

Wednesday 20 December 2006

Serica Energy successfully tests gas and condensate in the North Sea Columbus Well

- Gross gas column of at least 125 feet encountered on the Columbus prospect
- Well tested at 17.5 million cubic feet of gas per day and 1,060 barrels per day of condensate
- Partners commencing discussions on appraisal and development programme for the discovery

LONDON, Dec. 20 /CNW/ - Serica Energy plc (AIM and TSX Venture: SQZ) is pleased to announce that it has successfully completed testing the Columbus well 23/16f-11 and confirmed the presence of a potentially commercial gas and condensate reservoir. The well will now be suspended for possible future use in a development programme.

Well 23/16f-11, a near-vertical exploration well drilled on the Columbus prospect in the UK Central North Sea, encountered a gross gas column of at least 125 feet in the Paleocene Forties sands. A total of 85 feet of the reservoir was tested and the stabilised average production rates on a 56/64 inch choke during a five hour flow period were 17.5 million cubic feet of gas per day and 1,060 barrels per day of 47.5 degrees API condensate. The wellhead flowing pressure was 1,200 pounds per square inch and the inert gas content was less than 2%.

Serica will now commence discussions with its partners to determine the appraisal drilling programme for the Columbus discovery and the full extent of the reserves and expects that further drilling could take place in 2007 in order to bring the discovery into production as rapidly as possible.

The asset lies in close proximity to existing production infrastructure, providing the possibility to tie-in the discovery.

Subject to regulatory and partner approvals, the interests held in Block 23/16f, in which the Columbus well has been drilled, are Serica 25% (Operator), BG International Limited (25%), Endeavour Energy UK Limited (25%) and EOG Resources United Kingdom Limited (25%). Under a transaction recently announced and subject to regulatory and partner approval Serica also has a 25% interest in the post-Cretaceous section of part of the adjacent Block 23/21 into which the Columbus structure is believed to extend.

Paul Ellis, Chief Executive of Serica said that "It is an excellent result for the Company to have produced gas at commercial flow rates in the Columbus well, particularly given the fact that the Company has gone from the award of the licence to completing flow testing in less than one year.

The successful result of Columbus gives Serica a potential North Sea development project to add to our existing Kambuna gas field development in Indonesia.

We have drilled four wells in the last sixteen months and have found gas in each of them, two of which, Kambuna and Columbus are now scheduled for development and appraisal respectively. Next year we expect to be drilling at least six wells in Indonesia and one or more appraisal wells in the North Sea and we look forward to further success."





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 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.

For further information:

Enquiries:

Serica Energy plc

Paul Ellis, Chief Executive Officer
Email: pellis@serica-energy.com
Tel: +44 (0)20 7487 7300

Chris Hearne, Finance Director
Email: chearne@serica-energy.com
Tel: +44 (0)20 7487 7300;

Pelham Public Relations - UK

James Henderson
Email: james.henderson@pelhampr.com
Tel: +44 (0)20 7743 6673

Alisdair Haythornthwaite
Email: alisdair.haythornthwaite@pelhampr.com
Tel: +44 (0)20 7743 6676



CHF Investor Relations - Canada

Jan Moir

Email: jan@chfir.com

Tel: +1 (416) 868-1079 ext. 237

Heather Colpitt

Email: heather@chfir.com

Tel: +1 (416) 868-1079 ext. 223

