



Tuesday 3 May 2005

Serica Energy announces signing of rig contract

Toronto, May 3 /CNW/ - Serica Energy Corporation (TSX Venture: SQZ) announced today the signing of a contract with PT Lins Petrotama Energi, as the Indonesian agent for Jet Drilling (S) Pte. Ltd., covering the use of the semi-submersible drilling rig "Galaxy Driller" for a two-well drilling program in its offshore North Sumatra blocks. The total value of the contract, including both the rig and ancillary services, is US\$5.7 million.

The first well in the program, Kambuna-2, will be drilled in the Glagah Kambuna Technical Assistance Contract (TAC). The Glagah Kambuna TAC (Serica's interest: 69.4118%) is located offshore North Sumatra, approximately 45 kms north of Medan, Indonesia's third largest city. The well is being drilled to appraise the Kambuna gas/condensate field discovered by Bow Valley Exploration in 1986. The field discovery well, Kambuna-1, flowed gas at 13.9 million standard cubic feet per day (MMscf/d), along with 950 bbls/day of condensate, from an open-hole test over a 100-ft interval in the Belumai sandstone. Kambuna-2 will be drilled to a total depth (TD) of approximately 8,200 ft.

The second well in the program will be Togar-1, an exploration well to be drilled in the Asahan Offshore Production Sharing Contract (PSC) (Serica: 58.8235% and Operator). The Asahan Offshore PSC surrounds the Glagah Kambuna TAC on three sides. Togar-1 is being drilled to investigate a series of possible hydrocarbon-bearing sands in the Baong sandstone formation. Togar-1 will be drilled to an approximate TD of 6,300 ft.

The Galaxy Driller is currently in Singapore undergoing an extensive re-fit and upgrade. The Corporation has almost completed the process of procuring the materials and remaining services required to drill the wells, and is currently targeting a June spud date for the first well.

