



Thursday 24 November 2005

**SERICA ENERGY PLC**

(“Serica” or the “Company”)

**BRIEFING RE: PROPOSED INTENTION TO FLOAT ON THE AIM MARKET OF THE LONDON STOCK EXCHANGE (“AIM”)**

*London, 24 November 2005 - Serica, an international oil and gas exploration company with principal activities in the UK North Sea, Indonesia and Spain, announces its intention to apply for its shares to be admitted to trading on the AIM market of the London Stock Exchange in addition to its existing Toronto listing on the TSX Venture Exchange.*

- Intention to float on AIM in December 2005, giving Serica quotations in Toronto and London
- Recent successful drilling at Kambuna-2 Well and gas discovery at Togar-1A Well in Indonesia underline Serica’s exploration track record and the overall potential of its portfolio
- Proposed fundraising of up to £60 million (US\$105 million) to finance Serica’s planned exploration, appraisal and development program over the next 24 months, principally on operated blocks where Serica has substantial interests
  - In 2006 and 2007, the Company estimates that it will spend US\$60 million on its exploration and appraisal program and US\$34 million on the development of the Kambuna Field and the Singa Field
  - The GCA Report confirms that the exploration program in 2006 and 2007 has the potential to add significantly to the Company’s reserve base
  - Appraisal drilling program over next 24 months will accelerate Serica’s objective of bringing its four discoveries onto production
  - Company is on track for first production from near-term development opportunities in the Kambuna Field and Singa Field by 2008
- The Company has a clear strategy for growth
  - Target regions with proven petroleum systems where management has the relevant experience and expertise
  - Hold significant stakes in exploration prospects and lead the prospect identification and evaluation stage as operator where appropriate
  - Build a balanced portfolio of assets with exposure to lower risk appraisal and higher risk, higher impact exploration prospects and participate in five to 10 wells per year
  - Accelerate the development of existing discoveries close to infrastructure and markets to generate cash flow to ultimately fund the Company’s exploration program.

**Tony Craven Walker, Chairman Serica Energy PLC commented:**

*“Serica’s technical team has assembled a portfolio of exploration properties, in Indonesia, the UK North Sea and in Spain, which have considerable upside potential. The successful outcome of the Kambuna-2 and Togar-1A wells, our first two wells drilled as Operator, have already begun to demonstrate this potential.*



***The AIM flotation and fundraising will provide Serica with the financial resources to explore, appraise and develop its quality asset base which has the potential to generate material value for shareholders."***

**24 November, 2005**

**Enquiries:**

**Serica Energy PLC**

Paul Ellis	Chief Executive Officer	+44 (0)20 7487 8252
Chris Hearne	Chief Financial Officer	+44 (0)20 7487 8252

**Pelham public relations**

James Henderson	+44 (0)20 7743 6673	+44 (0)7774 444163
Alisdair Haythornthwaite	+44 (0)20 7743 6673	+44 (0)7714 721379



## **PROPOSED INTENTION TO FLOAT ON THE AIM MARKET OF THE LONDON STOCK EXCHANGE**

### **Background**

The Company has appointed JPMorgan Cazenove as its financial adviser, nominated adviser and broker (for the purposes of the AIM rules) in respect of the proposed fundraising. Subject to finalising the terms of the proposed fundraising, the Serica Board of Directors currently expects the new and existing shares to be admitted to trading on AIM in December 2005 following publication of an AIM admission document. The Company's shares will continue to be quoted on the TSX Venture Exchange in Toronto. The Company currently has 74,980,158 ordinary shares outstanding and 88,055,784 ordinary shares on a fully diluted basis.

### **Reasons for AIM Quotation**

The proposed AIM quotation follows Serica's extraordinary general meeting ("EGM") held on 14 November, 2005 in Toronto. The passing of the resolutions at the EGM enabled the necessary fundraising to proceed and facilitate the implementation of the Company's forward program.

A quotation on AIM will improve the trading liquidity of the Company's shares and open up the opportunity for accessing international capital markets. AIM is well established as a leading market in Europe for growing companies. The Board believes that a fundraising on AIM is an efficient method of accessing an international market with a broad, relevant peer group and considerable research expertise. It will complement the Company's existing listing in Toronto and provide greater liquidity for shareholders.

### **Strategy**

The Company has a clear strategy for growth:

- Target regions with proven petroleum systems where management has the relevant experience and expertise
- Hold significant stakes in exploration prospects and lead the prospect identification and evaluation stage as operator where appropriate
- Build a balanced portfolio of assets with exposure to lower risk appraisal and higher risk, higher impact exploration prospects and participate in 5 to 10 wells per year
- Accelerate the development of existing discoveries close to infrastructure and markets to generate cash flow to ultimately fund the Company's exploration program.

### **Management**

As previously announced, Paul Ellis became Chief Executive Officer on 1 September, 2005. Paul has 35 years of experience in the oil and gas industry, holding senior positions in both independent and integrated oil and gas companies, most recently as Chief Operating Officer at Emerald Energy, a UK-listed company. Paul joins the other two executive directors of Serica, Chris Atkinson, a founding partner of Serica who had previously held senior management positions with Arco and who has 23 years of industry experience, and the Chief Financial Officer, Chris Hearne, formerly Corporate Finance Manager for Intrepid Energy, a privately backed North Sea exploration and production company.



Tony Craven Walker is Serica's non-executive Chairman. He was formerly founder and Chairman of Monument Oil & Gas and founder and Chief Executive of Charterhouse Petroleum. The other non-executive Directors are Neil Pike and Jim Steel.

### **Forward Program**

On 6 October, 2005 the Company announced the successful drilling of the Kambuna-2 Well in which Serica is operator and has a 55% interest. This was followed by the announcement on 26 October, 2005 of a gas discovery in the Togar-1A Well. Following these successes, further funds are now essential to progress the forward program. Consequently, the Company intends to raise up to £60 million (US\$105 million) of additional funding by the issue of new ordinary shares to support not only the appraisal and potential development of Kambuna, but also an extensive exploration drilling program over the next 24 months on the Company's blocks in Indonesia and the UK North Sea.

Eleven exploration and appraisal wells are planned over the next two years and work is due to start on the Company's two near-term development opportunities, expected to commence production in 2008. In 2006 and 2007, the Company estimates that it will spend US\$60 million on its exploration and appraisal program and US\$34 million on the development of two existing discoveries.

### **UK North Sea**

The Company currently plans to commence the drilling of three wells in the UK North Sea blocks in 2006. The program includes drilling an appraisal well on the Chablis discovery in Block 48/16b (Serica: 100%), an exploration well on the Oak prospect in Block 54/01b (Serica: 100%), and an exploration well in Block 23/16f (Serica: 50%).

Subject to the outcome of the 2006 drilling program and the Company's ongoing analysis of its properties, all of which it operates, the Company currently intends to drill a further four wells in the UK in 2007. These include exploration wells on Block 23/16e and 23/17b (Serica: 50%), Block 48/16a and 47/20b (Serica: 100%), and on recently awarded Blocks 14/15a (Serica: 50%) and 23/16f (Serica: 50%).

The Company also plans to expand its opportunity base through investment in additional exploration ventures in the North Sea and to seek to balance its exploration portfolio where appropriate through farm-in and farm-out opportunities as they arise.

The total costs, net to Serica, of UK exploration drilling, seismic surveys and licence fees, are estimated to be US\$12 million for 2006 and US\$25 million for 2007, which takes into account the Company's intention to seek partners at the drilling phase in order to manage its exposure to exploration risk.

### **Indonesia**

The Company intends to drill at least three wells on its operated Indonesian properties in 2006: an appraisal well on the Kambuna Field; an exploration well in the Asahan Block, to further evaluate the potential of the block following the recent Togar-1A gas discovery; and the Company's first exploration well in the Biliton Block. The Company also proposes to acquire further seismic data on its Indonesian properties and to fund its share of the Singa Field development costs.

Following the recent success of the Kambuna-2 appraisal well, Serica intends to submit a preliminary plan of development for the field before the year end. The plan will include a further appraisal well and the acquisition of a 3D seismic survey in 2006. The Company has also provisionally allocated a further US\$20 million for expenditure on the Kambuna development over 2006 and 2007.



The Company is also evaluating a number of other prospects in the Asahan Block for early drilling. The potential of the Asahan Block has been highlighted by the discovery of gas in good reservoir sands in the Togar-1A exploration well. The Company plans to drill a further exploration well in 2006.

During 2006 the Company also intends to commence drilling on the Biliton Block in which there are a number of untested prospects. Following the acquisition of 2D seismic data on this block in 2004 and 2005, Serica intends to drill its first exploration well in 2006 and a second well in 2007. The Biliton Block, which covers around 6,500 square kilometres, offers further opportunities for drilling in the future and these first two wells are likely to be part of a more extensive exploration program.

Serica expects that the development of the Singa Field in the Lematang Block will commence in 2006. The Company's share of operating and development costs for the Lematang Block is currently being carried by other partners up to a limit of US\$2.8 million, of which US\$1.4 million remained at 30 June, 2005. Based on estimates by the operator, Serica's cost carry should be sufficient to cover all costs associated with the development of the Singa Field in 2006 but an additional US\$6.5 million is expected to be required by the Company to fund its share of the development costs in 2007. The Company anticipates that production from the Singa Field will commence in 2008.

The total costs net to Serica of Indonesian exploration drilling, seismic surveys, development costs and licence fees are estimated to be US\$30 million for 2006 and US\$24 million for 2007.

## Spain

The Company has a 100% interest in four onshore exploration permits in North Eastern Spain and has completed a series of geological studies that identify a potential petroleum system. Permits are for an initial four-year term without well obligations.

The Company expects to spend up to US\$3 million on the acquisition of seismic data over its four concessions in Spain during 2006 and 2007.

A copy of the GCA Report is available on the Company's website; [www.serica-energy.com](http://www.serica-energy.com) and on SEDAR; [www.sedar.com](http://www.sedar.com)

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