



Tuesday 9 January 2007

## **SERICA ENERGY PLC ANNOUNCES EXERCISE OF SHARE OPTIONS BY DIRECTORS AND AN INCREASE IN DIRECTORS' HOLDINGS OF 360,000 ORDINARY SHARES**

**London, January 9, 2007** - Serica Energy plc (TSX Venture: SQZ; AIM: SQZ) ("Serica" or the "Company") announces that on 8 January 2007 Antony Craven Walker (Chairman), Paul Ellis (Chief Executive), Neil Pike and Jim Steel (non-Executive Directors) increased their beneficial shareholdings in the Company by a total of 360,000 ordinary shares.

On 8 January 2007 Antony Craven Walker exercised 200,000 share options and Neil Pike and Jim Steel each exercised 100,000 share options. All options were exercised at the exercise price of Cdn\$1.11 per share. In order to meet the cost of the options Antony Craven Walker sold 43,698 of the resultant ordinary shares at £1.04 per share (Cdn\$2.376) to his pension fund and Jim Steel sold 25,000 of the resultant ordinary shares at £1.04 per share (Cdn\$2.376). These ordinary shares were acquired by the pension fund of Paul Ellis. Neil Pike has transferred the legal and beneficial interest in 40,000 ordinary shares to other members of his family for no consideration.

As a result of these transactions the total beneficial shareholdings of the Directors of the Company has increased by 360,000 ordinary shares and the increased beneficial interests of the Directors in the Company are:

<b>Director</b>	<b>Previous No. of Ordinary Shares</b>	<b>Increased No. of Ordinary Shares</b>	<b>% Change No. of Ordinary Shares</b>
Antony Craven Walker (Chairman)	4,565,626	4,765,626	+4.4%
Paul Ellis (Chief Executive)	250,000	275,000	+10.0%
Neil Pike (Director)	290,000	350,000	+20.7%
James Steel (Director)	45,950	120,950	+163.2%

Consequently the total number of issued shares in the Company has increased to 150,937,955 ordinary shares. All of these shares have voting rights and none are held in Treasury. Therefore, the total number of voting shares in the Company is 150,937,955 ordinary shares and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Serica under the FSA's Disclosure and Transparency Rules.

Application has been made to AIM for the admission to trading of the 400,000 ordinary shares of US\$0.10 each in the Company resulting from the exercise of the options. These new ordinary shares issued rank equally with the existing ordinary shares of the Company.



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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, 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 can be obtained from the Company's website [www.serica-energy.com](http://www.serica-energy.com) and at [www.sedar.com](http://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](mailto:heather@chfir.com) and specify "Serica press releases" in the subject line.*