

# Serica Energy plc

("Serica" or the "Company")

## Commencement of drilling - Conan Prospect, East Irish Sea

London, 11 May - Serica Energy (TSX Venture & AIM: SQZ) announces that on Monday 10th May it commenced drilling the Conan exploration well in Block 113/26b in the East Irish Sea. The well will be drilled by the Ensco 80 jack-up drilling rig to a depth of approximately 5,000 feet and is anticipated to take approximately 24 days to drill.

Conan is a significant Triassic Sherwood Sand gas prospect identified on 3D seismic data and covers an area of up to 28 square kilometres in Blocks 113/26b and 113/27c. 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. The Conan prospect is believed to be the largest undrilled Sherwood Sand seismic anomaly in the East Irish Sea.

Following the farm out announcement on 20 January 2010 Serica retains a 65% interest in Conan with 70% of the well costs being funded by its partner, Agora Oil and Gas, which will earn a 35% interest. Serica is operator of Blocks 113/26b and 113/27c.

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

***"We are delighted to have commenced drilling at Conan, a large gas prospect off the west coast of England, about 50 kilometres northwest of Blackpool and within 10 kilometres of the Morecambe gas field. Conan is the first well in the Company's exciting 2010 exploration programme, a programme that is targeting total prospective resources of 160 mmboe net to Serica (90 mmboe on a risked basis) and that we believe has the potential to deliver great value to shareholders."***

**11 May 2010**

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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.

## **Notes to Editors**

Serica Energy plc is an oil and gas exploration and production company using specialised geophysical technology to create value through the discovery of new hydrocarbon reserves. Serica is based in London, England, and holds exploration and production licences principally in the UK North Sea and East Irish Sea, the Atlantic Margins of Ireland and Morocco and in Indonesia. The Company's key producing and development assets are a 25% interest in the producing Kambuna field offshore Indonesia and a 50% stake in the UK Central North Sea Columbus field, under development.

Serica's business objective centres on building shareholder value through successful exploration and appraisal drilling. Serica is also focused on improving its market liquidity, optimising its risk profile and managing the company's portfolio of opportunities through acquisition and divestment. Serica's strategy involves minimising its exploration drilling costs through promoted farm-outs while retaining high working interests in the potential for exploration success.

Serica has a material 2010 exploration programme, drilling five wells that are targeting a total of around 90 mmbœ risked prospective resources net to the Company.

**[www.serica-energy.com](http://www.serica-energy.com)**

## **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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To receive Company news releases via email, please contact [nick.elwes@collegehill.com](mailto:nick.elwes@collegehill.com) and specify "Serica press releases" in the subject line.