

Serica Energy plc

("Serica" or the "Company")

Dambus-1 Exploration Well, Kutai PSC, Indonesia

London, 2 September 2010 - Serica Energy (TSX Venture & AIM: SQZ) announces that on 1 September the Trident IX jack-up drilling rig arrived on location for the Dambus-1 well in the Kutai PSC in the Mahakam Delta offshore East Kalimantan, Indonesia. The well will shortly be spudded and is targeting a sequence of stacked Miocene sands from 1,200 metres subsea to approximately 2,700 metres subsea with estimated gross mean prospective resources of 200 mmboe (60 mmboe net to Serica). Dambus-1 will be Serica's third exploration well in 2010 and the prospect is analogous to the nearby Serang field in which over 800 metres of gross pay sands were recorded. Water depth at the well location is 85 metres and the well is expected to take approximately 40 days to complete.

On completion of Dambus-1 the rig will then immediately move to commence operations at the Marindan exploration prospect in the southern part of the Kutai PSC.

Serica is operator of the Kutai PSC and holds a 30% interest.

Paul Ellis, Chief Executive of Serica commented:

"We are pleased to be commencing the Indonesian phase of our 2010 exploration programme with the first of two wells in the prolific Kutai basin. These are both material prospects in a producing petroleum province with good commercial terms."

2 September 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.

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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