

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

## Operations Update

**London, 9 March 2018** – Serica Energy plc (AIM: SQZ), an independent oil and gas company with production, development and exploration licence interests in the UK North Sea and exploration interests in Ireland and Namibia, hereby provides an operations update.

### UK North Sea Erskine Field

As announced on 22 January and 29 January a blockage occurred on the Lomond to Everest condensate export pipeline during routine cleaning operations. Following deployment of specialist pumping equipment, some communication across the blockage has been achieved and the plan is to continue with pressure pulsing until significant breakthrough. In parallel, a permanent solution to the pipeline wax problem is being advanced. Further updates will be made in due course.

### UK North Sea Bruce, Keith and Rhum Fields

Since restart in January, following the shut-down of the Forties pipeline, Bruce, Keith and Rhum fields (BKR) have produced on average approximately 16,000 boe/d net to BP. Serica has agreed to acquire BP’s interests in these fields with an effective date of 1 January 2018. Subject to completion of the transaction, which is anticipated in the third quarter of 2018, Serica will receive 40% of the net cash flow for BKR in 2018, rising on a stepped basis to 100% in 2022. Commodity prices for the year to date have been stronger than seen in recent years, with NBP gas pricing averaging 52p/therm and Brent oil pricing averaging \$67.50/barrel.

### Technical Information

The technical information contained in the announcement has been reviewed and approved by Clara Altobell, VP Technical at Serica Energy plc. Clara Altobell (MSc in Petroleum Engineering from Imperial College, London) has over 20 years of experience in oil & gas exploration, production and development and is a member of the Society of Petroleum Engineers (SPE) and the Petroleum Exploration Society of Great Britain (PESGB).

### Regulatory

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

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#### **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.

In November 2017 Serica announced the proposed acquisition of BP's interests in the Bruce, Keith and Rhum fields in the North Sea and associated infrastructure. Under the terms of proposed acquisition Serica will acquire a 36% interest in Bruce, a 34.83% interest in Keith and a 50% interest in Rhum (collectively the "BKR Assets"). The deal has an effective date of 1 January 2018 and completion of acquisition is expected to take place in the third quarter of 2018.

Further information on the Company and the proposed acquisition of the BKR Assets 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 contact [serica@instinctif.com](mailto:serica@instinctif.com) and specify "Serica press releases" in the subject line.