

Serica Energy plc

("Serica" or the "Company")

UK Block 22/19c farm-out and drilling plans

London, 5 January 2010 – Serica Energy plc (TSX Venture & AIM: SQZ) announces that it has reached agreement with Premier Oil plc ("Premier") for the farm-out of UK Central North Sea Block 22/19c, which contains the Oates and Bowers Palaeocene prospects and in which Serica presently holds a 100% interest. The agreement is subject to UK government approval. An exploration well on the Oates prospect, funded by Premier, is planned to be drilled in the middle of 2010 to a depth of approximately 10,000 feet. In return for this funding, Premier will earn a 50% interest in Block 22/19c and will assume the role of operator. Serica will retain the remaining 50% interest.

The Oates prospect is a large Palaeocene Forties sand stratigraphic trap identified on 3D seismic data and is similar in nature to a number of other nearby Forties sand fields such as Huntington, Montrose and Columbus. Columbus was discovered by Serica in 2006 and is now in the final stages of development planning.

Serica is also in the final stages of negotiating a farm-out of its Conan prospect in East Irish Sea Blocks 113/26b and 113/27c, in which the Company currently holds a 100% interest. Under the terms of this agreement, Serica will farm out a 35% interest in the licence for which the farminee will contribute 70% of the costs of the well. Serica will remain as operator and will retain a 65% interest.

Paul Ellis, Chief Executive of Serica, commented:

"I am delighted that we have agreed the farm-out of Oates with Premier as it enables the drilling of an exciting well at no cost to the Company. Premier is an experienced operator in the Central North Sea and we look forward to developing this new relationship and building further success for Serica.

Oates and Conan are prospects of high potential and we look forward to seeing the results of both wells this year."

5 January 2010

Enquiries:

Serica Energy plc

Paul Ellis, CEO paul.ellis@serica-energy.com +44 (0)20 7487 7300

Chris Hearne, CFO chris.hearne@serica-energy.com +44 (0)20 7487 7300

J.P.Morgan Cazenove

Steve Baldwin steve.baldwin@jpmorgancazenove.com +44 (0)20 7588 2828

RBC Capital Markets

Josh Critchley	joshua.critchley@rbccm.com	+44 (0)20 7002 2435
Matthew Coakes	matthew.coakes@rbccm.com	+44 (0)20 7653 4871

CollegeHill

Nick Elwes	nick.elwes@collegehill.com	+44(0)20 7457 2020
Simon Whitehead	simon.whitehead@collegehill.com	+44 (0)20 74572020

The technical information contained in the announcement has been reviewed and approved by Peter Sadler, Chief Operating Officer of Serica Energy plc. Peter Sadler is a qualified Petroleum Engineer (MSc Imperial College, London, 1982) and has been a member of the Society of Petroleum Engineers since 1981.

Forward Looking Statements

This disclosure contains certain forward looking statements that involve substantial known and unknown risks and uncertainties, some of which are beyond Serica Energy plc's control, including: the impact of general economic conditions where Serica Energy plc operates, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Serica Energy plc's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Serica Energy plc will derive therefrom.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

To receive Company news releases via email, please contact nick.elwes@collegehill.com and specify "Serica press releases" in the subject line.