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Serica Energy plc's Indonesian field development update

LONDON, Oct. 10 /CNW/ - Serica Energy plc (AIM and TSX Venture: SQZ) provides the following update regarding its gas field developments in Indonesia.

Kambuna Field Development

In the Glagah-Kambuna Technical Assistance Contract (TAC) area, Serica is developing the Kambuna Field on behalf of its partners and the Indonesian state oil and gas company, PT Pertamina Persero ("Pertamina"). The first production from the field remains targeted for 2008 at initial rates of approximately 50 million cubic feet per day of gas and 5,000 barrels per day of condensate.

Engineering design studies for the gas export pipeline are being carried out by Wood Group and the project schedule is being finalized with a view to full project sanction being given prior to year end. Serica is working with Pertamina to determine the optimal route for the pipeline for gas and LPG sales into the Medan area in north Sumatra. Condensate (very light hydrocarbon liquids separated from the gas and sold as oil) will be stored in a Floating Production, Storage and Offtake vessel (FPSO) and loaded into shuttle tankers offshore for sale to international markets.

Tanjung Perling Field Development

In the adjacent Asahan Offshore Production Sharing Contract (PSC), the Indonesian oil industry regulatory authority ("BPMigas") has requested further technical information with respect to the marginal Tanjung Perling Field, which Serica proposed to develop as an incremental project to the Kambuna Field. There may be insufficient time to satisfy the request of the regulatory authority prior to 16th December 2006, when the exploration period of the PSC would otherwise expire. Serica and its partners are holding constructive discussions with BPMigas to agree a mutually satisfactory means to bring gas from the Asahan Offshore PSC to market and ensure continuing operations on the block.

Background Notes

Serica Energy plc is an international oil and gas exploration company with operations in Indonesia, the UK North Sea, Spain, Ireland and Vietnam.

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 at www.sedar.com.

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.
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