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## **Serica Announces Successful Singa 2 Gas Well Test**

Serica Energy Inc. (SQZ - TSXV) announces the Singa 2 well tested gas at a rate of 12.5MMCF per day. The well is located in the Lematang PSC, South Sumatra operated by PT Exspan Lematang. Serica holds a 10% interest in the concession.

In addition to the Singa gas discovery, the Lematang PSC contains the Harimau field, which has been producing gas and oil since 1991, and the large Banteng prospect which will be drilled later in 2004.

Singa 1, the Singa field discovery well, was drilled and tested in 1997 penetrating the target Batu Raja limestone formation at 11,944 ft and was still in this formation at the TD of 12,561ft.

Following shooting of 3D seismic in 1998, the Singa 2 delineation well was spudded in June, 1999 from a surface location approximately 2 kms NNW of the Singa 1 location. It reached a TD of 12,744 ft, was completed as a Batu Raja producer, and then suspended without testing. A 664 ft formation interval was penetrated.

Comparative testing results of the two wells on an unacidized basis over a similar perforated interval are as follows: Singa 1 8.7MMCF per day (20 feet interval) and Singa 2 12.5 MMCF per day (33 feet interval). The Singa 1 well eventually tested at 32 MMCF per day after acidization and the Singa 2 well has not yet been acidized.

An independent certification of the Singa Field in 2000 gave 2P sales gas reserves of 246 Bscf.

In late 2003, a Memorandum of Understanding (MOU) covering the sale of 100 MMCF per day of gas was signed between the field operator and a significant gas user in Java. Commencement of sales will be dependant on completion of a pipeline from South Sumatra to Java, scheduled to commence operation in 2006/7.

About Serica Energy Inc.

Serica Energy Inc. is the result of a merger between the previously publicly traded Kyrgoil Holding Corporation and privately held PDA Holdings Ltd. Serica is engaged in exploration and production of oil and gas in the U.K. North Sea and Indonesia.

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