



Monday 16 October 2006

SERICA ENERGY PLC DRILLING STARTS ON THE OAK PROSPECT

London, October 16, 2006 – Serica Energy plc (AIM and TSX Venture: SQZ) announces that it has commenced drilling the Oak prospect in UK Block 54/1b.

Located in the Southern Gas Basin of the UK North Sea, well 54/1b-6 was spudded on 15th October and drilling operations are scheduled to take about 30 days. Serica is the operator of the Block and has a 50% interest. Its partner Centrica Resources Limited also has a 50% interest and will be bearing the majority of the drilling costs under the terms of the farm-in agreement announced on Tuesday October 10 2006.

Later this month the Company will also drill the Columbus prospect in Block 23/16f, located in the Central North Sea. Serica has an interest of 50% in the Block.

Background Notes

Serica Energy plc is an international oil and gas exploration company with operations in Indonesia, the UK North Sea, Spain, Ireland and Vietnam. The Company's ordinary shares are listed in London on AIM and on the Canadian TSX Venture Exchange under the symbol "SQZ". The 2005 Annual Report and Accounts are available at www.serica-energy.com and www.sedar.com.

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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 there from.

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

