

Serica Energy plc

("Serica" or the "Company")

Serica announces Strategic Review of its Indonesian Assets

London, 9 November 2010 - Serica Energy (TSX & AIM: SQZ) announces that it is to carry out a review of strategic alternatives for its Indonesian assets.

As the result of increased focus on upcoming projects in the UK, Western Europe and Africa, Serica will examine a range of options to create shareholder value including:

- Selling all or part of its Indonesian business
- Exchanging its Indonesian production for UK or Western European production
- Continuing to develop its Indonesian exploration and production assets

Serica will make a further announcement once a strategic decision has been reached, but may ultimately decide to make no changes. Jefferies International Limited has been retained by Serica as financial adviser for the strategic review.

Serica's Indonesian assets are within an ongoing, self-funding business with significant cash flow, managed by an experienced and well-established team of industry professionals based in Jakarta. The assets include a 25% interest in the producing Kambuna gas/condensate field, operated interests in a further two Production Sharing Contracts and significant new venture opportunities which are currently being pursued. In the operated Kutai PSC, Serica is currently drilling the Marindan-1 exploration well, the results of which are expected this month.

Paul Ellis, Chief Executive of Serica, commented:

"For some time we have been concerned that the underlying value of our Indonesian business has not been fully recognised and the board has therefore decided to review the alternatives. As reported in our recent third quarter Results, the Kambuna field is now producing at higher rates than ever before. Under the terms of the Kambuna Production Sharing Contract the value of the field to Serica is driven more by production and cash flow than by reserves and we would expect to see this reflected in any proposals we receive during this review.

Serica sees more opportunity for growth outside of Indonesia. This was a further reason for conducting the review, which we expect will be concluded early next year."

Notes to Editors

Serica Energy plc is an oil and gas exploration and production company 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. It acts as operator in most of its ventures, in which it typically holds stakes of around 50%.

Serica is currently drilling an exploration well offshore Indonesia, Marindan-1, and plans next year to drill wells in Ireland and Indonesia.

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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.

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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