



Tuesday 14 November 2006

Serica Energy plc announces North Sea acreage exchange with BG Group plc

London, 14 November, 2006 - Serica Energy plc (AIM and TSX Venture: SQZ) ('Serica') announces that it has entered into an agreement with BG International Limited, a subsidiary of BG Group plc ('BG') that provides for an exchange of adjacent exploration licence interests in the UK Central North Sea.

Serica is currently drilling the Columbus prospect in Block 23/16f, in which it has a 50% interest and is the operator. BG has an equity holding in part of the adjacent Block 23/21 ('Part Block 23/21') into which Serica believes the Columbus prospect may extend.

Serica and BG have entered into a cross-assignment agreement that provides, in certain specific circumstances, for Serica to exchange with BG a 25% interest in Block 23/16f for a 25% interest in Part Block 23/21 (excluding the Lomond field) and for BG to participate in the costs of the Columbus well, 23/16f-11. The assignments of interest will be subject to regulatory and partner approvals.

Paul Ellis, Chief Executive Officer, commented:

'We are delighted to have reached this agreement with BG. If Columbus is successful, the prospective common interests of Serica and BG in Blocks 23/16f and 23/21 will enable appraisal wells to be drilled and the development of any discovery to be commenced in the most efficient manner.'

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.

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