

Serica Energy plc
("Serica" or the "Company")

BILITON OPERATIONS UPDATE

London, 14 January 2008 - Serica Energy plc (AIM & TSX-V: SQZ) announces that the GSF 136 drilling rig, on location in the Biliton Block in the Java Sea, Indonesia, is preparing to complete operations on the Batara Indra prospect, the second prospect drilled in the two well programme in the Biliton PSC.

Batara Indra North #1 was drilled to a total depth of 2,285 feet and encountered a sequence of tertiary sandstones that did not contain hydrocarbons. The well will be plugged and abandoned.

The drilling rig will now move to Serica's Kambuna field, offshore North Sumatra, where it will install the production platform and drill the Kambuna field development wells. First production from the field is expected in late 2008.

Serica has a 45% interest in the Biliton PSC and is the operator. The majority of the cost of the two Biliton wells is being carried by a farminee.

Paul Ellis, Serica Chief Executive said: "We are naturally disappointed that the Ismaya and Indra North wells did not encounter hydrocarbons but we have always recognised that the high potential of Biliton came with a significant exploration risk, since the Block is around 200 kilometres away from the established oil and gas fields of East Java.

"We are now looking forward to carrying out the development works on our Kambuna field, where we are targeting to have gas and condensate production by the end of this year."

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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