



Wednesday 31 January 2007

Serica Energy announces entry into Norway with award of two new offshore licences

London, January 31, 2007 - Serica Energy plc (AIM and TSX Venture: SQZ) announces the award of its first two exploration licences in Norway.

Serica has been awarded a 20% interest in both of the two licences that it applied for in Norway's 2006 Awards in Predefined Areas ('APA') Licence Round. The two offshore licences are contiguous and lie in the Egersund Basin, about 120 kilometres southwest of Stavanger, Norway's fourth largest city and largest port serving the oil industry.

The northern licence covers an area of approximately 725 square kilometres comprising parts of the following licence blocks: 17/8, 17/9, 17/11, 17/12, 18/7 and 18/10. It includes the Bream oil discovery (1972) and the Brisling oil discovery (1973).

The southern licence covers an area of approximately 900 square kilometres comprising parts of the following blocks: 8/3, 9/1, 17/12, 18/10 and 18/11. It includes the 18/10-1 oil discovery (1980).

The Bream discovery was one of the very first discoveries in the Norwegian sector of the North Sea. The well was tested at rates of up to 1,000 barrels per day of 30 degrees API oil. Due to the size of the field and the low production rates achieved during the tests, it was regarded as uneconomic in the 1970s.

Following analysis of modern 3D seismic data that defines the field boundaries, Serica estimates that the recoverable reserves of the Bream field lie within a range of 40-100 million barrels. Using modern highly deviated or horizontal completions should enable individual wells to produce at rates in excess of 6,000 barrels per day.

The oil rates achieved during the Brisling and 18/10-1 flow tests were approximately 2,200 barrels per day and 1,800 barrels per day respectively, but whilst the flow rates were higher the discoveries are smaller than Bream and require further evaluation.

Paul Ellis (Chief Executive) said:

'This is the first time that this area of the Egersund Basin has been available for licensing since the 1980s and we are very pleased to have been awarded these two licences as our first entry into Norway. In particular, the Bream licence was one of the most highly sought after licences in the 2006 APA Round, as it contains an oil discovery that Serica believes to be potentially commercial. We look forward to working with our new operators and partners to appraise the Bream discovery and to carry out further exploration in the licence areas.'

Enquiries:

Serica Energy plc

Paul Ellis,

Chief Executive Officer pellis@serica-energy.com

+44 (0)20 7487 7300

Chris Hearne, Finance Director mailto@chearne@serica-energy.com

+44 (0)20 7487 7300

**Pelham Public Relations -UK**

James Henderson james.henderson@pelhampr.com

+44 (0)20 7743 6673

Alisdair Haythornthwaite alisdair.haythornthwaite@pelhampr.com

+44 (0)20 7743 6676

CHF Investor Relations - Canada

Jan Moir jan@chfir.com

+1 416 868 1079

Heather Colpitts heather@chfir.com

+1 416 868 1079

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 can be obtained from the Company's website www.serica-energy.com and at www.sedar.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 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.

