Indonesia Petroleum Congress in Jakarta, Indonesia, on 27 May, the Minister of Energy and Mineral Resources, Purnomo Yusgiantoro, witnessed the formal signature of two contracts relating to the supply of gas from the Kambuna Field. Commercial terms were previously agreed for the sale of 28 million standard cubic feet per day ("mmscfd") to the state electricity generator, PT Perusahaan Listrik Negara ("PLN") and 12 mmscfd to PT Pertiwi Nusantara Resources ("Pertiwi") and the heads of agreement of these two contracts were signed at the ceremony.

The contract for 28 mmscfd with PLN will realise an initial price of approximately US\$5.40 per thousand standard cubic feet ("mcf") escalating at 3% per annum. The contract for 12 mmscfd with Pertiwi will realise an initial price of approximately US\$7 per mcf, escalating at 3% per annum. In addition to these contracts, the Company expects that later this year a third contract will be entered into for some 10 mmscfd, bringing the total initial contracted gas sales to 50 mmscfd. The Company expects that, when the third sales contract has been completed, the average realisation will be approximately US\$6 per mcf. In addition to the gas, Serica initially expects to be marketing 4,000-5,000 barrels per day of condensate at a price close to that of light crude oil.

The Kambuna Field production platform has been installed and three development wells have been drilled, two of which have already been tested at a combined rate of 73 mmscfd. The third development well (Kambuna-4) is now being completed and will be tested shortly. Onshore and offshore facilities and a 14-inch offshore pipeline will be installed later this year, with production targeted to commence by the end of 2008.

Serica is the operator of the Kambuna Field and holds an interest of 65% in the project.

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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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