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

Publication of Supplementary Admission Document

Appointment of Non-Executive Directors

London, 26 November 2018 – Serica Energy plc (AIM: SQZ) announces that it has today published the supplementary AIM admission document (“Supplementary Admission Document”) in relation to the proposed acquisition by Serica UK of BP’s interests in the Bruce, Keith and Rhum fields and associated infrastructure in the North Sea (the “BKR Acquisition”) and the re-admission of the Company’s Ordinary Shares to trading on AIM “Admission”).

The Supplementary Admission Document has been published in accordance with AIM Rule 14, to disclose matters arising since the publication of the admission document issued by the Company and dated 30 November 2017 (“Admission Document”) relating to the BKR Acquisition. The Supplementary Admission Document also contains material information on the subsequent acquisitions from Total E&P, BHP and Marubeni of interests in Bruce and Keith and associated infrastructure (the “BK Transactions”), as well as certain other updates in respect of Serica’s other assets, as well as corporate governance changes and board changes.

As the BKR Acquisition constitutes a reverse takeover under the AIM Rules, admission of the Ordinary Shares will be cancelled on completion of the BKR Acquisition (“Completion”) expected on 30 November 2018. Application will be made for 264,757,819 Ordinary Shares to be re-admitted to trading on AIM on or around 30 November 2018.

Summary of principal changes relating to the BKR Acquisition

Since the date of the Admission Document:

- Serica has agreed to purchase the remaining interests in Bruce and Keith fields and associated infrastructure from Total E&P, BHP and Marubeni¹. Following completion of the BKR Acquisition and the BK Transactions, Serica UK will be the operator of the Bruce, Keith and Rhum fields and hold a 98% interest in the Bruce field, a 100% interest in the Keith field, and a 50% interest in the Rhum field.
- Based on the Updated BKR CPR and Updated Serica CPR, Serica’s pro forma net 2P reserves are expected to increase over 20-fold to 63.7 mmboe, as of 1 August 2018, following completion of the BKR Acquisition and BK Transactions². A summary of the net 2P reserves for the Enlarged Group are given below.
- Net production from the interests to be acquired in the Bruce, Keith and Rhum fields has averaged in excess of 23,000 boepd YTD 2018
- Commodity prices have remained strong in 2018 with oil prices averaging \$72.50/bbl and gas prices averaging 59p/therm. Realised prices for 2018 production from the interests being acquired (which consists of >80% gas) exceed \$45/boe.

¹ With the exception of 1% of the Bruce field which is being retained by Total E&P

² As at 1 August 2018 in respect of the BKR Assets and BK Assets and as at 31 October 2018 in respect of Serica’s assets.

- YTD cash operating, processing and transportation costs for the interests being acquired were in line with expectations at approximately \$18/boe
- As announced on 5 November 2018, the conditions required by U.S. Office of Foreign Assets Control (OFAC) in respect of the licence issued to Serica and BP on 5 October 2018 to continue safe operations at Rhum, have been met in full.
 - Licences issued by OFAC typically run for one year and the licence issued in respect of Rhum runs until 31 October 2019 provided that its conditions continue to be met.
- A workover on the Rhum R3 well was planned to be carried out in May 2018. However, following the re-imposition of wider sanctions in relation to Iran and the associated uncertainties with regard to contractor availability, BP took the decision to defer the work.
 - Serica is undertaking a thorough review of the R3 workover plans and will select the optimum time to carry out the work when a suitable rig comes available.
 - Repair work related to conductor pipes that connect the individual wells on the seabed to the production facilities on the platform was completed in summer 2018.
- In addition to the 111 employees who will transfer across to Serica with the BKR Assets, Serica is recruiting a further 21 employees for the Enlarged Group with Mike Killeen expected to join from BP as an additional Senior Manager of the Company.

Appointment of Non-Executive Directors

Serica has appointed two further independent non-executive directors of the Company effective upon Completion.

Trevor William Garlick, Proposed Independent Non-Executive Director (aged 61)

Trevor Garlick will join the Board as an independent Non-Executive Director, subject to BKR Completion. He started his career in 1982 with Marathon Oil International, before joining BP in 1986, where he worked for 30 years, latterly as Regional President for BP in UK and Norway from 2010 until his retirement in 2016. He was the Operator's Chair of the industry association, Oil & Gas UK, from 2014 to 2016. Trevor is currently a director of Opportunity North East Limited and Vice Chairman of the Oil & Gas Technology Centre. He holds a BSc in Geology and an MEng in Petroleum Engineering.

Malcolm Webb, Proposed Independent Non-Executive Director (aged 69)

Malcolm Webb will join the Board as an independent Non-Executive Director, subject to BKR Completion. He started his career with Burmah Oil Company in 1974, before joining the British National Oil Corporation in 1976 and Charterhouse Petroleum in 1981, as a solicitor working in various legal roles. Between 1986 and 1999 he worked in the Petrofina SA Group in various senior management roles, leaving as Managing Director of Fina plc. In 2001 he joined the UK Petroleum Industry Association as Director General. Between 2004 and 2015 he served as Chief Executive to the industry association, Oil & Gas UK.

Further disclosures in respect of Trevor Garlick and Malcolm Webb are included below.

Tony Craven Walker, Chairman of Serica Energy commented:

"I am delighted to welcome the proposed appointment of Trevor Garlick and Malcolm Webb as Non-Executive Directors of Serica. Both bring with them exceptional experience in the oil and gas sector, the North Sea and international operations, and the broader industry through their work with industry bodies including Oil & Gas UK. They will be of great support and we look forward to their strategic counsel as we seek to build Serica in the times ahead."

Mitch Flegg, Chief Executive of Serica Energy, commented:

"The figures announced today demonstrate the overall shareholder value that will be delivered by the acquisition of the Bruce, Keith and Rhum fields, including the significant increase in reserves base and production levels that we are expecting from the assets. Their combination, together with the efficiencies that we plan to drive through as operator, will mark our transition into a leading independent operator in the North Sea.

I am also delighted to confirm that Erskine production resumed in late October and the pipeline bypass is now fully commissioned. Serica's net production from Erskine in November to date has averaged over 3,400 boepd."

Copies of the Supplementary Admission Document will be available during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the Company's registered office at 52 George Street, London, W1U 7EA, and the offices of Peel Hunt at Moor House, 120 London Wall, London, EC2Y 5ET, from the date of this announcement until the date which is one month from the date of Admission. A copy of the Supplementary Admission Document will also be available from the Company's website – www.serica-energy.com.

The Supplementary Admission Document contains the updated BKR and Serica Competent Person's Reports which are also available on the Company's website.

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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Developments since the date of the Admission Document in relation to the BKR Assets and the BK Assets

Gross (100% interest) production for the second half of 2017, as reported to the OGA, for the Bruce, Keith and Rhum fields averaged c.9,230 boepd, c.1,000 boepd and c.20,000 boepd respectively. Production in 2018 up to the end of August for the Bruce, Keith and Rhum fields averaged c.11,000 boepd, c.800 boepd and c.20,700 boepd respectively, based on BP accounting reports, notwithstanding interruptions due to the impact of the Forties Pipeline outage lasting into January 2018, extreme weather conditions in the first quarter of 2018 and some pipeline operator restrictions on Rhum arising from third party field production outages. There was also a planned maintenance shut-in carried out during June 2018. Production in September and October 2018 has averaged c.29,000 boepd (gross) for the Rhum field and c.13,400 boepd (gross) for the Bruce and Keith fields.

In March 2018, approval was received from Ofgem to increase the levels of CO₂ allowed into the National Transmission System at St Fergus terminal enabling the Rhum field owners to terminate arrangements under which they have been paying for the availability of blending gas. In addition, a dispute concerning the switch from a tariff basis to cost-sharing basis for the provision of Bruce services was resolved with effect from 1 January 2018.

A workover on the Rhum R3 well was planned to be carried out in May 2018. However, following the announcement by the United States Government of the withdrawal of the United States from the Joint Comprehensive Plan of Action in May 2018 and the re-imposition of so called "secondary sanctions" in relation to Iran and the associated uncertainties with regard to contractor availability, BP took the decision to defer the work.

The Rhum reservoir continued to demonstrate tank-like properties, with a steady pressure decline relating to produced volumes. The pressure gauge on the R3 well was reinstated which monitors the pressure of the field. The R2 well continued to produce at good rates following a chemical treatment carried out in 2017 to remove scale within the wells. Serica is conducting a thorough review of the R3 workover plans and will select the optimum time to carry out the work when a suitable rig becomes available. Repair work related to conductor pipes that connect the individual wells on the seabed to the production facilities on the platform was successfully completed in summer 2018.

Increase in Net 2P Reserves

Serica's pro-forma net 2P reserves as at 1 August 2018³ are expected to increase by approximately 15.2 mmboe from approximately 48.5 mmboe following completion of the BKR Transaction to approximately 63.7 mmboe following completion of the BK Transactions. The table below summarises Serica's pro forma net 2P reserves as at 1 August 2018 following completion of the BKR Transaction and the BK Transactions. These estimates are derived from the Updated BKR CPR and the Updated Serica CPR and are shown on an equivalent unit basis where natural gas is converted to oil equivalent.

³

As at 1 August 2018 in respect of the BKR Assets and BK Assets and as at 31 October 2018 in respect of Serica's assets.

Net 2P Reserves	Serica⁽¹⁾	BKR Assets⁽²⁾⁽³⁾	BK Assets⁽²⁾⁽⁴⁾	Enlarged Group⁽⁵⁾
Oil & Liquids (mbbls)	1,579	4,723	4,345	10,647
Gas (mmcf)	8,737	236,263	63,021	308,021
Combined (mboe) ⁽⁶⁾	3,035	45,458	15,211	63,704

Notes:

- (1) Source: Updated Serica CPR
(2) Source: Updated BKR CPR
(3) Calculated on the basis of a 36% interest in the Bruce field, a 34.83% interest in the Keith field and a 50% interest in the Rhum field.
(4) Calculated on the basis of a 62% interest in the Bruce field and a 65.17% interest in the Keith field.
(5) As at 1 August 2018 in respect of the BKR Assets and BK Assets and as at 31 October 2018 in respect of Serica's assets.
(6) Shown on an equivalent unit basis where natural gas is converted to oil equivalent.

Further details on proposed Non-Executive Directors

The Proposed Directors hold, and have during the five years preceding the date of this document held, the following directorships or partnerships (other than the Company):

Proposed Director	Current directorships/ partnerships	Previous directorships/ partnerships
Trevor Garlick	The Scottish Council for Development and Industry Transition Extreme Sports Limited The Oil & Gas Technology Centre Limited Opportunity North East Limited	Arco British Limited, LLC Amoco (U.K.) Exploration Company, LLC The UK Oil and Gas Industry Association Limited (trading as Oil & Gas UK) BP Exploration (Greenland) Limited BP Amoco Exploration (Faroes) Limited Grangemouth Holdings Limited Grangemouth Properties Limited Amoco U.K. Petroleum Limited BP Exploration (Alpha) Limited BP Exploration Operating Company Limited Britoil Limited BP Exploration Beta Limited Cats North Sea Limited Central North Sea Fibre Telecommunications Company Limited
Malcolm Webb	None	Ashtead Park Estate Management Co Ltd The UK Oil and Gas Industry Association Limited (trading as Oil & Gas UK) UKCS Administrator Limited Common Data Access Limited Crine Limited OPITO Strategic Limited OPITO Training Management Limited OPITO Enterprises Limited

There are no further disclosures to be made in respect of Rule 17 or Schedule 2, paragraph (G) of the AIM Rules in respect of the Proposed Directors.

Definitions

Save where otherwise provided, defined terms in this announcement have the same meaning as those terms have in the Admission Document and Supplementary Admission Document.

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 BKR Acquisition under which Serica UK will acquire interests in the Bruce, Keith and Rhum fields in the North Sea and associated infrastructure from BP. Under the terms of the BKR Acquisition 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. Completion of the BKR Acquisition is targeted to take place on 30 November 2018 subject to certain conditions precedent.

In August 2018, Serica announced the Total E&P Transaction under which further interests in the Bruce and Keith fields and associated infrastructure in the UK North Sea are to be acquired from Total E&P. 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 BKR Acquisition.

In November 2018, Serica announced the BHP Transaction under which further interests in the Bruce and Keith fields and associated infrastructure in the UK North Sea are to be acquired from BHP. Under the terms of the BHP Transaction, Serica UK will acquire a 16.0% interest in the Bruce field and a 31.83% interest in the Keith field and associated infrastructure. The BHP Transaction also has an effective date of 1 January 2018 and completion will be subject to completion of the BKR Acquisition.

Most recently Serica announced the Marubeni Transaction under which Serica will acquire a 3.75% interest in the Bruce field and the 8.33% interest in the Keith field and associated infrastructure owned by Marubeni. The structure of the Marubeni Transaction differs from the other deals that Serica has entered into with BP, Total E&P and BHP, in that Serica will acquire the decommissioning obligations of Marubeni, but will receive in turn a cash consideration from Marubeni, and there will be no deferred or contingent consideration. The Marubeni Transaction also has an effective date of 1 January 2018 and completion will be subject to completion of the BKR Acquisition.

The BKR Acquisition was deemed a reverse takeover. An admission document was published and shareholders approved the BKR Acquisition at a General Meeting of the Company on 18 December 2017. There are still a number of conditions precedent which need to be satisfied ahead of completion of the BKR Acquisition. As part of the BKR Acquisition, operatorship of the Bruce, Keith and Rhum fields will be transferred from BP to Serica, along with approximately 111 BP staff. Completion of the Total, BHP and Marubeni Transactions are contingent on completing the BKR Acquisition.

Further information on the Company, the BKR Acquisition, the Total E&P Transaction, the BHP Transaction and the Marubeni Transaction can be found at 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.