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Serica Awarded Biliton PSC, Indonesia, Completes 2D Seismic

Serica Energy Corporation (SOZ - TSXV) has recently acquired a 90% operating interest in the offshore Biliton PSC, Java Sea, Indonesia covering an area of approximately 6575km², lying 350 kilometres northwest of the island of Java. Average water depth is approximately 30-40 metres.

The contract has an initial six-year exploration term with a committed work programme requiring a re-evaluation of all previous exploration activities in the PSC, shooting of 2000 km of new 2D seismic and drilling of one exploration well.

The Biliton PSC is one of the most sparsely explored regions of Western Indonesia and has seen no drilling activity since the 1970`s. Three wells were drilled on the basis of a sparse 2D seismic grid; Qasiah 1 and Sari 1 were located a long way away from the known Tertiary depocentre and were dry holes. The Parang G-1 well was located close to the Tertiary depocentre and was P&A`d with minor oil shows. All the wells were targeting Talang Akar Formation sandstones in structural traps.

In the early 1990`s BP conducted an Airborne Laser Fluoresence survey and sea-bed geochemical studies which confirmed the presence of an active working petroleum system in the PSC and identified several interesting leads.

Serica commenced shooting of 2000 kilometres of seismic last month to further define the prospectivity of the Tertiary depocentre and provide high quality seismic data over the previously identified leads. The new seismic was completed on February 20, 2004 and is being processed and interpreted with the objective of drilling an exploration well in 2005.

The Chief Operating Officer of Serica, Chris Atkinson, commented that this is 'an important acquisition of a large area of attractive exploration acreage which contains all the geological ingredients proven to be required in western Indonesia for the discovery of major hydrocarbon accumulations.'

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