SERICAENERGY

Annual General Meeting

Creating a strong foundation for further value creation

24 June 2021

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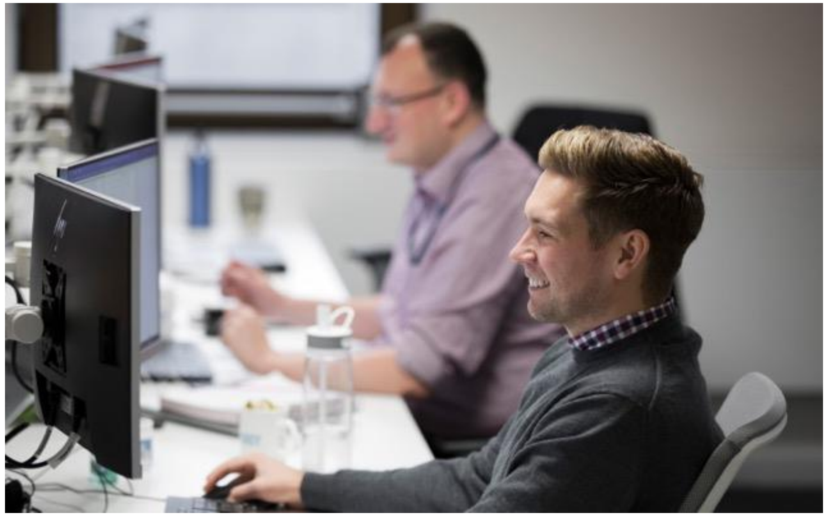
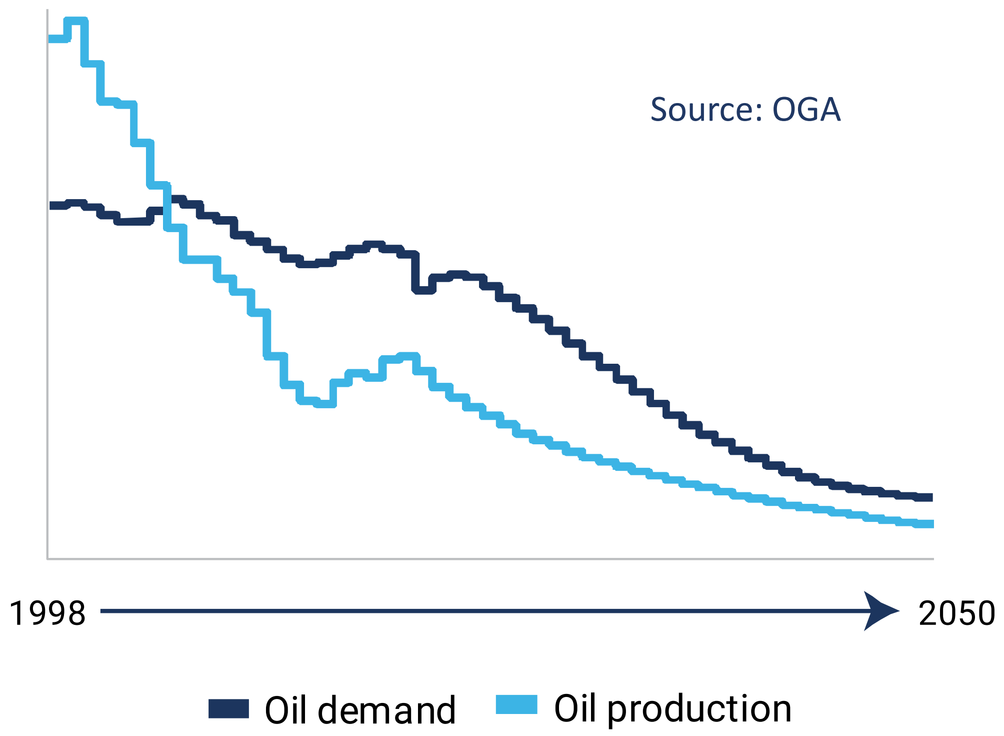
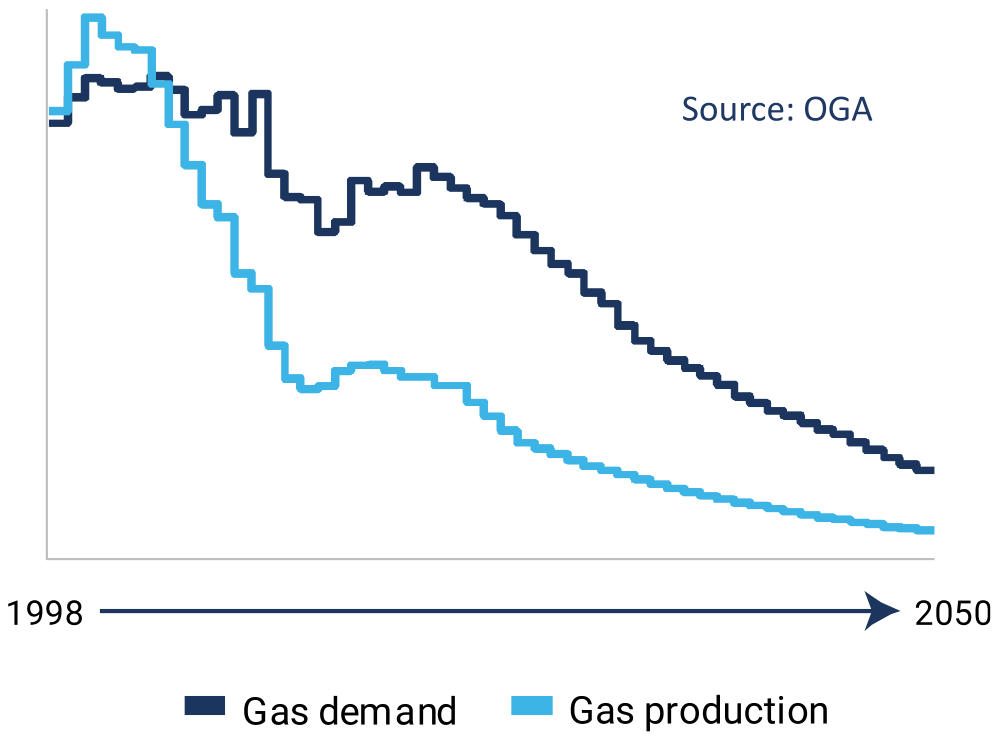


Opportunities on the path to Net Zero

- The slowdown in new development activity and investment will impact UKCS production within the next decade
- In all credible scenarios, the UK will consume far more oil and gas on the path to net zero, and beyond, than it is able to produce from current known reserves and contingent resources
- In a no-further-investment scenario, it is possible that production will decline by around 50 per cent by 2025, meaning that net imports of oil and gas would increase





Serica – reduced emissions vs. imported LNG

59 $kgCO_2e/boe$*
Imported LNG

Imported Liquid Natural Gas (LNG) creates **over twice as much greenhouse gas as production from the UK Continental Shelf (UKCS)**

*Source: OGA

<18 $kgCO_2e/boe$
Serica

Since becoming Bruce operator, Serica has achieved an average carbon intensity figure of **<18 $kgCO_2e/boe$, well below the UK North Sea average**

Serica fully supports the industry's 'Vision 2035' initiative

Oil & Gas Authority

"Current government forecasts suggest that gas will remain a vital part of the UK's energy mix as we move towards Net Zero. As long as this demand exists, managing declining North Sea production to maximise value, minimising greenhouse gas emissions and reducing reliance on hydrocarbon imports are all essential."

OGUK

Oil & Gas UK's 2035 Roadmap vision is "for indigenous oil & gas to fulfil as much domestic demand as possible", thus:

- **Reducing the need for international imports**
- **Maintaining energy sovereignty**
- **Sustaining industry contribution to the UK economy**

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SERICA HAS THE SKILLS TO THRIVE AS PART OF THE NET ZERO TRANSITION

There will be continued gas demand during the transition to Net Zero
Over 80% of Serica's production is gas

There is continued support for UK production
Serica is already making a contribution to security of supply, emissions accountability and the UK economy

A number of operators have indicated that they may scale back their UK operations
Serica has demonstrated the ability to execute complex transactions, competency in operatorship and improvement in asset performance

In order to maintain a social 'licence to operate' it will be necessary to demonstrate the ability to innovate and reduce emissions
In two years, Serica has reduced flaring on Bruce by 62% from 14,662 to 5,496 tonnes/year demonstrating the ability to implement change quickly

2020 – Summary

Serica is emerging strongly from a challenging year and reported profits for the year both before and after tax, enabling an increased dividend payment despite a severe industry downturn.

Group profit before tax of £12.5 million (2019: £108.8 million) impacted by low oil and gas prices

Cash flow from operations of £44.1 million (2019: £137.1 million)

Closing cash and cash equivalents of £89.3 million after capital expenditure and dividend payment (2019: £101.8 million) with **no debt**

Average net production 23,800 boe per day (2019: 30,000 boe per day) reflecting 1H caisson repairs and other field maintenance work

Capital expenditure £26.6 million (2019: £5.3 million)

Year-end oil and gas reserves of 61.0 million boe (2019: 62.3 million boe). Production of approx. 8.1 million boe for the year largely offset by a 12% upgrade in reserves

Solid results in a difficult year combined with financial resilience enables an **increased dividend of 3.5 pence per share to be recommended to shareholders** at the Annual General Meeting

Maiden dividend of 3 pence per share paid in July 2020 (2019: nil)

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Serica has experienced no interruption in production due to the COVID-19 outbreak

Manning levels reduced on the Bruce platform from over 130, initially to below 90 but now to around 110 in order to:

- Reduce the risk of an outbreak
- Allow social distancing offshore
- Provide isolation areas for suspected cases

Operating the Bruce platform with fewer staff has resulted in:

- Requirement to prioritise Safety Critical activities over production enhancement programmes
- Improved ways of working
- Implementation of new technology

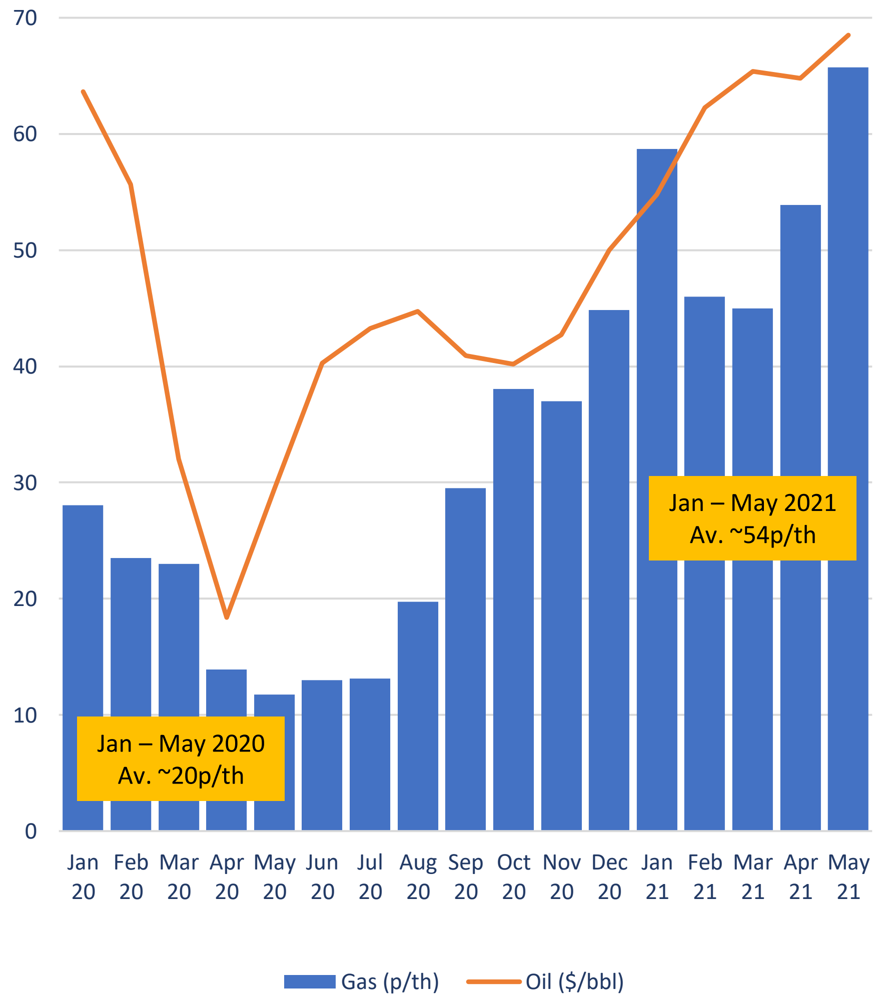
HSE performance has improved: over a year since the last recordable injury on Bruce

Oil & gas prices

- Average oil and gas prices were depressed during 2020
- Serica's production is over 80% gas
- The recovery in gas prices since mid-2020 has been spectacular with current gas prices significantly higher than last year
- 2021 YTD market gas prices have averaged in excess of 55p/th
- Oil prices have also recovered from the lows encountered in 2020
- 2021 YTD market oil prices have averaged over US$65/bbl

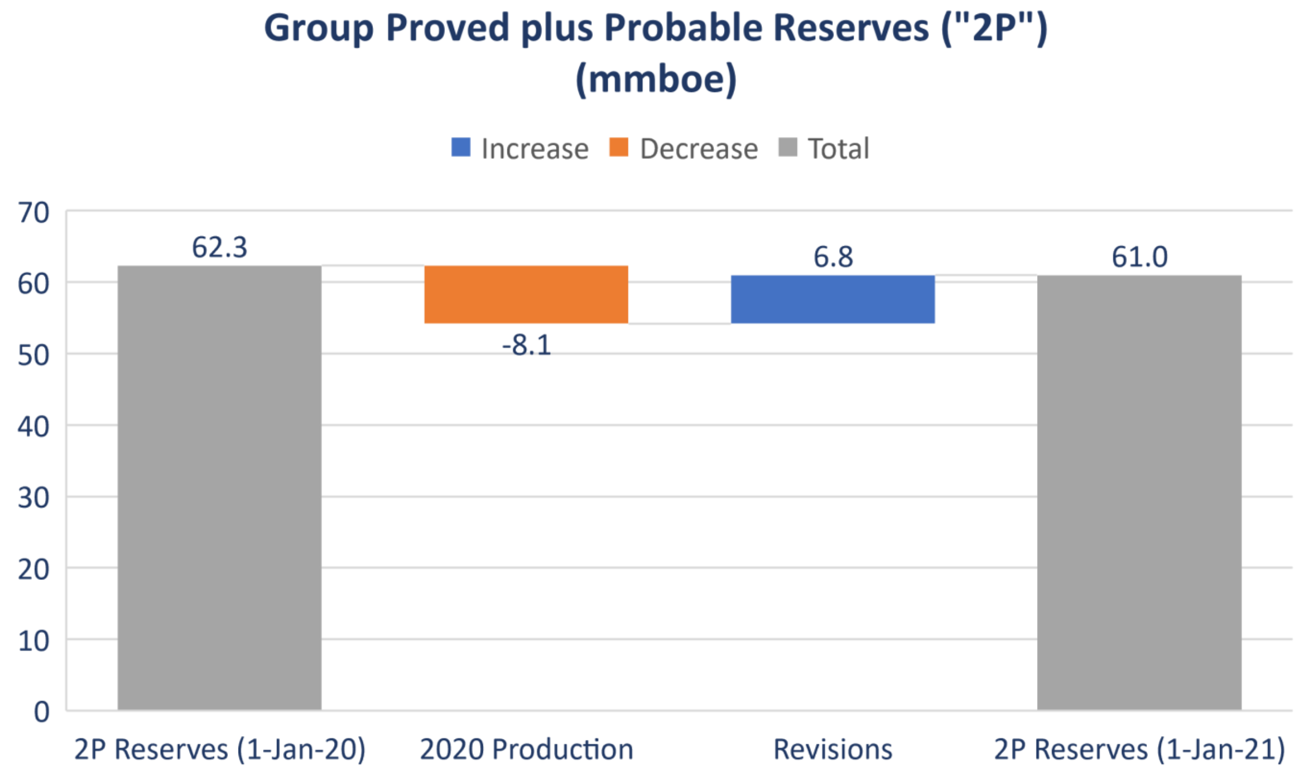
Heren NBP day-ahead gas prices (p/th)

(Brent spot shown as comparison)



Updated reserves report

- Serica commissioned a new Competent Person's Report ("CPR") effective 1 January 2021
- This identified several upgrades to 2P Reserves estimates particularly due to the successful efforts to extend the prognosed Cessation of Production ("COP") on Bruce which impacts Bruce, Keith and Rhum ultimate reserves
- Additional data from Rhum resulted in a revision to in-place gas reserves and a material increase to the recoverable reserve estimate for the field. This offset much of the Bruce reserves reduction and Serica's 2020 production
- Updated 2P reserves at 1 January 2021 are 61.0 mmboe
- The latest CPR estimates Bruce COP (2P case) to occur in 2030 (compared to 2028 in the previous CPR)



R3 Intervention – workover operations

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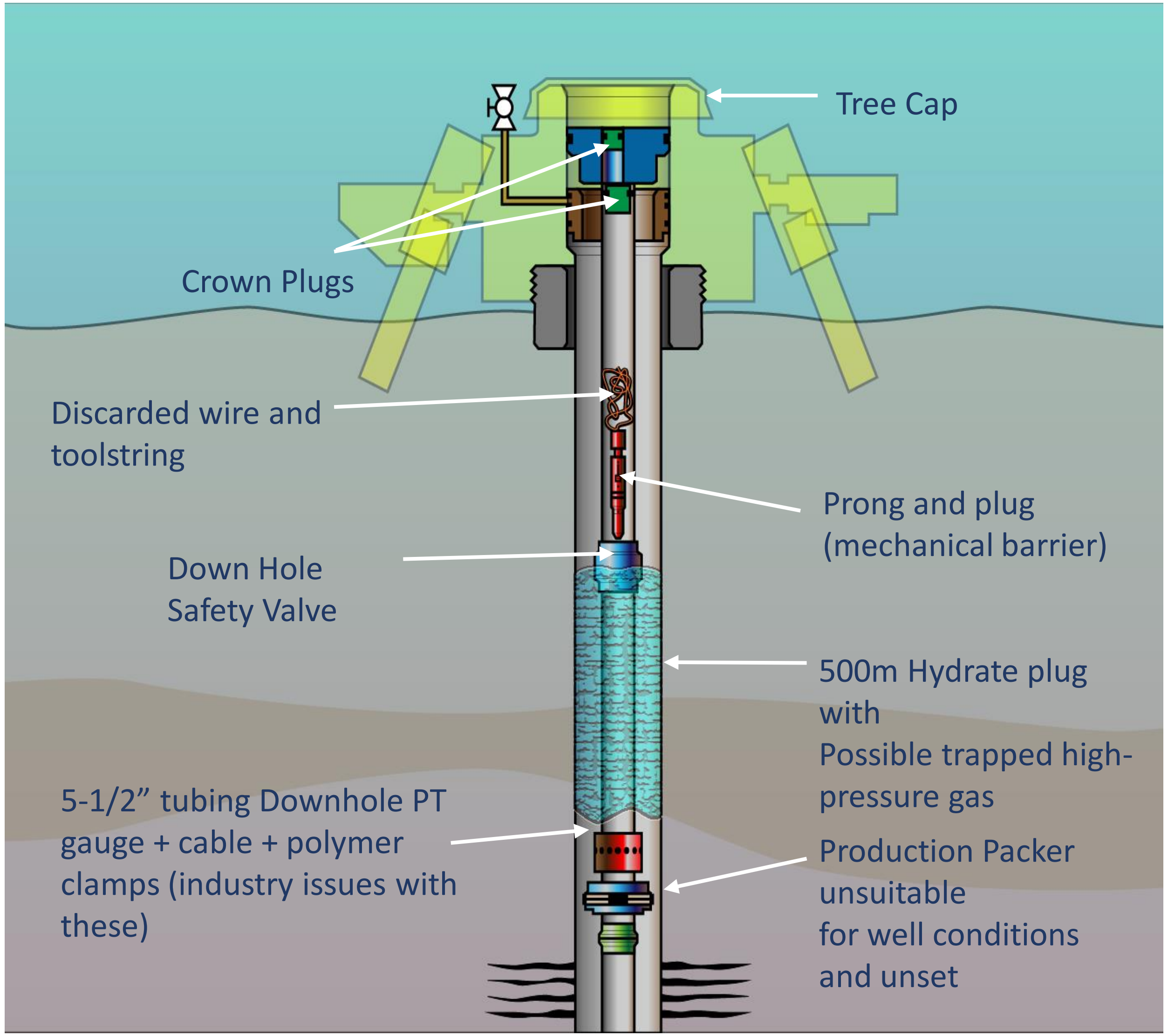
BEFORE



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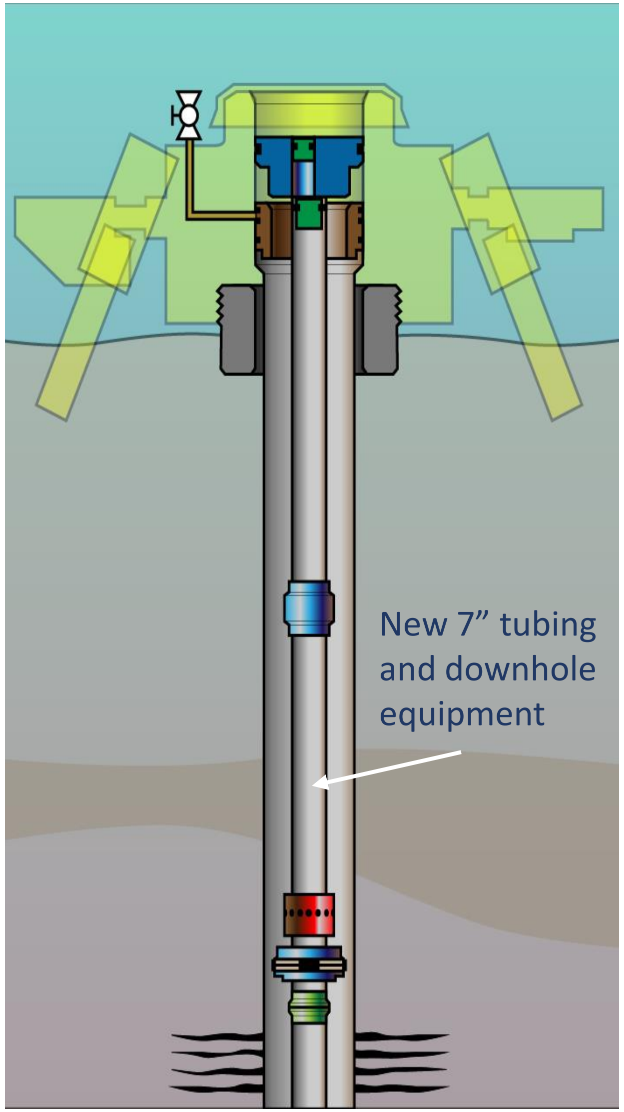


R3 Intervention – operations concluded

Objective	Status
Safe operation with no reportable incidents	No incidents despite severe weather conditions and COVID-19 pandemic
Remove wire, toolstring, plug and prong	Completed successfully at first attempt
Dissociate hydrate plug	Completed successfully using coiled tubing and heated fluid (believed to be a world first)
Recover 2005 5½” completion equipment	Completed. The removal of the 2005 completion took significantly longer than anticipated due largely to the unexpectedly poor condition of the equipment being recovered from the well
Gain reservoir access and run new 7” completion	Completed
Perform re-perforating / well clean up to confirm inflow performance	Re-perforating was not necessary. Well cleaned up and exceeded expectations

- Net 2020 CAPEX* spend was approximately £9.5 million
- Net 2021 CAPEX* spend is expected to be around £14.3 million
- Workover operations have concluded
- DSV operations are planned to be carried out during July and will allow production start-up thereafter

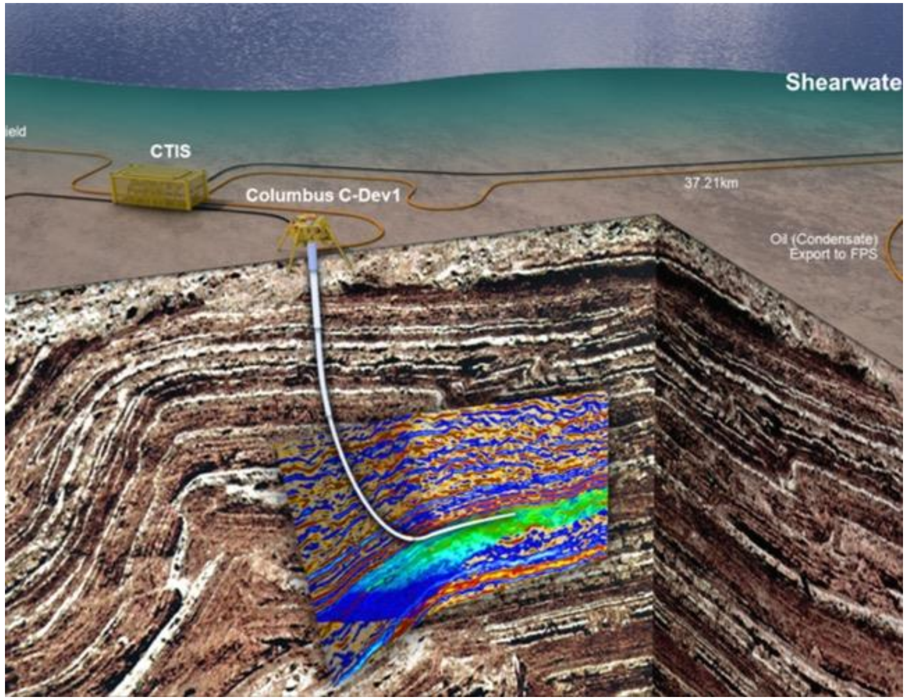
*Net CAPEX spend after adjustment for Net Cashflow Sharing

R3 Intervention results

- Achieved 58.4 mmscf/d of gas and 135 bbls/d of condensate through a 60/64ths inch choke, constrained by well test package
- Test rate equivalent to around 10,000 boe/d or 600,000 therms/day (which at current prices equates to a potential gross daily proceeds of around £350,000)
- Higher rates will be possible through production facilities
- Well performance at the upper end of expectations
- Clean gas with low condensate-to-gas ratio of only 2.3 bbls/mmscf and virtually no water (typical Rhum production)
- Estimated reservoir pressure in line with expectations from existing Rhum wells
- Consistent with our commitment to ESG, total hydrocarbons production during clean-up and testing was 36% of maximum permitted quantity

Columbus development project

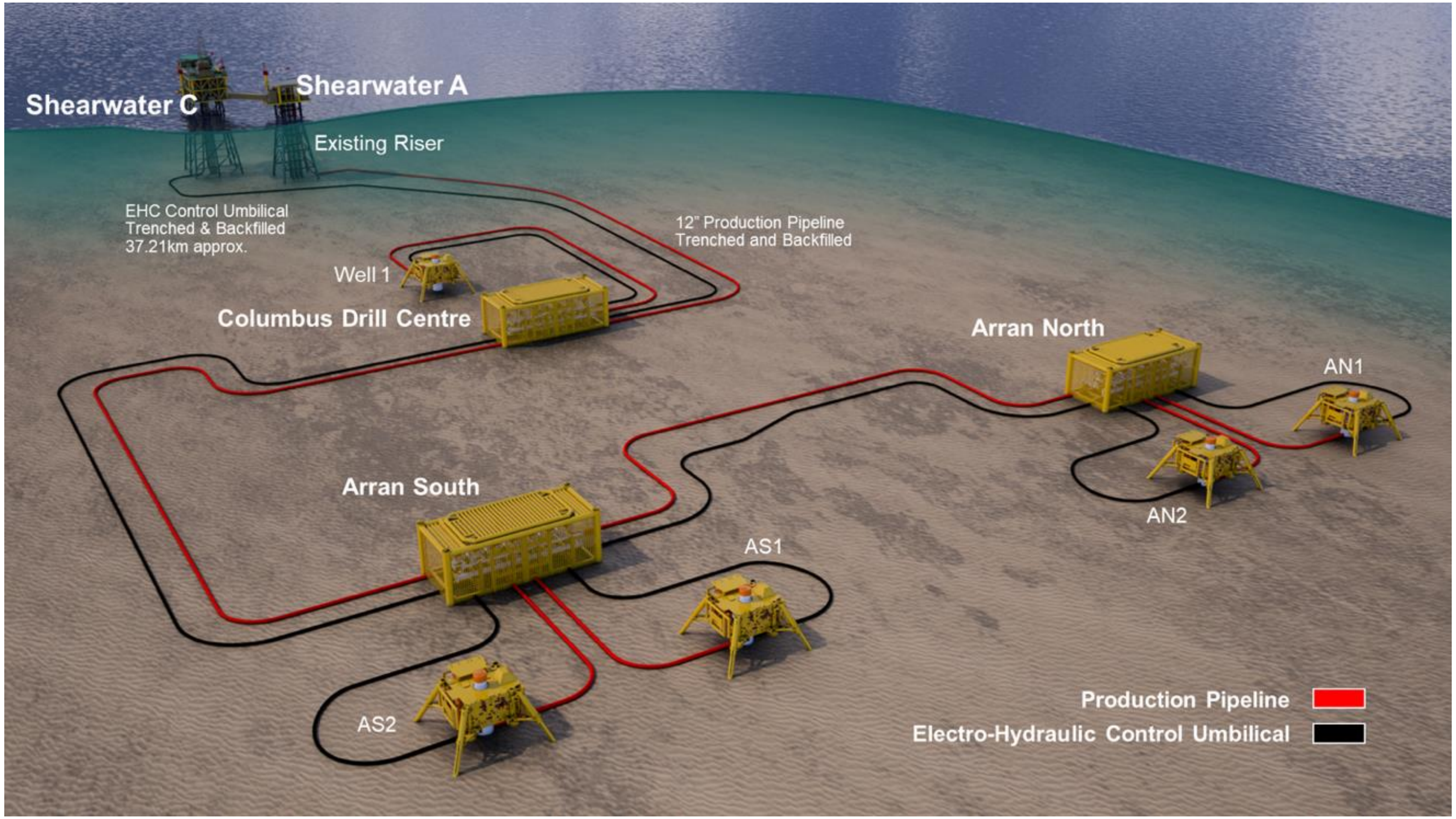
- Serica is 50% owner and Operator of the Columbus Development
- The reservoir will be drained by a single horizontal well tied into the Arran to Shearwater pipeline
- Development well was spudded with the Maersk Resilient Heavy-Duty Jack-up rig in March 2021
- The well was drilled to TD of 17,600ft but downhole completion equipment could not be fully deployed so reservoir section had to be re-drilled
- Reservoir quality better than expected
- Sidetrack has been successfully drilled and downhole completion has been run to TD in the new sidetrack
- Production expected to commence in early Q4 2021 at anticipated gross rates of around 7,000 boe/d of which 75% is expected to be gas



Columbus development progress

Key Events Timeline

Event	Status
Export Pipeline	Installed
Controls Umbilicals	Installed
C & AN Manifolds	Installed
Arran South Wells	Drilled
Arran North Wells	Drilling
Columbus Well	Drilled
Arran South Manifold	Installed
Shearwater Tie-in	Q3 2021
Arran Start-up	Q3 2021
Columbus Start-up	Q4 2021



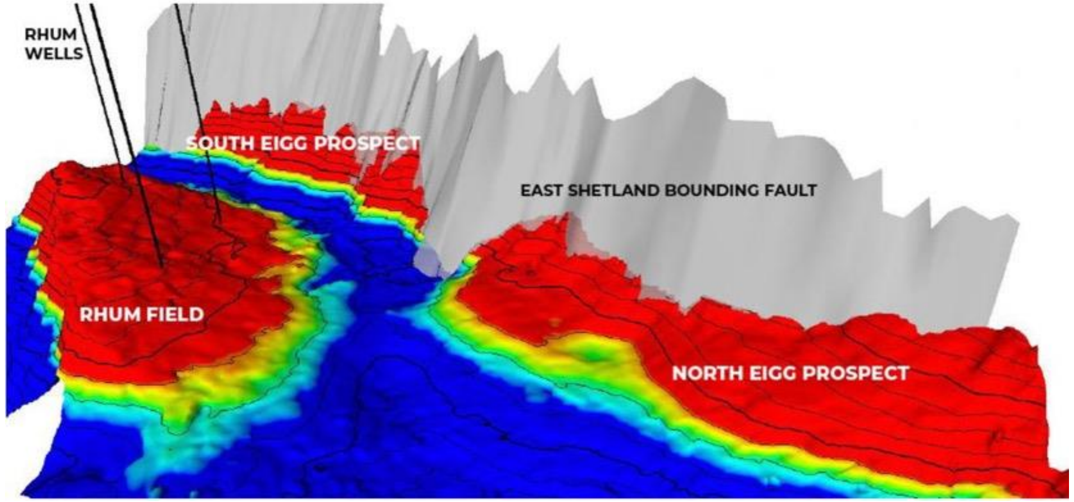
Development remains on track for initial production in Q4 2021

North Eigg – exploration well to be drilled in 2022

- The North Eigg exploration prospect is estimated to contain 367 bcf (P50) and potentially over 1Tcf (P10) of recoverable gas (unrisked)
- North Eigg shares many geological similarities with the adjacent Rhum field. It is clearly defined on 3D seismic and forms a structural trap sealed against the East Shetland bounding fault
- Serica has commenced planning to allow drilling of the exploration well in 2022
- In the event of a commercial discovery, Serica would seek a fast-track route to develop the field
- Development concepts are being investigated. These include a subsea tie-back to the nearby Serica operated and 98% owned Bruce facilities
- A tie-back to Bruce would minimise development emissions, reduce the overall carbon intensity of the Bruce facilities and extend the life of the infrastructure
- A success at North Eigg would be likely to significantly de-risk the South Eigg exploration prospect

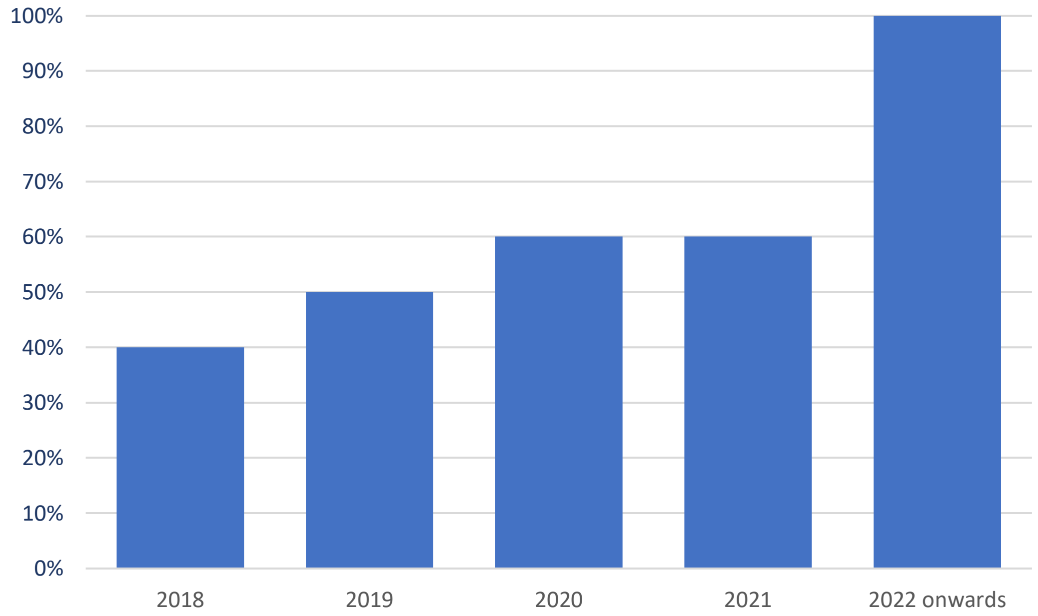
Unrisked Prospective Resources (Recoverable)
Serica Internal Estimates

	Dry Gas (bcf)			Condensate (mmbbls)		
	P90	P50	P10	P90	P50	P10
North Eigg	105	367	1,216	0.6	2.2	7.3
South Eigg	68	259	929	0.4	1.6	5.6



Financial strength

Percentage of Net Cash Flow Retained
(BKR Net Cash Flow Sharing)



- **Serica's diverse portfolio has limited decommissioning liability** due to the terms of the Erskine transaction and the various BKR transactions

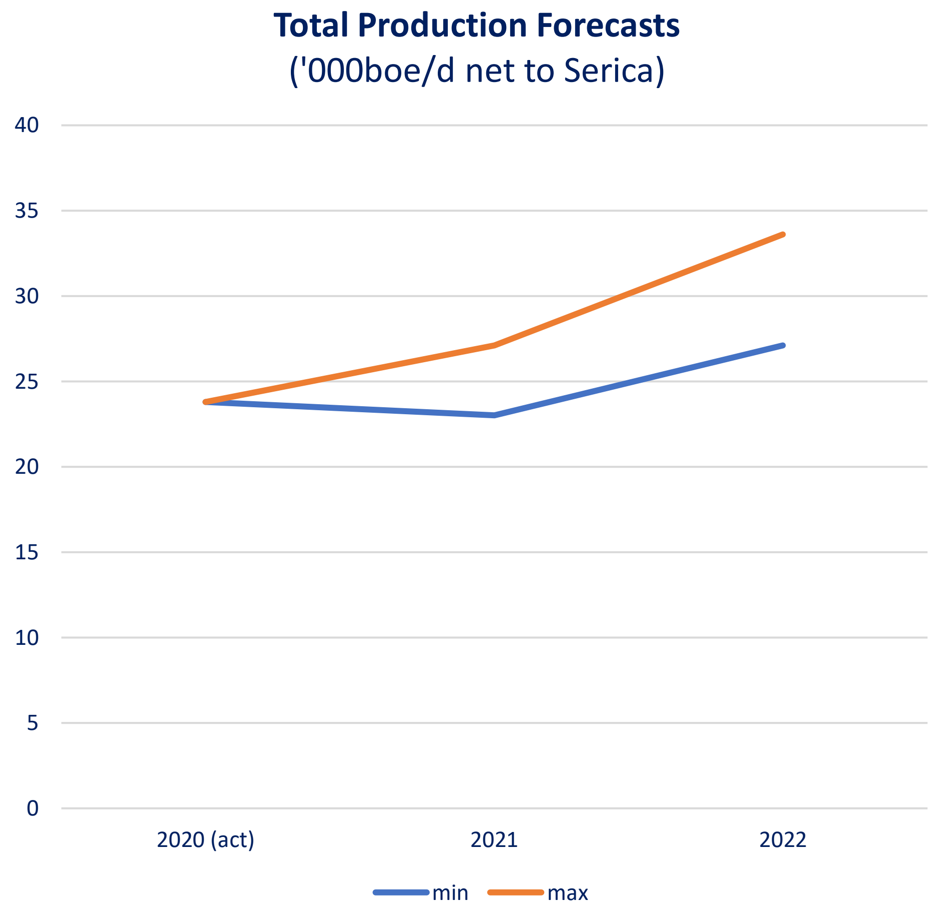
- **Serica's share of BKR net cash flow increases to 100% on 1 Jan 2022**
Under the BKR net cash flow sharing arrangements Serica received 40% of the net cash flow in 2018, rising to 50% in 2019, 60% in 2020 & 2021 and 100% thereafter

- **Serica has no borrowings** and substantial cash reserves. This provided the flexibility to pursue growth opportunities, invest in value-accretive projects, introduce a dividend policy in 2020 and increase the dividend in 2021

- Serica has a **comprehensive gas hedging programme** which it has continued to increase and extend to take advantage of recent market strength

- Serica is still benefitting from historic tax losses. These losses stood at approximately £46 million at 31 Dec 2020 and **provide cover well into 2021**

2021/22 Production guidance

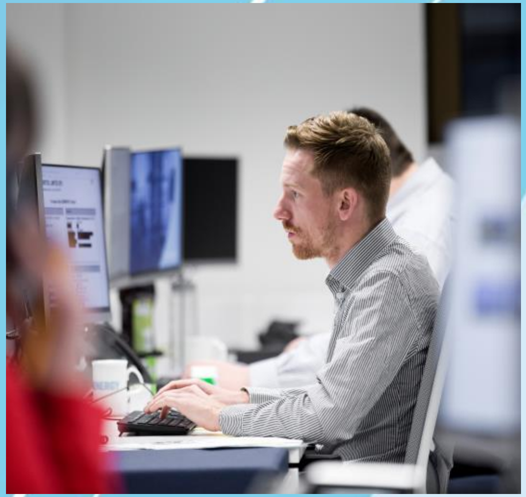


Annual average production rates

Asset	2020 Actual boe/d	2021 Min boe/d	2021 Max boe/d	2022 Min boe/d	2022 Max boe/d
BKR	21,500	20,600	23,600	22,500	27,000
Erskine	2,300	1,900	2,400	1,600	2,600
Columbus	0	500	1,000	3,000	4,000
SERICA TOTAL	**23,800**	**23,000**	**27,000**	**27,100**	**33,600**

- **2021 Production guidance: 23,000 – 27,000 boe/d**
- **2022 Production guidance: 27,100 – 33,600 boe/d**

- Pre and post-tax profit reported for 2020
- Increased dividend of 3.5p per share recommended at 2021 AGM
- Significant reduction in carbon emissions and flaring during 2020
- Investment in three capital growth projects to underpin rising production
    - R3 Intervention (completed)
    - Columbus development (ongoing)
    - North Eigg exploration well (2022)
- Latest CPR shows a significant reserves upgrade and further extension to BKR field life
- Serica's share of BKR net cash flow increases to 100% on 1 January 2022
- Well positioned to benefit from ongoing M&A activity
- Strong balance sheet, no debt, limited decommissioning liability



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