

Serica Energy plc

("Serica" or the "Company")

Drilling commences on Spaniards East in North Sea

London, 15 October 2012 – Serica Energy plc (TSX & AIM: SQZ) confirms that drilling has commenced in North Sea block 15/21a to the east of the Spaniards oil discovery lying in North Sea blocks 15/21a and 15/21g. Serica has a 21% interest in the licence which contains the Spaniards discovery.

The Spaniards discovery was made in 1989 by well 15/21a-38z which flowed at a rate of 2,660 barrels per day of 25° API oil on test. The Spaniards East well, which is being drilled by the WilPhoenix semi-submersible rig, is expected to take approximately 40 days and is aimed to test the down-dip potential some 1.2 kilometres to the east of the Spaniards discovery well. It is not planned to test the well.

Participants in the Spaniards East well are Premier Oil (operator), Serica Energy, Cairn Energy, Parkmead Group, Faroe Petroleum, Maersk Oil and Atlantic Petroleum.

Tony Craven Walker, Serica's Chairman and Interim Chief Executive said:

"We are pleased that drilling operations have now commenced to appraise the area adjacent to the Spaniards discovery. If the well is successful it will demonstrate that Spaniards, which lies close to the producing Scott field in the Central North Sea, has the potential to be commercial and, in those circumstances, we would look forward to accelerating further appraisal plans."

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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 pending. 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.