

Serica Energy plc (“Serica” or the “Company”)

Erskine Operations Update

London, 17 March 2016 - Serica Energy plc (AIM: SQZ) provides the following operations update:

Following strong production performance through January and February, averaging 3,228 boe per day net to Serica, March Erskine production has been impacted by a pipeline blockage. On 28 February, Erskine production was temporarily suspended during essential maintenance work to enable a foam cleaning device, known as a pig, to be recovered from the Lomond to Everest condensate line and to repair a condensate export pump on the Lomond platform.

Equipment to safely clear the pipeline is being deployed and the field is expected to recommence production mid-April. Pigging of the Erskine to Lomond line has already been completed successfully.

The overall impact is to reduce Q1 average production to approximately 2,100 boe per day net to Serica, compared to previous guidance of 2,500 to 3,000 boe per day. The impact on April production will depend upon how quickly the field can be restarted.

Despite this, Q1 operating costs are estimated below US\$20 per boe compared to previous guidance of US\$20 to US\$24 per boe. This reflects continuing cost reduction programmes on the Erskine and the Lomond facilities designed to improve near-term profitability and extend field economic life well into the 2020s. Q1 revenues have also been boosted by low-cost hedging options acquired last October covering 1,000 barrels of oil per day, giving an average realised Q1 oil sales price of approximately US\$37.50 per barrel including hedging gains.

Reservoir performance since acquisition last June continues to provide significant encouragement with little observed pressure decline and peak production rates still well over 4,000 boe per day net to Serica. Our 2016 guidance once production has restarted therefore remains in the range 2,500 to 3,000 boe per day net to Serica, outside a planned one-to-two month mid-year maintenance shutdown, including work on the Central Area Transportation System through which Erskine gas is transported. There are no major capital expenditures planned on the Erskine facilities in 2016.

Serica has commissioned an updated reserves report which will be completed prior to the release of its annual results in April 2016 when further information will be provided.

Tony Craven Walker, Serica’s Chairman commented:

“The Erskine field has continued to exceed expectations since Serica acquired its interest in June last year. The high facility uptime, improved and consistent field production rates and material cost reductions have resulted in operating costs per barrel well below recent oil price lows. We expect this strong performance to continue once the pig has been recovered and production has resumed.”

Technical Information

The technical information contained in the announcement has been reviewed and approved by Clara Altobell, Head of Operations at Serica Energy plc. Clara Altobell (MSc in Petroleum Engineering from Imperial College, London) has 20 years of experience in oil & gas exploration, production and development and is a member of the Society of Petroleum Engineers (SPE) and the Petroleum Exploration Society of Great Britain (PESGB).

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NOTES TO EDITORS

Serica Energy is an oil and gas exploration and production company with exploration, development and production assets in the UK, an economic interest in Norway and exploration interests in the Atlantic margins offshore Ireland and West Africa. The Company is in partnership with other companies in its licences offshore UK, Ireland, Morocco and Namibia. Further information on the Company can be found at www.serica-energy.com.

The Company is listed on the AIM market of the London Stock Exchange under the ticker SQZ and is a designated foreign issuer on the TSX. To receive Company news releases via email, please contact serica@instinctif.com and specify "Serica press releases" in the subject line.

FORWARD LOOKING STATEMENTS

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