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Serica Energy announces gas discovery at Togar-1A well

Toronto, October 26 - Serica Energy plc (TSX Venture: SQZ) today announced that the Serica operated Togar-1A exploration well, in the Asahan Offshore Production Sharing Contract (PSC), Indonesia, has discovered gas in the Middle Keutapang sandstones. The size of the accumulation is not believed to be commercial but the presence of gas in the Keutapang is a significant development for the Group's other prospects on this block.

The Company is now further evaluating the area to select future drilling locations. The extensive 2,185sq-km Asahan PSC is located about 45 km north of Medan, one of Indonesia's largest cities.

The Togar-1A well was drilled to a total depth of 6,451 feet below mean sea level (ft.ss) and entered gas-bearing Middle Keutapang sandstone at a depth of 3,385 ft.ss. The well encountered 22 feet of net gas pay sand with a gas-water contact at 3,410 ft.ss. The sands are of excellent reservoir quality, with porosities reaching 35%.

The well also encountered several additional reservoir sands in the Middle Keutapang but only one was found to be gas bearing at the Togar-1A location. A bottom-hole sample of the gas in the Middle Keutapang reservoir was analysed and found to be of high calorific value, having a methane content of approximately 96% and very low concentrations of inert acid gases. Sufficient information of reservoir quality was obtained from logging and bore hole samples and the well was not tested.

The Togar-1A well is the second of a two-well drilling program undertaken by Serica in its Asahan and Glagah/Kambuna offshore blocks and follows the drilling and successful testing of the Kambuna-2 well which proved up an extension to the Kambuna Field, encountering 64 feet of net gas pay. The semi-submersible drilling rig Galaxy Driller will now be released.

Serica CEO Paul Ellis said: "The presence of gas in an excellent reservoir at Togar-1A, as predicted from our analysis of seismic data, encourages the further exploration of the Togar area and significantly reduces the exploration risk on a series of other prospects identified in the Asahan PSC. As previously announced we are currently acquiring a further seismic survey of 1,500km and, when this data has been analysed, Serica will combine the results with results from the Togar-1A well to select the locations of further exploration wells. The Company has already invited tenders for drilling rig for its 2006 program in Indonesia."

Serica is operator and holds a 55% interest in the Asahan Offshore Production Sharing Contract. Serica operates the Asahan PSC on behalf of itself and its partners, Duinord Asahan Petroleum Inc, Jagen Asahan Pty Ltd, PT Risjad Salim Resources Asahan and Greevest Asahan Pty Ltd.

About Serica Energy plc

Serica Energy plc is an international oil & gas exploration and production company with primary activities in Indonesia, the UK North Sea and Spain. It currently has offices in the United Kingdom, Singapore and Jakarta. For more information, please visit the Company website, www.serica-energy.com





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