



Monday 12 June 2006

Serica Energy plc announces sale of Lematang interest

London, June 13, 2006 - Serica Energy plc (TSX Venture: SOZ; AIM: SOZ) announces that it has concluded an agreement for the sale of its 10% interest in the Lematang Production Sharing Contract, onshore south Sumatra, to Lundin Petroleum AB ('Lundin Petroleum') for US\$5 million in cash subject to the required partner and Indonesian government approvals. The block includes the nearly depleted Harimau gas field and the Singa gas field development project. As at 31 December 2005 the net book value of the assets disposed of was US\$2.4 million, with attributable turnover and profit for the year ended 31 December 2005 of US\$0.1 million.

Paul Ellis, Chief Executive, commented:

'Given our focus on the development of Serica's operated Kambuna and Tanjung Perling fields offshore Sumatra, Lematang was no longer a core asset due to the small level of working interest that we held. Following the disposal of this interest Serica also holds operatorship of all its assets in Indonesia, the UK North Sea and Spain. The proceeds from this sale will be deployed effectively in other parts of Serica's portfolio, such as the Kambuna Field, which is due to come on stream in 2008, and where we recently increased our holding from 55% to 65%.'

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Background Notes

Serica Energy plc is an international oil and gas exploration company with operations in Indonesia, the UK North Sea and Spain. The Company's ordinary shares are listed in London on AIM and on the Canadian TSX Venture Exchange under the symbol "SQZ". The 2005 Annual Report and Accounts are available [here](#) and www.sedar.com. The Annual General Meeting will be held in London on 15th June 2006.

Lundin Petroleum AB is an independent Swedish oil and gas exploration and production company with assets in Albania, France, Indonesia, Iran, Ireland, Netherlands, Nigeria, Norway, Sudan, Tunisia, United Kingdom and Venezuela. Lundin has an existing 15.88% stake in the Lematang PSC.

Forward Looking Statements

This disclosure contains certain forward looking statements that involve substantial known and unknown risks and uncertainties, some of which are beyond Serica Energy plc's control, including: the impact of general economic conditions where Serica Energy plc operates, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Serica Energy plc's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Serica Energy plc will derive there from.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

To receive Company news releases via email, please contact heather@chfir.com and specify 'Serica press releases' in the subject line.

