

Serica Energy plc

("Serica" or the "Company")

Offshore licence awards in UK 26 Round

London, 4 January 2012 - Serica Energy plc (AIM & TSX: SQZ) is pleased to announce that the Company has been offered a further two Production Licences in the final stage of the 26th Round of UK Offshore Licensing announced by the Department of Energy and Climate Change.

- Block 110/8b in the East Irish Sea has been offered to Serica as operator with a 100% interest. The work commitment comprises a 3D seismic reprocessing programme planned to delineate a gas prospect which has been provisionally identified in the block.
- Blocks 47/2b (Split), 47/3g (Split), 47/7 (Split) & 47/8d (Part) in the Southern North Sea have been offered under a single licence to a group in which Serica has a 37.5% interest. Centrica is the operator for the group. These blocks are contiguous part blocks immediately adjacent to the York field, also operated by Centrica. A number of gas prospects have been provisionally identified on the blocks at both the Leman (Permian) and Namurian (Carboniferous) levels. The work obligation comprises a 3D seismic survey and reprocessing of existing seismic data.

Tony Craven Walker, Chairman and Interim CEO, commented:

"We are delighted to have been offered the award of these two new UK offshore licences. We intend to seek a partner to join us in East Irish Sea Block 110/8b with a view to extending the exploration programme in this block and have already commenced discussions. In the Southern North Sea, the blocks offered for award lie very close to the York field. We expect them to contain additional gas reserves which, if proven, can easily be produced through the York field facilities."

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Serica Energy plc

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The technical information contained in the announcement has been reviewed and approved by Peter Sadler, Business Development Director 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 was formed in 2004 and, since then, has drilled 19 wells in locations as diverse as the UK Offshore, the Atlantic margin offshore Ireland, offshore Indonesia (North West Sumatra, East Kalimantan and Java) and offshore Vietnam. Seventeen of these wells were drilled by the Company as Operator, fourteen of the wells encountered oil or gas and six of these were commercial. The first of the commercial discoveries, the Kambuna field in North West Sumatra, was developed by the Company. The second, the Columbus field in the UK North Sea, is now in the pre-development stage with project sanction targeted for early 2012. The Company also has a residual economic interest in the Bream oil field offshore Norway, which will be crystallised when the field is developed, and licence interests offshore Ireland, Morocco and Namibia.

The Company is listed on both the Toronto Stock Exchange and the London AIM under the ticker SQZ.

To receive Company news releases via email, please contact nick.elwes@collegehill.com and specify "Serica press releases" in the subject line.

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: geological, geophysical and technical risk, 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.