



Wednesday 18 February 2004

## **Serica Energy Corporation Announces Listing on TSX Venture Exchange**

Serica Energy Corporation ('Serica') (TSXV-VEN:SQZ), formed on the previously announced merger of Kyrgoil Holding Corporation ('Kyrgoil') (TSX: 'KGO') and Petroleum Development Associates (Oil and Gas) Limited ('PDA'), announces that it has received final acceptance of the listing of its common shares on Tier 2 of the TSX Venture Exchange. Effective at the close of trading on February 18, 2004, Kyrgoil's common shares will be suspended from trading on the Toronto Stock Exchange and effective at the opening of trading on February 19, 2004, Serica's common shares will commence trading on the TSX Venture Exchange under the symbol 'SQZ'. The number of Serica common shares outstanding is 43,198,557 (56,185,065 on a fully diluted basis).

Prior to the completion of the merger, Kyrgoil completed the previously announced disposition of its principal asset, a 50% interest in an oil refinery in the Kyrgyz Republic. In connection with such asset disposition, the purchaser of the assets, Petrofac Resources International Ltd., paid US\$1 million in cash and delivered 50,000,000 Kyrgoil common shares to Kyrgoil, which shares were cancelled.

Prior to completion of the merger, PDA completed a private placement of 5,972,358 special warrants for aggregate gross proceeds of approximately \$7.7 million. Each special warrant was convertible upon exercise into one PDA common share and one warrant to purchase one PDA common share for a period of one year at a price of \$1.84 per PDA common share. Upon completion of the merger, each special warrant was deemed to have been exercised and converted into 1.84 Serica common shares and 1.84 Serica warrants, each warrant exercisable for a period of one year to purchase one Serica common share at a price of \$1.00 per share.

Canaccord Capital Corporation ('Canaccord') acted as agent on the private placement and received a fee of 8% of the gross proceeds (5% for purchasers introduced directly by PDA). Canaccord also received approximately 600,000 PDA compensation options which, upon completion of the merger, were converted into approximately 1,100,000 non-transferable Serica compensation options. Each Serica compensation option is exercisable for a period of one year to purchase one Serica unit at a price of \$0.70 per unit, each unit consisting of one Serica common share and one-half of one Serica common share purchase warrant. Each whole warrant is exercisable for a period of one year to purchase one Serica common share at a price of \$1.00 per share.

The merger was completed on January 29, 2004, after receipt of conditional approval from the TSX Venture Exchange. The merger comprised a consolidation of Kyrgoil and PDA under the *International Business Companies Act* of the British Virgin Islands. Upon the merger, one Serica common share was issued for every 10 Kyrgoil shares outstanding, one Serica option was issued for every 10 Kyrgoil options outstanding, 1.84 Serica shares were issued for every PDA share outstanding and 1.84 Serica shares and 1.84 Serica warrants were issued for every PDA special warrant outstanding.

Serica's board of directors consists of Christopher Atkinson, Amjad Bseisu, Robert Franklin, Christopher Harrop, Christopher Rivett-Carnac, Gary Roth and William Wilson. Serica's officers are Christopher Rivett-Carnac, Chief Executive Officer; Christopher Atkinson, Chief Operating Officer; Felix Lobo, Chief Financial Officer; and Ken Pearce, Secretary.

Certain shareholders of Kyrgoil and PDA have agreed to place some or all of their Serica shares into escrow under the TSX Venture Exchange's Tier 2 value security escrow agreement. A total of 15,527,310 Serica shares have been placed into escrow and will be



released over a period of three years from the date of the TSX Venture Exchange bulletin announcing the listing of Serica`s shares.

Serica will continue PDA`s business of oil and natural gas exploration and extraction in Indonesia and the United Kingdom.

Additional information is contained in the joint management information circular of Kyrgoil and PDA dated November 21, 2003, a copy of which can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

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*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

