

Serica Energy plc

("Serica" or the "Company")

Award of Licence in Rockall Basin, offshore Ireland

London, 17 October 2011 - Serica Energy plc (AIM & TSX: SQZ) announces that it has been awarded a Licensing Option 11/1 (the "Licence") covering six blocks in the Irish Rockall Basin under the Irish 2011 Atlantic Margin Licensing Round. The area covered by the Licence, awarded by the Petroleum Affairs Division of the Department of Communications, Energy and Natural Resources, is immediately adjacent to the block containing the Dooish gas-condensate discovery and is a significant addition to Serica's existing Exploration Licence 1/09 which contains the Muckish prospect just to the north-east.

Background

The Licence award covers Blocks 11/5, 11/10, 11/15, 12/1, 12/6 and 12/11(part), an area of approximately 1,230 square kilometres in the Rockall Basin. Together with Serica's existing Exploration Licence, covering Blocks 5/17, 5/18, 5/22, 5/23, 5/27 and 5/28, Serica now has two licences to explore some 2,220 square kilometres in the Rockall Basin covering an area of proven hydrocarbon potential in which large prospective structures have already been identified from existing 3D seismic data.

The area covered by the Licence award contains two pre-Cretaceous fault block prospects, Middleton and West Middleton which are analogous to the proven gas-condensate bearing Dooish structure lying immediately to the east. These complement and provide additional diversity to the Muckish prospect lying in Serica's acreage just to the north east. Given the size of the prospects and their position in a proven gas-condensate bearing basin, the award of the Licence significantly expands the options open to Serica to deliver an active drilling campaign in the area.

Under the terms of the Licence award Serica will undertake 2D and 3D seismic reprocessing work and other geological studies in the first two years to firm up the prospects following which the Company has an option to convert the Licence into a full Exploration Licence.

Commenting on the award, **Tony Craven Walker**, Chairman and Interim CEO, said:

"The award of the new Licence is a considerable addition to Serica's exploration interests in Ireland. Serica's discovery of oil in the Slyne Basin in 2009 and our growing acreage position in the Rockall Basin, where we see relatively low risk potential for large discoveries, gives us a strong presence in the emerging Irish Atlantic Margin. The award of the new blocks puts Serica in a particularly strong acreage position in the Rockall Basin where initial exploration results have already shown considerable promise. The size of the prospects in the Rockall Basin, coupled with the clear demonstration of a working petroleum system following the discovery of Dooish, gives clear optimism for the potential of the area."

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The technical information contained in the announcement has been reviewed and approved by Peter Sadler, Business Development Director of Serica Energy plc. Peter Sadler is a qualified Petroleum Engineer (MSc Imperial College, London, 1982) and has been a member of the Society of Petroleum Engineers since 1981.

NOTES TO EDITORS

Serica Energy was formed in 2004 and, since then, has drilled 19 wells in locations as diverse as the UK Offshore, the Atlantic margin offshore Ireland, offshore Indonesia (North West Sumatra, East Kalimantan and Java) and offshore Vietnam. Seventeen of these wells were drilled by the Company as Operator, fourteen of the wells encountered oil or gas and six of these were commercial. The first of the commercial discoveries, the Kambuna field in North West Sumatra, was developed by the Company. The second, the Columbus field in the UK North Sea, is now in the pre-development stage with project sanction targeted for the latter half of 2011 or early 2012. The Company also has a residual economic interest in the Bream oil field offshore Norway, which will be crystallised when the field is developed, and licence interests offshore Morocco.

The Company is listed on both the Toronto Stock Exchange and the London AIM under the ticker SQZ.

To receive Company news releases via email, please contact nick.elwes@collegehill.com and specify "Serica press releases" in the subject line.

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: geological, geophysical and technical risks, 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.