

# Serica Energy plc

## ("Serica" or the "Company")

### Farm-out of East Irish Sea Conan prospect

London, 20 January 2010 – Serica Energy plc (TSX Venture & AIM: SQZ) announces that it has reached agreement with Agora Oil & Gas (UK) AS ("Agora") for the farm-out of UK East Irish Sea Blocks 113/26b and 113/27c, which contain the Conan and Doyle prospects and in which Serica presently holds a 100% interest. The agreement is subject to UK government approval.

An exploration well on the Conan prospect, 70% funded by Agora, is planned to be drilled in the second quarter of 2010 to a depth of approximately 5,000 feet. In return for this funding, Agora will earn a 35% interest in the blocks. Serica will retain a 65% interest and operatorship of the blocks.

Conan is a high potential Triassic Sherwood sand gas prospect identified on 3D seismic data and covers an area of approximately 28 square kilometres. It is adjacent to the producing Millom gas field and to the recent Rhyl gas discovery. Being close to existing gas production infrastructure, a discovery at Conan could be developed relatively quickly. Conan is believed to be the largest undrilled Sherwood seismic anomaly in the East Irish Sea.

### **Paul Ellis, Chief Executive of Serica, commented:**

***"I am very pleased that we have reached agreement with Agora to farm-out the Conan prospect. This is the second farm-out Serica has announced this year and it demonstrates the success of our strategy of securing large working interests in highly prospective acreage to facilitate promoted farm-outs. The farm-out of both Oates and Conan further de-risks our portfolio whilst allowing us to retain a significant interest and upside exposure.***

***The founders of Agora were also the founders of Revus, a successful North Sea independent E&P company, and we are delighted to welcome Agora as our partner in this exploration venture."***

**20 January 2010**

### **Enquiries:**

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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.

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