

Monday 27 November 2006

Serica Energy plc Tests Gas in two UK North Sea Exploration Wells

London, November 27, 2006 - Serica Energy plc (AIM and TSX Venture: SQZ) announces that it has completed testing gas discovered in the Oak well 54/1b-6 and is today preparing to test gas discovered in the Columbus Well 23/16f-11. Serica is Operator of both Blocks.

Well 54/1b-6 (Oak)

Well 54/1b-6, drilled to evaluate the Oak prospect in the UK Southern Gas Basin, reached its final depth of 8,318 feet subsea on 10th November after 27 days drilling. The well encountered a gas bearing Lemn sandstone reservoir with a gross gas column of 113 feet. A production test was carried out on an 80 foot interval and a stabilised gas flow rate of approximately 10 million standard cubic feet per day was recorded on a 44/64' choke. However, preliminary on-site analysis of the gas indicates that it contains material quantities of carbon dioxide and further study will be required before it can be determined whether or not it will be practical to develop the Oak discovery. The well is currently being plugged prior to the rig leaving the location.

Partners in Block 54/1b are Serica and Centrica Resources Limited ('Centrica') each with a 50% interest. Under the terms of the farm-out agreement by which Centrica acquired its interest in the Block from Serica the costs of drilling the well have been met largely by Centrica with both companies contributing to the testing costs.

Well 23/16f-11 (Columbus)

Well 23/16f-11, drilled on the Columbus prospect in the UK Central North Sea, reached its final depth of 10,116 feet subsea on 21st November after 24 days drilling and has encountered an encouraging gross gas column of at least 125 feet in the Paleocene Forties sands. Preparations for flow testing the well have now commenced with results of these tests expected by mid December. In this area of the North Sea it is not anticipated that any significant quantities of carbon dioxide will be found in the gas.

Serica believes that the Columbus structure encountered by the well extends from Block 23/16f into part of the adjacent Block 23/21 ('Part Block 23/21') in which BG Group plc ('BG') has an equity holding. Under an agreement announced in November 2006, Serica will exchange with BG a 25% interest in Block 23/16f for a 25% interest in the post-Cretaceous section of Part Block 23/21 (excluding the Lomond field). In addition to this exchange of equity interests the agreement also provides that BG will contribute approximately half of Serica's 50% share of the costs of drilling and testing the Columbus well, 23/16f-11.

Following this agreement, and subject to regulatory and partner approvals, the interests held in Block 23/16f, in which the Columbus well has been drilled, will be Serica 25% (Operator), BG (25%), Endeavour Energy UK Limited (25%) and EOG Resources United Kingdom Limited (25%).

Paul Ellis, Chief Executive of Serica said that *'It is very encouraging that both of the first two exploration wells drilled by Serica as a North Sea operator have discovered gas and have borne out the evaluations of our technical team. The presence of carbon dioxide in the gas produced during the Oak well test is disappointing and further evaluation will be required before the commercial potential of Oak can be established.'*

We are now starting testing operations on the second of the two discoveries, the Central North Sea Columbus well. We are encouraged by the presence of gas-bearing sand and are looking forward to a successful test.'



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 at www.sericaenergy.com and www.sedar.com.

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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.

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