



Wednesday 18 July 2007

## **Serica Energy plc obtains commitment for US\$100 million senior secured debt facility**

July 18 /CNW/ - Serica Energy plc ("Serica" or the "Company") has obtained a commitment from JPMorgan Chase Bank, N.A. and The Governor and Company of the Bank of Scotland to enter into a US\$100 million senior secured debt facility. Closing of the facility is subject to legal documentation and fulfillment of standard terms and conditions for a debt financing of this nature.

The facility, which will have a term of 12 months, with the Company having an option to extend for a further 6 months, will be used to fund appraisal and development expenditures for the Kambuna field in Indonesia and the Columbus field in the UK North Sea as well as for Norwegian appraisal expenditure and general corporate purposes.

Serica's Chief Executive, Paul Ellis, said:

"This facility provides Serica with the funds required to develop the Company's interests in the Kambuna and Columbus fields, both of which are operated by Serica, and to meet Serica's share of drilling costs for appraisal of the Bream oil discovery in the Norwegian North Sea, planned for early 2008.

Development of the Kambuna field is now well underway with negotiations for the sale of the gas at an advanced stage. The field lies offshore North West Sumatra and is destined to supply gas to the city of Medan. The wellhead support tower is currently under construction in Balikpapan, Indonesia, and is scheduled for delivery in September. In the fourth quarter of this year, the support tower will be installed and three wells will be drilled to develop and further appraise the full extent of the Kambuna field. In the North Sea, plans for early appraisal and development of the Columbus field are significantly advanced and the first Columbus field appraisal well is scheduled to commence drilling in late August.

The Company has been very successful in extending its acreage bank and is building up its exploration drilling activity in the second half of the year with two exploration wells to be drilled in the Biliton block in Indonesia, offshore Java. Subject to the successful outcome of current farm-out negotiations, further drilling is also planned for the UK North Sea.

I believe that the Company's exploration prospects provide the potential to add material value for shareholders and we continue to seek opportunities to bring our exploration plans forward at the same time as appraisal and development activity in the Company is becoming more significant."

### Background Notes:

Serica Energy plc is an international oil and gas exploration company with operations in the UK, Norway, Spain, Ireland, Indonesia and Vietnam. It is currently developing a gas-condensate field in Indonesia (the Kambuna field), appraising a gas-condensate discovery in the UK North Sea (the Columbus field) and appraising an oil field in the Norwegian North Sea (the Bream field).

The Company's ordinary shares are listed in London on AIM and on the Canadian TSX Venture Exchange under the symbol "SQZ". The 2006 Annual Report and Accounts can be obtained here 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 therefrom.

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 [kelly@chfir.com](mailto:kelly@chfir.com) and specify "Serica press releases" in the subject line.

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