

SERICA ENERGY COMPLETES KAMBUNA SALE IN INDONESIA

London, 29 August 2008 - Serica Energy plc (AIM & TSX-V: SQZ) ("Serica" or "the Company") is pleased to announce that it has completed the sale of a 15% interest in the Glagah-Kambuna Technical Assistance Contract ("the Kambuna TAC") offshore Sumatra, Indonesia, to a subsidiary of Salamander Energy plc ("Salamander").

The consideration received by Serica on completion was US\$52.7 million and Serica's interest in the Kambuna TAC is now 50% with Salamander holding the remaining 50%. The companies have agreed a handover protocol under which Serica's Kambuna TAC operating responsibilities will be assumed by Salamander, a process which is expected to be substantially complete by 1 January 2009.

Serica Chief Executive, Paul Ellis, said:

"Completion of the Kambuna part of our transaction with Salamander puts Serica in a strong financial position from which to carry out our strategy of exploring and appraising a number of the large, low risk, prospects that we have in our portfolio in which we have substantial interests. Next year we will also begin to benefit from production revenues from our 50% interest in the Kambuna field."

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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 sasha@chfir.com and specify "Serica press releases" in the subject line.