

Serica Energy plc

("Serica" or the "Company")

SERICA OPERATIONS UPDATE

London, 17 August 2010 - Serica Energy plc ("Serica" or the "Company") provides an operations update on the Oates exploration well in Block 22/19c in the Central North Sea and on its Indonesian offshore drilling programme.

The Oates well 22/19c-6 was spudded on 30 July. The target of the well was the Palaeocene age Forties Sandstone, which is a significant oil and gas producing reservoir in the Central North Sea. The data acquired on the Oates well confirms that the Forties Sandstone was entered at 9,531 feet MD BRT but logging indicates that no hydrocarbons are present in the sands at this location and the well will be plugged and abandoned as a dry hole. Detailed analysis of the well results will be used to evaluate the remaining potential of Block 22/19c, which also contains a second Forties Sandstone prospect known as Bowers.

Under the terms of a farm-in agreement, Premier Oil plc is paying 100% of the Oates drilling costs in order to earn a 50% interest in the Block 22/19c licence and has assumed the operatorship of the block. Serica retains a 50% interest in the licence.

Later this month, Serica expects to mobilise the Trident IX jack-up drilling rig for the Dambus and Marindan wells in the Kutai PSC offshore Indonesia. Dambus is expected to commence drilling in early September and will be followed immediately by the Marindan well.

17 August 2010

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The technical information contained in the announcement has been reviewed and approved by Peter Sadler, Chief Operating Officer 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 plc is an oil and gas exploration and production company using specialised geophysical technology to create value through the discovery of new hydrocarbon reserves. Serica is based in London, England, and holds exploration and production licences principally in the UK North Sea and East Irish Sea, the Atlantic Margins of Ireland and Morocco and in Indonesia. The Company's key producing and development assets are a 25% interest in the producing Kambuna field offshore Indonesia and a 50% stake in the UK Central North Sea Columbus field, under development.

Serica's business objective centres on building shareholder value through successful exploration and appraisal drilling. Serica is also focused on improving its market liquidity, optimising its risk profile and managing the Company's portfolio of opportunities through acquisition and divestment. Serica's strategy involves minimising its exploration drilling costs through promoted farm-outs while retaining high working interests in the potential for exploration success.

www.serica-energy.com

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: 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.

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