



Monday 5 January 2004

Merger of Kyrgoil Holding Corporation and Petroleum Development Associates Approved by Shareholders of Kyrgoil

Toronto, Canada, - Kyrgoil Holding Corporation ('Kyrgoil') (TSX: 'KGO') announced today that the shareholders of Kyrgoil and Petroleum Development Associates (Oil & Gas) Limited ('PDA') have approved the previously announced proposed merger between Kyrgoil and PDA. PDA is engaged in oil and natural gas exploration and production in Indonesia, Spain and the United Kingdom.

The name of the merged company will be Serica Energy Corporation ('Serica'). Each outstanding Kyrgoil common share will be exchanged for 0.1 Serica common shares on the merger.

The shareholders of Kyrgoil also approved the sale of Kyrgoil's principal asset, its 50% interest in Kyrgyz Petroleum Company ('KPC'), to Kyrgoil's majority shareholder, Petrofac Resources International Ltd ('Petrofac'). KPC operates an oil refinery in the Kyrgyz Republic. The transaction will be completed pursuant to the share purchase agreement between Kyrgoil and Petrofac announced on October 22, 2003.

Completion of the merger and the KPC disposition are subject to the approval of the TSX Venture Exchange and are anticipated to be completed in January 2004.

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Neither the TSX nor the TSX Venture Exchange or any other regulatory body has reviewed this release and therefore does not accept responsibility for the adequacy or accuracy of this release.

