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Serica Energy Announces Banteng No. 1 Well Results; Awarding of Five New North Sea Exploration Blocks; Final Exchange Approval on Financing

TORONTO, Sept. 22 /CNW/ - Serica Energy Corporation (TSX Venture: SQZ) today announced that the Banteng No. 1 exploration well, drilled to a measured depth of 11,418 feet, was terminated in basement rock recently, but the target Baturaja limestone formation was not encountered.

Serica CEO Christopher Rivett-Carnac said that the operator PT MedcoEnergi E&P, a leading Indonesian oil producer, has plugged and abandoned the well.

Serica had a 10% carried interest in the well, and thus did not contribute to the US\$9.2 million cost. Banteng No. 1 was spudded on June 25 and after logging the final open hole section earlier this month, the well was abandoned.

Separately, Serica announced that it has been awarded five new North Sea exploration blocks in the U.K. 22nd Offshore Licensing Round. The licence awards were announced September 14 by Energy Minister Mike O'Brien.

Serica CEO Christopher Rivett-Carnac said, "we were awarded five of the six blocks we were seeking, which we believe confirms Serica's status as a serious contender in the North Sea licensing rounds."

Serica was awarded Blocks 54/1b, 47/20b, the southwest sector of 48/16a, 23/16e and 23/17b. The Company now has 8 blocks in total, covering some 965 square km² of the Southern and Central North Sea.

In addition, it has also been announced that the TSX Venture Exchange has given final approval to the Company's C\$11 million brokered private placement completed in August. Serica issued 13,750,000 Special Warrants at a price of C\$0.80 per Special Warrant.

Each Special Warrant is convertible (and has now been converted), for no extra consideration, into one Common Share and one-half of one Common Share Purchase Warrant. Each whole Purchase Warrant entitles the holder to purchase one additional Common Share within two years of the closing date of the private placement at a price of C\$1.20 per share.

