22 October 2013

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, INTO OR WITHIN THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, RUSSIA OR THE REPUBLIC OF SOUTH AFRICA.

SERICA ENERGY PLC

PLACING OF 56,870,934 NEW ORDINARY SHARES TO RAISE £10.2 MILLION

and

OPEN OFFER OF UP TO 22,846,288 NEW ORDINARY SHARES TO RAISE UP TO £4.1 MILLION

Serica Energy plc ("**Serica**" or the "**Company**"), (TSX & AIM: SQZ), the UK-based oil and gas company with exploration interests in the emerging Atlantic margins offshore Ireland, Morocco and Namibia and exploration and development assets in the UK and Norway, is pleased to announce a placing with institutional and other investors to raise £10.2 million (approximately US$16.6 million) before expenses (the "**Placing**") and an open offer to raise up to £4.1 million (approximately US$6.7 million) before expenses (the "**Open Offer**" and together with the Placing, the "**Capital Raising**").

Highlights

- £10.2 million (approximately US$16.6 million) raised by way of a Placing with certain existing and new investors at a price of 18 pence per Placing Share subject to shareholder approval at the General Meeting
- Up to an additional £4.1 million (approximately US$6.7 million) to be raised by way of an Open Offer, subject to shareholder approval at the General Meeting
- Funds from the Placing and Open Offer to be used principally to:
    - carry out the Company's proposed work programme; and
    - expand the Company's portfolio in areas in which it has early entrant advantage;
- Open Offer of 1 Open Offer Share for every 8 Existing Ordinary Shares, providing Qualifying Shareholders with the opportunity to participate in the Company's fundraising at the same price as participants in the Placing
- Directors and their connected persons (including GRG, an entity founded by Mr Jeffrey Harris and in which he has a controlling beneficial interest) have undertaken to subscribe for 23,074,186 New Ordinary Shares, raising £4.2 million (approximately US$6.7 million) and have undertaken to vote in favour of the Resolutions at the General Meeting
- The Issue Price of 18 pence per share represents a discount of 1.4 per cent. to the mid-market price of 18.25 pence per Existing Ordinary Share on 21 October 2013

Serica has had notable success in its approach to risk management and now has a balanced portfolio of prospects in a variety of plays where the costs of early stage exploration are being largely covered by third parties, underpinned by its core assets of Columbus and Bream in the UK and Norway. In particular, the Group has entered into farm-out arrangements with a total net carry value to Serica of c. US$60 million in respect of interests in the Luderitz basin in Namibia, at Foum Draa and at Sidi Moussa in Morocco and in Block 22/19c and Blocks 113/26b and 27c in the UK, all in the last eighteen months.

Serica is the operator of many of its properties, giving it a high degree of control. It is the operator for its properties in the Irish Atlantic Margin, it operates a major licence offshore Namibia and, in Morocco, it was technical operator for two offshore blocks before farming out to Cairn Energy and Genel Energy respectively in 2012. In the UK, Serica is the Operator for the Columbus field and operated the block in the East Irish Sea which contains the Doyle prospect before farming out to Centrica in June 2013.

The Placing and Open Offer

The Capital Raising comprises the Placing of 56,870,934 New Ordinary Shares (the "**Placing Shares**") at a price of 18 pence per share to raise gross proceeds of £10.2 million (US$16.6 million) by way of a placing with institutional and other investors by Peel Hunt LLP and RBC Capital Markets. In addition to the Placing, in order to provide the Company's existing shareholders (other than those resident in certain Restricted Jurisdictions) with an opportunity to participate in the fundraising, the Company is launching a 1 for 8 Open Offer of up to 22,846,288 new Ordinary Shares at a price of 18 pence per share to raise up to an additional £4.1 million (US$6.7 million).

As the allotment and issue of the Placing Shares will exceed the Directors' existing authorities to allot relevant securities and to allot shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, inter alia, to complete the Placing and the Open Offer, each of which is conditional (inter alia) on the grant of these authorities.

Tony Craven Walker, Non-Executive Chairman and Interim CEO of Serica Energy, said:

"Serica is entering an exciting period in the Company's development with several near-term, potentially value-changing events that can deliver significant value. We are delighted that this opportunity has been recognised by both existing and new shareholders. The Capital Raising will be used to fund our forthcoming work programme, as well as taking advantage of early-entrant opportunities where we can use our substantial technical and operational expertise. The fundraising places Serica in a stronger position and we look forward to updating the market in the near future."

A Circular concerning the Capital Raising will shortly be sent to Shareholders and will also be made available on the Company's website www.serica-energy.com once it has been sent.

Readers are referred to the important notice that applies to this announcement. Unless otherwise stated, references to time contained in this announcement are to UK time. This announcement has been issued by and is the sole responsibility of Serica Energy plc.

Enquiries:

Serica Energy plc

Tony Craven Walker Chairman & Interim CEO	tony.cravenwalker@Serica-energy.com	+44 (0)20 7487 7300
Mitch Flegg, COO	mitch.flegg@Serica-energy.com	+44 (0)20 7487 7300
Chris Hearne, CFO	chris.hearne@Serica-energy.com	+44 (0)20 7487 7300

Peel Hunt LLP

Richard Crichton	richard.crichton@peelhunt.com	+44 (0)20 7418 8900
Charles Batten	charles.batten@peelhunt.com	+44 (0)20 7418 8900
RBC Capital Markets		
Matthew Coakes	matthew.coakes@rbccm.com	+44 (0)20 7653 4000
Daniel Conti	daniel.conti@rbccm.com	+44 (0)20 7653 4000
College Hill		
David Simonson	david.simonson@collegehill.com	+44 (0)20 7457 2020
Catherine Wickman	catherine.wickman@collegehill.com	+44 (0)20 7457 2020
Alexandra Roper	alexandra.roper@collegehill.com	+44 (0)20 7457 2020

Important Information

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

Any person receiving this announcement is advised to exercise caution in relation to the Placing and the Open Offer**.** If in any doubt about any of the contents of this announcement, independent professional advice should be obtained.

Peel Hunt, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the Placing or the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to herein. Its responsibilities as the Company's nominated adviser and joint broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this announcement. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this announcement.

RBC Capital Markets which is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the Placing or the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to herein. Its responsibilities as the Company's joint broker under the AIM Rules for Companies are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this announcement. No representation or warranty, express or implied, is made by RBC Capital Markets as to any of the contents of this announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt or RBC Capital Markets by the Financial Services and Markets Act 2000, neither Peel Hunt nor RBC Capital Markets accepts any responsibility whatsoever for the contents of this Announcement, and makes no representation or warranty, express or implied, for the contents of this Announcement, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the New Ordinary Shares or the Capital Raising, and nothing in this Announcement is or shall be relied upon as, a promise or representation in this respect whether as to the past or future. Each of Peel Hunt and RBC Capital Markets accordingly disclaims to the fullest extent permitted by law all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Announcement or any such statement.

This announcement is not an offer to sell or a solicitation of any offer to buy the securities of Serica Energy plc (the "Company", and such securities, the "Securities") in the United States, Australia, Canada, Japan, New Zealand, Russia, the Republic of South Africa or in any other jurisdiction where such offer or sale would be unlawful. The New Ordinary Shares may not be sold, transferred or otherwise disposed on the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission.

This announcement may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent (i) registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") or (ii) an available exemption from registration under the Securities Act. The Securities have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, taken up, exercised, renounced, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Securities is being made in the United States.

This communication is only addressed to, and only directed at, persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors"). For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each member state of the European Economic Area which has implemented the Prospectus Directive. In addition, in the United Kingdom, this communication is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments who fall within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) who are high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order, and (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates is available only to and will only be engaged in with such persons. This communication must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors.

This announcement is an advertisement and not a prospectus. No prospectus is required to be published in connection with the Capital Raising in accordance with the Prospectus Directive, and accordingly (unless the Company so chooses) no prospectus will be published in accordance with the Capital Raising. This announcement cannot be relied on for any investment contract or decision. No person has been authorised to give any information or make any representation and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, Peel Hunt or RBC Capital Markets.

Note regarding forward-looking statements:

This announcement contains certain forward looking statements relating to the Company's future prospects, developments and business strategies. Forward looking statements are identified by their use of terms and phrases such as "targets" "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative of those, variations or comparable expressions, including references to assumptions.

The forward looking statements in this announcement are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements. These forward looking statements relate only to the position as at the date of this announcement. Neither the Directors nor the Company undertake any obligation to update forward looking statements or risk factors, other than as required by the AIM Rules for Companies or by the rules of any other applicable securities regulatory authority, whether as a result of the information, future events or otherwise. You are advised to read this announcement and, once available, the Circular and the information incorporated by reference therein, in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

This summary should be read in conjunction with the full text of the announcement which follows.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, INTO OR WITHIN THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, RUSSIA OR THE REPUBLIC OF SOUTH AFRICA.

SERICA ENERGY PLC

PLACING OF 56,870,934 NEW ORDINARY SHARES TO RAISE £10.2 MILLION

and

OPEN OFFER OF UP TO 22,846,288 NEW ORDINARY SHARES TO RAISE UP TO £4.1 MILLION

1. Introduction

The Company is pleased to announce that it proposes to raise up to approximately £14.3 million (approximately US$23.2 million) (before expenses) by the issue of up to 79,717,222 New Ordinary Shares. The Issue Price of 18 pence per New Ordinary Share represents a 1.4 per cent. discount to the closing middle market price of 18.25 pence per Existing Ordinary Share on 21 October 2013, being the last Business Day before the announcement of the Capital Raising.

The Capital Raising is being made by way of a firm placing with institutional and other investors and an open offer, thus providing the Company's existing Qualifying Shareholders with the opportunity to participate in the fundraising through the Open Offer. In aggregate, the Directors and their connected persons (including GRG UK Oil, a wholly-owned subsidiary of GRG, an entity founded by Mr Jeffrey Harris and in which he has a controlling beneficial interest) have irrevocably committed to subscribe for 23,074,186 New Ordinary Shares at the Issue Price in the Placing, raising £4.2 million (approximately US$6.7 million) in aggregate.

The Placing comprises the conditional placing of New Ordinary Shares with institutions and other investors to raise £10.2 million (US$16.6 million). As the allotment and issue of the Placing Shares will exceed the Directors' existing authorities to allot shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, inter alia, to complete the Placing and the Open Offer.

The Board recognises and is grateful for the continued support received from Shareholders and has therefore decided to offer all Shareholders the opportunity to participate in a further issue of new equity in the Company by launching the Open Offer to issue up to 22,846,288 further New Ordinary Shares to Qualifying Shareholders at the Issue Price. Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 8 Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of up to £4.1 million (up to approximately US$6.7 million) for the Company.

The New Ordinary Shares to be issued pursuant to the Placing and Open Offer are to be admitted to trading on AIM, and the TSX will have granted conditional approval with regard to the listing of the New Ordinary Shares on the TSX, at the time of Admission, which is expected to take place at 8.00 a.m. on 15 November 2013.

The net proceeds of the Capital Raising (after commission and costs of the Capital Raising) will be used principally to fund the proposed work programme detailed below, to expand Serica's portfolio in areas in which it has early entrant advantage and has opportunities to utilize its proprietary data and knowledge. Further details on the background to and the reasons for the Capital Raising are set out below.

The Placing and the Open Offer are each conditional upon, inter alia, the approval by Shareholders of Resolutions 1 and 2 which will be sought at the General Meeting to be held at 11.00 a.m. on 11 November 2013, notice of which will be set out in the Circular. Should Shareholder approval of these resolutions not be obtained at the General Meeting, the Capital Raising as currently envisaged will not proceed.

The Company will publish shortly a Circular to Shareholders containing details of, and the background to, the Capital Raising and to explain why the Directors believe that the Capital Raising is in the best interests of the Company and Shareholders.

To enable the Company to implement the Placing and the Open Offer, the Company is seeking the approval by Shareholders of the Resolutions which are to be put to the General Meeting of the Company to be held at the offices of College Hill, The Registry, Royal Mint Court, London EC3N 4QN, United Kingdom at 11.00 a.m. GMT on 11 November 2013.

2. Information on Serica Energy plc

Serica is a UK based oil and gas company with exploration interests in the emerging Atlantic Margins offshore Ireland, Morocco and Namibia and exploration and development assets offshore the UK and Norway. Serica's Existing Ordinary Shares are listed on AIM in London and the TSX in Toronto.

Serica has had notable success in its approach to risk management and now has a balanced portfolio of prospects in a variety of plays where the costs of early stage exploration are being largely covered by third parties, underpinned by its core assets of Columbus and Bream in the UK and Norway. In particular, the Group has entered into farm-out arrangements with a total net carry value to Serica of c. US$60 million in respect of interests in the Luderitz basin in Namibia, at Foum Draa and at Sidi Moussa in Morocco and in Block 22/19c and Blocks 113/26b and 27c in the UK, all in the last eighteen months.

Serica is the operator of many of its properties, giving it a high degree of control. It is the operator for all of its properties in the Irish Atlantic Margin, it operates a major licence offshore Namibia and, in Morocco, it was technical operator for two offshore blocks before farming out to Cairn Energy and Genel Energy respectively in 2012. In the UK, Serica is the Operator for the Columbus field and operated the block in the East Irish Sea which contains the Doyle prospect before farming out to Centrica in June 2013.

Emerging Atlantic Margins

In Namibia, since the initial acreage award in December 2011, Serica has completed the acquisition and interpretation of a major seismic survey which confirms the material exploration potential in blocks in which it has retained 55% (subject to a reduction to 17.5% if BP exercises its existing option by the end of 2013 to drill a well). This survey, involving expenditure of c. US$50mm, was conducted at no material cost to Serica and is a prelude to a drilling programme which the Company expects to see in 2014 and 2015.

In Morocco, Serica secured farm-outs which have resulted in Serica being largely carried in two wells to be drilled in 2013 and 2014. At Foum Draa, drilling is expected to commence imminently and at Sidi Moussa, drilling is due to commence in the second quarter of 2014.

In Ireland, work undertaken by Serica has identified new exploration potential in both its Slyne Basin blocks, in which the Group discovered oil in 2009, and in its Rockall Basin blocks where the Group has recently applied to convert its Licence Option to a full Frontier Exploration Licence, thus complementing and extending the potential it sees in the area licensed to Serica which includes the Muckish prospect.

In these emerging frontier exploration areas, Serica has been able to achieve material holdings with minimal cash expenditure.

United Kingdom and Norway

In the UK, the Group has accumulated a gas-focused exploration programme and development portfolio which it believes places it in a strong position to benefit from the current period of gas supply shortages in the UK and expected continuing strong UK gas prices. Serica's interests include a 33.2% interest in the proven Columbus gas condensate field (agreed among the relevant block owners subject to project sanction), which it operates, a 20% capped carried interest in the Doyle gas prospect expected to be drilled in 2014, a 15% carried interest in Block 22/19c in the Central North Sea in which the Rowallan HPHT gas condensate prospects have been identified in the Jurassic and Triassic, and a 37.5% interest in several blocks and part blocks surrounding the producing York gas field, in which a number of gas targets have been identified from both existing 3D seismic data and a new survey completed in early July 2013.

In Norway, Serica has an economic interest in the Bream field, under which, upon the start of oil production, the Company is due to receive a cash sum, which, on the basis of current oil prices, is expected to be substantial. On 20 August 2013 the operator of the Bream project announced that submission of a plan of development for the Bream area is targeted for the first half of 2014.

3. Background to and reasons for the Capital Raising

As a result of its approach to risk management, Serica now has a number of opportunities for material growth at limited cost and is well placed to build upon the position it has achieved in the areas in which it has a presence, where it has built experience and technical knowledge. This position has been achieved over a five year period during which the Group has operated without recourse to equity funding, demonstrating both the Group's prudent approach to cash management and its technical capabilities.

The Group is now entering a period in which it will see a number of wells drilled, largely funded by third parties. The outcome of these wells is likely to lead to significant follow on programmes to appraise the results of drilling and it is important that the Group has the resources to participate in these programmes. In the case of the two wells to be drilled in Morocco, the gross well costs subject to the carries are capped at US$60 million (Foum Draa) and US$50 million (Sidi Moussa) and in the case of the Doyle prospect the gross well cost subject to carry is capped at £11 million (approximately US$17.8 million). Although the cost of the Doyle well subject to the carry is not anticipated to exceed this amount, the costs of each of the two wells in Morocco are expected to be higher than the capped levels which will require a limited contribution to well costs from the Group.

The Group also needs funds to bring other existing projects to maturity in order either to realise the value of these projects or to bring in new partners. These include providing balance sheet support to achieve infrastructure access and project sanction for the Columbus field, site preparation work for drilling offshore Ireland and pre-drilling work in Namibia. In addition, Serica wishes to expand and grasp new opportunities which result from its early-mover advantage, its strong reputation and the good local relationships which it has gained in the areas in which it is active.

It remains a key plank of the Group's strategy to realise the value of assets as they reach maturity, and Serica has demonstrated its ability to achieve this objective through previous asset sales. However, the Company believes that it is not in Shareholders' interest to do this prematurely or without full consideration of the strategic options and alternatives for the asset. In the case of both the Columbus and Bream assets the Group expects to see material increase in value at the time of project sanction, and believes that there is potential for this to occur in both cases in the near future.

The Capital Raising is aimed at putting the Company onto a stronger footing to improve its ability to fund upcoming expenditure in order to bring projects to maturity whilst enabling the Group to optimise, and ultimately realise, value across its portfolio.

4. Current trading and prospects

On 30 May 2013, the Company announced the Group's results for the year ended 31 December 2012. Subsequently, the Company provided a full corporate and operational update and presentation at its Annual General Meeting held on 27 June 2013 and, on 17 September, announced its Interim Report for the six months to 30 June 2013.

Group production for the six months to 30 June 2013 was derived from the Group's 25% interest in the Kambuna field in Indonesia. Gross gas production from the field averaged 6.2 mmscfd during the period with average condensate production of 518 bopd. As a result of this production Serica generated a gross profit of US$0.6 million (unaudited) for the six months ended 30 June 2013. The Kambuna field has been in natural decline for some time and it was determined that the economic production threshold had been reached on 11 July 2013, when the field was shut in. The Kambuna field was Serica's only source of production and its sole remaining interest in Indonesia. As a result of the closure of the field the Group does not currently generate any income from production.

Work continued throughout the first half of 2013 on all of the Group's exploration licences.

In Namibia, the interpretation of 4,180 square kilometres of 3D seismic data acquired in 2012 is nearing completion. Interpretation of the fast-track and final data sets has confirmed the presence of a major Lower Cretaceous prospect with seismic data exhibiting characteristics of a carbonate platform with areal extent over 700 km2 and vertical closure in excess of 300 metres. The data has also confirmed the presence of stacked prospectivity at shallower levels, a large canyon-channel sand system and additional potential prospects on the shelf edge. BP has an option, exercisable by the end of 2013, to increase its current interest in the block from 30% to 67.5% by drilling an exploration well.

In Morocco, Cairn Energy and Genel Energy are preparing to commence drilling operations on the Foum Draa and Sidi Moussa offshore blocks respectively. Serica has a working interest of 8.33% in Foum Draa and a working interest of 5% in Sidi Moussa. At Foum Draa, drilling is expected to commence imminently, targeting a Lower Cretaceous turbidite channel stratigraphic play, using the Transocean Cajun Express drilling rig. At Sidi Moussa, drilling is expected to commence in the second quarter of 2014, to test a large Upper Jurassic carbonate prospect. Genel Energy has recently secured the use of the Noble Paul Romano drilling rig for the programme.

In Ireland, Serica has secured a two-year extension to the first phase of licence 1/09 (Serica interest 100%) in the Rockall Basin and has also informed the Irish authorities of its intention to convert its adjacent Rockall Basin Licence Option 11/1 (Serica interest 100%) into a full Frontier Exploration Licence. Hydrocarbons have already been proven in the Rockall basin through Shell's discovery of gas condensate at Dooish, which is located close to Serica's interests in the Rockall basin. Recent analysis of the extensive seismic database held by Serica over these licences has revealed the presence of an alternative play type, not previously considered, which has increased the prospectivity of the area in addition to the existing Muckish, Midleton and West Midleton prospects. Serica will require partners before drilling can take place but continues to move forward with pre-drilling plans in addition to further detailed evaluation to enhance the exploration potential. A site survey is planned in 2014 in preparation for drilling the Muckish prospect.

Also in Ireland, Serica has launched a farm-out campaign on licence 01/06 (Serica interest 50%) in the Slyne Basin on behalf of itself and its partner RWE. A site survey has already been performed on this location and a well could be drilled as early as summer 2014 (subject to, inter alia, conclusion of a satisfactory farm-out arrangement). Drilling would be expected to focus on the Boyne prospects which have Jurassic oil potential and Triassic gas potential. Serica's previous well on this block (Bandon, 2009) found a new oil play in shallow high quality Jurassic reservoir.

In the UK, progress has been made towards a new development plan for the Columbus field to tie back directly to the nearby Lomond platform. Preliminary analysis indicates that this solution is technically feasible from an engineering perspective and can be delivered more quickly and cost-effectively than the previous plan based on a bridge-linked platform. The main outstanding issue is to reach satisfactory commercial arrangements with the infrastructure owners. Negotiations are continuing with BG, DECC and other interested parties with the aim of reaching an early conclusion to enable project sanction to proceed with the minimum of delay. The Group continues to target a start-up date for Columbus in the second half of 2015 which is achievable if agreement on commercial arrangements can be reached by the end of 2013. Meanwhile, Serica continues to evaluate other commercially viable offtake routes if agreement cannot be reached. The Columbus field is well located in this regard and contact has already been made with other infrastructure operators as possible alternatives. Preliminary analysis indicates that the economics of alternative routes are comparable with tying back to Lomond but would most likely result in a later start-up. Financing for the project will still need to be put in place and remains a risk and other consents and determinations are required from DECC, once the offtake route has been determined.

The Group has also achieved good progress with its UK offshore exploration activities.

A farm-out agreement was signed with Centrica over East Irish Sea Blocks 113/26b & 27c in June 2013 under which Centrica will bear Serica's 20% retained share of costs associated with the drilling of an exploration well in the blocks up to a cap of c. US$17.8 million (subject to government approval). The Doyle gas prospect in the north of Block 113/27c has been fully matured as the result of work performed by Serica in 2011 and is ready to drill. The site survey for this well has recently been completed at no cost to Serica. Drilling is expected to commence in 2014.

In the Southern North Sea Greater York Area Blocks (Serica interest 37.5%) a 3D seismic acquisition survey was completed in early July 2013. Initial analysis indicates that the survey may also have identified additional prospects. Exploration well drilling is expected to commence in 2014 or 2015 and a farm-out process is planned. The York area benefits from low-cost development options.

In Block 22/19c (Serica interest 15%), the operator (JX Nippon) has identified significant deep HPHT potential in the Jurassic and Triassic formations. Serica has a full carry on this licence up to and including the drilling of a discretionary exploration well.

In Norway, the operator of the Bream field has reconfirmed its plans to submit development proposals in early 2014. Upon commencement of oil production, the Company is due to receive a cash payment, which, on the basis of current oil prices, is expected to be substantial.

As the result of its successful programme of farm-outs, Serica's share of costs relating to its near term exploration activities are largely met by third parties, including the costs of drilling where wells are planned or committed. The Group has no debt or major commitments or other liabilities which are not largely covered by existing farm-out agreements with major industry players.

As stated in the Group's interim results for the half-year ended 30 June 2013 announced on 17 September 2013, the Directors have been considering a range of strategic and financing options to meet Serica's funding needs for 2014 and beyond, including further realisation of asset value through farm-out or sale as well as corporate transactions or the issue of equity or other financial instruments. The Directors believe in the underlying strength and value in the Group's portfolio of assets which has been demonstrated by transactions completed with internationally recognised industry partners and, whilst discussions will continue with third parties which may lead to the realisation of some of the Group's assets where this is deemed to be in the best interests of shareholders, the Directors have concluded that the Company should proceed with the Capital Raising to place the Group on a stronger financial footing and enable it to achieve its objectives.

5. Use of proceeds

The Placing is expected to raise gross proceeds of up to US$16.6 million (before placing commission and the costs of the Placing).

The net proceeds anticipated from the Placing will be sufficient to meet the Group's immediate needs, enabling it to move forward with negotiations to bring the Columbus field to project sanction from which point it can start to realise the value of its investment, to meet the costs of follow-on work in Morocco and, to accelerate pre-drilling activities in both Ireland and Namibia and providing the means to evaluate new opportunities both in the UK and in areas where it has developed specific knowledge as the result of data acquired and its position as an early entrant.

The expected application of funds raised in the Placing can be broken down approximately as follows:

Use of Proceeds	**US$ million**
UK	
York area well costs post-farmout	3.0
MOROCCO	
Foum Draa – follow-on work	3.0
Sidi Moussa – funds above farm-in cap and follow-on work	2.0
IRELAND	
Site survey in preparation for Rockall (Muckish) drilling	1.0
Slyne well costs post farm-out	2.5
NAMIBIA	
General costs pre-drilling	0.5
CORPORATE	
Group G&A	3.3
Opportunities to expand portfolio in existing areas	0.5
Costs of Placing	0.8
TOTAL	16.6

The expected use of proceeds set out above is illustrative of the Directors' current intentions with regard to the proceeds from the Placing and is subject to change. Operational outcomes and other events, including (without limitation) farm-out processes and the results of drilling, may result in a re-allocation of the proceeds raised through the Placing over time after Admission on a case-by-case basis.

Assuming the take-up in full of the Open Offer, the maximum gross proceeds to the Company from the Open Offer would be approximately US$6.7 million. The Directors believe that any net proceeds received from the Open Offer will assist the Group in retaining larger interests in its prospects when negotiating potential farm-out terms and in funding new ventures.

6. Global Reserve Group LLC

GRG was formed in 2012 to advise and invest in growing companies in the oil and gas industry around the world. It holds a 14.0 per cent. interest in Serica and is the Company's largest shareholder. Jeffrey Harris, a founder of the GRG entity, is a Director of the Company and has a controlling beneficial interest in GRG.

GRG has irrevocably undertaken to vote or procure to vote in favour of the Resolutions relating to the Placing and the Open Offer in respect of 25,501,736 Existing Ordinary Shares, in aggregate, representing approximately 14.0 per cent. of the existing issued ordinary share capital of the Company.

As part of the Placing, GRG has irrevocably agreed to procure that its affiliate, GRG UK Oil LLC, will subscribe for 20,588,840 Placing Shares at the Issue Price for £3.7 million (approximately US$6.0 million), which will be settled at the time of Admission. Following the Placing, assuming that Qualifying Shareholders take up their Open Offer Entitlements in full, GRG will have a 17.56 per cent. interest in the Company.

7. Directors' shareholdings

Of the Directors, Antony Craven Walker, Mitchell Flegg, Christopher Hearne, Neil Pike Ian Vann and Jeffrey Harris have irrevocably undertaken to participate in the Placing. Antony Craven Walker has undertaken to subscribe for 1,859,680 New Ordinary Shares. Mitchell Flegg has undertaken to subscribe for 166,666 New Ordinary Shares, Christopher Hearne has undertaken to subscribe for 225,000 New Ordinary Shares, Neil Pike has undertaken to subscribe for 100,000 New Ordinary Shares, and Ian Vann has undertaken to subscribe for 134,000 New Ordinary Shares. Each of Antony Craven Walker, Mitchell Flegg, Christopher Hearne, Neil Pike and Ian Vann may hold some or all of these New Ordinary Shares directly or indirectly. As described above, Jeffrey Harris, (through his controlling beneficial interest in GRG has irrevocably undertaken to subscribe for 20,588,840 New Ordinary Shares in the Placing.

The Directors have irrevocably undertaken to vote (or procure that their relevant connected persons so do) in favour of the resolutions to be proposed at the General Meeting in respect of their entire beneficial holdings of Ordinary Shares.

Immediately following Admission, it is expected that the Directors (together with their respective connected persons) will have the following interests in the Ordinary Shares of the Company:

	Total no. of Ordinary Shares	*Percentage of the Enlarged Share Capital **
Antony Craven Walker **	7,829,916	2.98
Mitchell Flegg	296,465	0.11
Christopher Hearne	1,046,615	0.40
Jeffrey Harris ***	46,090,576	17.56
Neil Pike ****	505,000	0.19
Steven Theede	749,485	0.29
Ian Vann	267,935	0.10

* Assuming that Qualifying Shareholders take up their Open Offer

Entitlements in full.

** Includes Ordinary Shares held by Christine Elizabeth Walker and Rathbones (pension funds).

*** Includes Ordinary Shares held by GRG.

**** Includes Ordinary Shares held by Romayne Pike and by Luska Limited.

8. Related party transactions

The subscription by GRG UK Oil in the Placing at the Issue Price is classified as a related party transaction under the AIM Rules. Accordingly, the Independent Director considers, having consulted with Peel Hunt, the Company's nominated adviser, that the terms of GRG's participation in the Placing are fair and reasonable insofar as Shareholders are concerned.

9. Details of the Capital Raising

9.1 Structure

The Directors have given consideration as to the best way to structure the proposed equity fundraising, having regard to inter alia, current market conditions, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that the structure of the Capital Raising to comprise the Placing and the Open Offer is the most suitable option available to the Company and its Shareholders as a whole. The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares at the Issue Price pro rata to their current holdings of Existing Ordinary Shares with the option for subscribing for more pursuant to the Excess Application Facility. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The Issue Price of 18 pence per New Ordinary Share represents a 1.4 per cent. discount to the closing middle market price of 18.25 pence per Existing Ordinary Share on 21 October 2013, the last business day before the announcement of the Capital Raising.

9.2 Principal terms of the Placing

The Company is proposing to raise gross proceeds of approximately £10.2 million (approximately US$16.6 million) pursuant to the Placing through the issue of 56,870,934 Placing Shares.

The Company has conditionally placed 56,870,934 Placing Shares firm at the Issue Price with institutions and other investors pursuant to the Placing. As the issue and allotment of the Placing Shares will exceed the Directors' existing authorities to allot shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, inter alia, to complete the Placing and the Open Offer. The Placing Shares have therefore been placed firm conditional, inter alia, on the passing of the Resolutions 1 and 2 and, subject to the passing of the Resolutions 1 and 2, will be issued and allotted at the time of Admission, which is expected to take place at 8.00 a.m. on 15 November 2013.

All of the Placing Shares have been placed with institutions and other investors and are not, therefore, being offered to existing Shareholders and do not form part of the Open Offer. There will be no ability to "claw back" New Ordinary Shares from the Placing into the Open Offer. The Placing Shares will, upon issue, rank pari passu with the Existing Ordinary Shares and the Open Offer Shares in issue following the Capital Raising.

9.3 Principal terms of the Open Offer

Subject to the fulfilment of the conditions set out below and in the Circular, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at the Issue Price, pro rata to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

1 Open Offer Share for every 8 Existing Ordinary Shares

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

The allotment and issue of the Open Offer Shares will also need to be made following and conditional on, inter alia, the passing of Resolutions 1 and 2 at the General Meeting.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of approximately £4.1 million (approximately US$6.7 million) for the Company.

The Open Offer Shares will, upon issue, rank pari passu with the Placing Shares and the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements may be aggregated and sold by Peel Hunt and/or RBC Capital Markets in the market, with the proceeds being retained for the benefit of the Company.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

To enable the Company to benefit from applicable exemptions to the requirement to prepare a prospectus in connection with the Open Offer, a maximum of 22,846,288 New Ordinary Shares, representing a total consideration of approximately £4.1 million (approximately €4.9 million), will be made available to Qualifying Shareholders under the Open Offer, which will be conducted on the basis of 1 New Ordinary Share for every 8 Existing Ordinary Shares. The Open Offer is restricted to Qualifying Shareholders in order to enable the Company to benefit from exemptions from securities law requirements in certain jurisdictions outside the United Kingdom.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded. Unlike a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not take up their rights to subscribe under the Open Offer.

9.4 Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to the Circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 23

October 2013. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 23 October 2013. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim.

Qualifying non-CREST Shareholders will receive an Application Form with the Circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 8.00 a.m. on 23 October 2013.

Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Open Offer Entitlements will lapse.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, will be set out in the Circular.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent, BR3 4TU, UK so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 8 November 2013. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained further in the Circular by no later than 11.00 a.m. on 8 November 2013.

9.5 Other information relating to the Capital Raising

The Placing and the Open Offer are conditional, inter alia, upon:

i. the passing of Resolutions 1 and 2 at the General Meeting;

ii. the Placing and Open Offer Agreement becoming unconditional in all respects (other than Admission) and not having been terminated in accordance with its terms;

iii. the receipt of conditional approval from the TSX with regard to the listing of the New Ordinary Shares on the TSX;

iv. Admission of the Placing Shares and Open Offer Shares becoming effective by not later than 8.00 a.m. on 15 November 2013 (or such later time and/or date as Peel Hunt and RBC Capital Markets may agree); and

v. the current interim chief executive officer of the Company remaining in office at Admission.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the relevant part or parts of the Capital Raising will not proceed.

Under the terms of a Placing and Open Offer Agreement dated 21 October 2013 made between (1) the Company (2) Peel Hunt LLP ("Peel Hunt") and (3) RBC Europe Limited (trading as RBC Capital Markets) ("RBC"), Peel Hunt and RBC were each appointed as agents of the Company to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Pursuant to the Placing and Open Offer Agreement, the Company has given certain warranties to Peel Hunt and RBC regarding, inter alia, the accuracy of information in this document and an indemnity in favour of Peel Hunt and RBC in respect of, inter alia, losses arising directly or indirectly out of the Capital Raising.

The Placing and Open Offer Agreement is conditional . Under the Placing and Open Offer Agreement, the Company has agreed to pay certain placing commissions to Peel Hunt and RBC and a corporate finance fee of £110,000 to Peel Hunt for its advice and services to the Company in relation to the Capital Raising, both of, which will be deducted from the proceeds of the Placing. Each of Peel Hunt and RBC are entitled, in certain limited circumstances, to terminate the Placing and Open Offer Agreement prior to Admission and to the payment of outstanding expenses on such termination. The Capital Raising will result in the issue of in total 79,717,222 New Ordinary Shares assuming full take up under the Open Offer (representing, in aggregate, approximately 43.6 per cent. of the Enlarged Share Capital assuming full take up under the Open Offer). The New Ordinary Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

Following the issue of the New Ordinary Shares pursuant to the Capital Raising, Qualifying Shareholders who take up their full entitlements, excluding any New Ordinary Shares acquired through the Excess Application Facility, in respect of the Open Offer will undergo a dilution of up to 21.7 per cent. to their interests in the Company because of the Placing. Qualifying Shareholders who do not take up any of their entitlements in respect of the Open Offer will experience a more substantial dilution to their interests in the Company because of the Capital Raising.

10. Restrictions on resale in Canada

The New Ordinary Shares are not being offered to residents of Canada, and such New Ordinary Shares issued to residents of countries other than Canada may not be sold, transferred or otherwise disposed on the TSX or, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission.

11. Application for Listing

Application will be made to the London Stock Exchange and to the TSX for the Placing Shares and the Open Offer Shares to be admitted to trading on AIM and for conditional approval for the listing of the Placing Shares and the Open Offer Shares on the TSX, respectively. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 15 November 2013.

12. General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of College Hill, The Registry, Royal Mint Court, London, EC3N 4QN on 11 November 2013 at 11.00 a.m. will be set out in the Circular. At the General Meeting, the following Resolutions will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot up to 79,717,222 New Ordinary Shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of US$7,971,722.20. The Directors will limit this authority to the allotment of New Ordinary Shares pursuant to the Placing and the Open Offer and the authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 after the passing of the Resolution;

2. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment for cash of up to 79,717,222 New Ordinary Shares with an aggregate nominal amount of up to US$7,971,722,20. The Directors will again limit this authority to the allotment of New Ordinary Shares pursuant to the Placing and the Open Offer and the authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 after the passing of the Resolution;

3. an ordinary resolution to grant a general authority to the Directors to allot up to 174,991,688 shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of US$17,499,168.80. This authority will represent two thirds of the Enlarged Share Capital (assuming full take-up of the Open Offer) and is in line with the ABI Guidelines which recommend that the directors' authority to allot share capital be limited (for a rights issue) to a sum equal to two-thirds of the issued Ordinary Share capital plus the amount required in order to satisfy outstanding share options on condition that half of this amount (representing one third of the Company's Enlarged Share Capital (assuming full take-up in the Open Offer)) can only be allotted pursuant to a rights issue; it is also in line with the authorities granted pursuant to section 551 of the Act at the Company's last AGM held on 27 June 2013; and

4. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment for cash of up to 26,248,753 equity shares with an aggregate nominal amount of up to US$2,624,875.30. This authority will represent approximately 10 per cent. of the Enlarged Share Capital (assuming full take-up of the Open Offer) and is in line with the Directors' existing share authorities granted in respect of the disapplication of section 561(1) granted at the Company's last AGM held on 27 June 2013.

The Directors and GRG, in respect of 33,711,806 Existing Ordinary Shares in aggregate representing approximately 18.4 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote or procure the voting in favour of Resolutions at the General Meeting.

Resolutions 1 and 3 in the Notice of Meeting will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed as special resolutions.

APPENDIX I:

EXPECTED TIMETABLE OF PRINCIPAL EVENTS[1]

	2013
Record Date for entitlement under the Open Offer	5.00 p.m. on 21 October
Announcement and ex-date	22 October
Posting of the Circular, the Form of Proxy and, to Qualifying non-CREST shareholders only, the Application Forms	23 October
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 24 October
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 4 November
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 5 November
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims)	3.00 p.m. on 6 November
Latest time and date for receipt of Forms of Proxy from Shareholders	**6.00 p.m. on 7 November**
Latest time and date for receipt of completed Application Forms and payment in full from Qualifying Shareholders under the Open Offer or settlement of relevant CREST instruction (as appropriate)	**11.00 a.m. on 8 November**
Expected time and date of announcement of results of the Open Offer	7.00 a.m. on 11 November
General Meeting	11.00 a.m. on 11 November
Expected time of announcement of results of the General Meeting	afternoon of 11 November
Admission effective and dealings in the Placing Shares and the Open Offer Shares expected to commence on AIM; the listing of the Placing Shares and the Open Offer Shares on TSX expected to become unconditional	8.00 a.m. on 15 November
Expected date for crediting of the Placing Shares and the Open Offer Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 15 November
Expected date of dispatch of share certificates in respect of the Placing Shares and the Open Offer Shares	22 November

Notes:

(1) If you have any questions on the procedure for acceptance and payment, you should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent, BR3 4TU, or by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.30 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Capita cannot provide financial advice on the merits of the Capital Raising or as to whether or not you should take up your entitlement.

(2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout the Circular may be adjusted by Serica in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.

(3) All references to time in the Circular are to time in London.

APPENDIX III:

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

"2006 Act"	the UK Companies Act 2006
"Admission"	the admission to trading on AIM of the Placing Shares and the Open Offer Shares, which is expected to take place at 8.00 a.m. on 15 November 2013
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
"AIM Rules for Nominated Advisers"	the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange
"Applicant"	a Qualifying Shareholder or a person entitled by virtue of a *bona fide* market claim who lodges an Application Form under the Open Offer
"Application Form"	the application form which will accompany the Circular on which Qualifying non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
"Articles"	the existing articles of association of the Company as at the date of this announcement
"bopd"	barrels of oil per day
"Board" or **"Directors**	the directors of the Company from time to time
"Business Day"	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK and Toronto, Canada
"Capita"	Capita Assets Services Limited, The Registry, 34 Beckenham Road, Kent BR3 4TU, United Kingdom
"Capital Raising"	the Placing and the Open Offer, taken together
"CCSS"	the CREST courier and sorting service, established by Euroclear UK & Ireland to facilitate, inter alia, the deposit and withdrawal of certificated securities
"Company" or **"Serica"**	Serica Energy plc
"CREST"	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
"CREST member"	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations)
"CREST participant"	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland
"CREST Regulations"	the Uncertificated Securities Regulations 2001, as amended
"CREST Sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member (which

	includes all CREST Personal Members)
"DECC"	the UK Department of Energy & Climate Change
"Enlarged Share Capital"	the issued ordinary share capital of the Company immediately following Admission
"Euroclear UK& Ireland"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this announcement and the Circular
"Excess Open Offer Entitlement"	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this announcement and the Circular
"Excess Shares"	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
"Existing Ordinary Shares"	the existing ordinary shares of US$0.10 in the capital of the Company
"Form of Proxy"	the form of proxy to accompany the Circular
"FCA"	the Financial Conduct Authority of the United Kingdom
"FSMA"	the Financial Services and Markets Act 200 (as amended)
"General Meeting"	the general meeting of Shareholders to be held at the offices of College Hill, The Registry, Royal Mint Court, London, EC3N 4QN, United Kingdom at 11.00 a.m. on 11 November 2013
"GRG"	Global Reserve Group LLC, an entity founded by Mr Jeffrey Harris and in which he holds a controlling beneficial interest
"GRG UK Oil"	GRG UK Oil LLC, a wholly owned subsidiary of GRG and the entity through which GRG's interest in the New Ordinary Shares will be held
"Group"	the Company, together with its subsidiary undertakings
"HPHT"	high pressure, high temperature
"Independent Directors"	Mr Steven Theede
"ISIN"	International Securities Identification Number
"Issue Price"	18.0 pence per New Ordinary Share
"London Stock Exchange"	London Stock Exchange plc
"Member Account ID"	the identification code or number attached to any member account in CREST
"mmscfd"	million standard cubic feet of gas per day
"Money Laundering Regulations"	the Money Laundering Regulations 2007 (as amended)
"New Ordinary Shares"	up to 262,487,533 new ordinary shares of US$0.10 each to be issued pursuant to the Capital Raising
"Official List"	the daily official list maintained by the Financial Conduct Authority

"Open Offer"	the invitation to Qualifying Shareholders, conditional on passing of Resolutions 1 and 2 set out in the Notice of General Meeting at the end of the Circular, to apply to subscribe for New Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in the Circular and, where relevant, in the Application Form
"Open Offer Entitlement"	the *pro rata* basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 8 existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
"Open Offer Shares"	the 22,846,288 New Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
"Ordinary Shares"	the ordinary shares of US$0.10 each in the capital of the Company
"Overseas Shareholder"	a Shareholder who is resident, or who is a citizen of, or who has a registered address in a jurisdiction outside the United Kingdom
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"Peel Hunt"	Peel Hunt LLP
"Placees"	the persons who conditionally agree to subscribe for New Ordinary Shares in the Placing
"Placing"	the placing of the Placing Shares at the Issue Price by Peel Hunt and RBC Capital Markets, as described in Part I of the Circular
"Placing and Open Offer Agreement"	the conditional agreement dated 21 October 2013 between the Company, Peel Hunt and RBC Capital Markets relating to the Placing and the Open Offer
"Placing Shares"	the 56,870,934 New Ordinary Shares which have conditionally been placed firm with certain institutional and other investors by Peel Hunt and RBC Capital Markets and are to be issued by the Company pursuant to the Placing
"Prospectus Rules"	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in uncertificated form
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in a Restricted Jurisdiction)
"RBC Capital Markets"	RBC Europe Limited (trading as RBC Capital Markets)
"Record Date"	5.00 p.m. in London on 21 October 2013 in respect of the entitlements of Qualifying Shareholders under the Open Offer
"Receiving Agents"	Capita Asset Services, Corporate Actions, 34 Beckenham Road, Kent, BR3 4TU, UK
"Registrars"	Capita Asset Services, 34 Beckenham Road, Kent, BR3 4TU, UK and/or Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, Canada
"Resolutions"	the resolutions to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting at the end of the

	Circular
"Restricted Jurisdiction"	each and any of the United States of America, Australia, Canada, Japan, the Republic of Ireland, New Zealand, Russia and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
"Shareholder"	a holder of Ordinary Shares
"sterling", **"pounds sterling"**, **"£"**, **"pence"** or **"p"**	the lawful currency of the United Kingdom
"stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"TSX"	Toronto Stock Exchange
"US$" or "US dollar"	the lawful currency of the United States of America
"US Securities Act"	the United States Securities Act of 1933