

# Serica Energy plc (“Serica” or the “Company”)

## Satisfaction of OFAC License conditions relating to the Rhum field

**London, 5 November 2018** - Serica Energy plc (AIM: SQZ) announces that the conditions of the License relating to the UK North Sea Rhum field, issued by the U.S. Office of Foreign Assets Control (“OFAC”) to Serica Energy (UK) Limited (“Serica UK”) and BP in respect of the interest in the field held by the Iranian Oil Company (UK) Limited (“IOC”), have now been met in full.

These arrangements provide that all benefits accruing from and relating to IOC’s interest in the Rhum field will be held in escrow for such period as U.S. sanctions apply and ensure that neither IOC nor any direct or indirect parent company of IOC will derive any economic benefit from the Rhum field during that period. IOC will also exercise no decision-making powers in respect of Rhum during the same period.

The arrangements enable third party service providers to continue to provide services unhindered and production from the Rhum field to continue uninterrupted.

The completion of these arrangements fulfils a condition precedent of the sale and purchase agreement announced in November 2017 under which Serica UK will acquire BP’s interests<sup>1</sup> in the Bruce, Keith and Rhum fields (“the BP Transaction”). Serica has also announced the signature of sale and purchase agreements with Total E&P (“the Total E&P Transaction”) and BHP Billiton (“the BHP Transaction”) to acquire further interests in the Bruce and Keith fields. All three transactions are expected to complete on 30 November 2018. Following completion of these transactions Serica UK will hold 50% of the Rhum field, 94.25% of the Bruce field and 91.67% of the Keith field and will become operator of the fields.

### **Mitch Flegg, Chief Executive of Serica Energy, commented:**

“Completion of the arrangements required under the OFAC License is an important step in the efforts which all interested parties have been making to ensure that the contribution these fields make to UK energy supply is safeguarded and the value of the reserves assured. I wish to take this opportunity to thank all parties for their support.

Serica looks forward now to completing the transactions with BP, Total E&P and BHP and to working with suppliers and service companies to develop these reserves to their full potential.”

### **Regulatory**

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

1. BP and Total E&P are each retaining a 1% interest in the Bruce field

### **Enquiries**

#### **Serica Energy plc**

Tony Craven Walker Executive Chairman	<a href="mailto:tony.cravenwalker@serica-energy.com">tony.cravenwalker@serica-energy.com</a>	+44 (0)20 7457 2020
Mitch Flegg CEO	<a href="mailto:mitch.flegg@serica-energy.com">mitch.flegg@serica-energy.com</a>	+44 (0)20 7457 2020

#### **Peel Hunt**

Richard Crichton	<a href="mailto:richard.crichton@peelhunt.com">richard.crichton@peelhunt.com</a>	+44 (0)20 7418 8900
Ross Allister	<a href="mailto:ross.allister@peelhunt.com">ross.allister@peelhunt.com</a>	+44 (0)20 7418 8900
James Bavister	<a href="mailto:james.bavister@peelhunt.com">james.bavister@peelhunt.com</a>	+44 (0)20 7418 8900

### **Instinctif**

David Simonson  
Catherine Wickman  
George Yeomans

[david.simonson@instinctif.com](mailto:david.simonson@instinctif.com)  
[catherine.wickman@instinctif.com](mailto:catherine.wickman@instinctif.com)  
[george.yeomans@instinctif.com](mailto:george.yeomans@instinctif.com)

+44 (0)20 7457 2020  
+44 (0)20 7457 2020  
+44 (0)20 7457 2020

## Notes to Editors

Serica Energy is an oil and gas exploration and production company with exploration, development and production assets in the UK and exploration interests in the Atlantic margins offshore Ireland and Namibia. Serica holds an 18% non-operated interest in the Erskine field in the UK Central North Sea and a 50% operated interest in the Columbus field scheduled to commence development in 2019. OGA approval of the Columbus FDP was granted in October 2018.

In November 2017 Serica announced the BP Transaction under which Serica UK will acquire interests in the Bruce, Keith and Rhum fields and associated infrastructure in the UK North Sea from BP. Under the terms of the BP Transaction Serica UK will acquire a 36% interest in Bruce, a 34.83% interest in Keith and a 50% interest in Rhum. The deal has an effective date of 1 January 2018.

In August 2018, Serica announced the acquisition of further interests in the Bruce and Keith fields and associated infrastructure in the UK North Sea from Total E&P UK Limited ("the Total E&P Transaction"). Under the terms of the Total E&P Transaction, Serica UK will acquire a 42.25% interest in the Bruce field and a 25% interest in the Keith field and associated infrastructure. The Total E&P Transaction also has an effective date of 1 January 2018 and completion will be subject to completion of the BP Transaction.

Most recently, Serica announced that Serica UK will acquire an additional 16.00% interest in the Bruce field and a 31.83% interest in the Keith field and associated infrastructure from BHP Billiton Petroleum Great Britain Limited ("BHP Transaction"). The transaction has an effective date of 1 January 2018. Together with the BP Transaction and the Total E&P Transaction, the BHP transaction will result in Serica UK holding a 50% interest in the Rhum field, a 94.25% interest in the Bruce field and a 91.67% interest in the Keith field and be operator of all three fields.

Further information on the Company can be found at [www.serica-energy.com](http://www.serica-energy.com).

The Company is listed on the AIM market of the London Stock Exchange under the ticker SQZ and is a designated foreign issuer on the TSX. To receive Company news releases via email, please subscribe via the Company website.