ANNUAL REPORT 2004

SERICA ENERGY
CORPORATION

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PROFILE AND CORPORATE HIGHLIGHTS

Serica Energy Corporation ("Serica" or "the Company") is an international oil and gas exploration company with projects in Indonesia, the UK North Sea and Spain. The Company was formed in 2004 as a result of a merger of publicly traded Kyrgoil Holding Corporation and the private Petroleum Development Associates.

HIGHLIGHTS

- Acquired working interest and operatorship in Glagah Kambuna, offshore North Sumatra, Indonesia
- Awarded three new licences (five blocks) in the UK North Sea 22nd Licensing Round
- Increased interest in Asahan and Glagah Kambuna, Indonesia
- Acquired the whole share capital of Firstearl Ltd. bringing additional financial resources and expertise to the group
- Strengthened management team with appointment of Tony Craven Walker as Chairman
- Raised Cdn$10.8 million through the exercise of warrants in January 2005
- Recently signed letter of intent for the Galaxy Driller rig expected to drill two prospects on Asahan and Glagah Kambuna in mid 2005

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This annual report incorporates Management's Discussion and Analysis, Auditor's Report, Financial Statements and Notes to Financial Statements for Serica.

CHAIRMAN'S LETTER TO SHAREHOLDERS

DEAR SHAREHOLDER,

This is the first set of consolidated accounts for Serica Energy Corporation and my first letter to shareholders as Chairman.

Serica was created in January 2004 when Petroleum Development Associates (Oil & Gas) Limited ("PDA"), a privately held oil and gas exploration group, was merged with Kyrgoil Holding Corporation. I, and my fellow Board members, welcome shareholders of both companies to the new group and also extend a welcome to new shareholders who joined as a result of the successful private placement completed in August 2004.

It is a pleasure to be able to report the progress that has been made since the formation of Serica. Considerable advances have been made in consolidating and adding to the Company's position in its two main areas of interest, the UK North Sea and Indonesia. Serica has also improved its financial position. The private placement in August raised Cdn$11 million and, in January of this year, shareholders exercised warrants that contributed an additional Cdn$10.8 million. These new funds provide Serica with sufficient capital to enable it to commence its Indonesian drilling programme.

EXPLORATION

Serica started the year with acreage in proven hydrocarbon areas of Indonesia, a small portfolio of licences in the southern gas basin of the UK North Sea and acreage with unexplored potential in northern Spain. During the year the Company was very successful in securing additional acreage in both the main areas of its operations. In addition, Serica was awarded a 90% operated interest in the Biliton Production Sharing Contract, a large offshore block lying northwest of the island of Java and a significant holding for Serica. In September the group was again successful, in the UK 22nd Licensing Round, being awarded five blocks out of the six for which it submitted applications. More recently, we have announced the extension of the Glagah Kambuna Technical Assistance Contract.

These awards have added substantially to Serica's potential and allow the Company to develop an extensive drilling programme. With the recent signing of a Letter of Intent for the semi-submersible Galaxy Driller, final steps are now being put in place for drilling of the first two wells, scheduled for the Asahan Offshore Production Sharing Contract and the adjacent Glagah Kambuna. These blocks both lie offshore North Sumatra and have proven gas accumulations. The Glagah Kambuna well is intended to confirm the commerciality of one of these accumulations with a view, if successful, to providing gas for Medan, Indonesia's third largest city, and the surrounding industrial area.

In addition to this immediate drilling programme the Company has identified prospects with significant potential elsewhere in these blocks and also in its large Biliton block and several of its UK blocks. The Company's objective for the balance of 2005 is to finalize interpretation of the prospects identified in these blocks with a view to high-grading those which can support early drilling. Currently the Company is engaged in a major seismic programme over the Biliton block and the analysis of recently acquired data on its UK blocks.

CHAIRMAN'S LETTER TO SHAREHOLDERS CONTINUED

FINANCE

The Company's financial results for the past year are set out in the financial statements, supported by the Management's Discussion and Analysis.

The results for the year reflect the nature of Serica as an exploration group highly geared to the successful outcome of its drilling programme. At the present time Serica has limited revenue from oil and gas production and relies upon equity funding or industry partnerships to develop its drilling programme. Fund raising during 2004 has more than doubled the Company's working capital to US$9.7 million. The Board is aware of the need to further broaden this financial base to give greater flexibility for funding Serica's increasing exploration programme and will be reviewing opportunities to meet this objective.

A characteristic of the Company is that it has large percentage interests in, and operates, the bulk of its blocks. This gives us considerable potential for attracting partners into some of these blocks in order to both spread drilling risk and offset drilling costs. The Company will be reviewing farm-out opportunities in parallel with other funding alternatives, which would also include acquisitions and corporate transactions, whilst it continues to seek to add to its portfolio.

MANAGEMENT

In line with the needs of a growing company there have been a number of management changes during the year to strengthen the Board. In addition to my own appointment, two other non-executive directors joined the Board during 2004. Neil Pike brings considerable financial knowledge as former head of Citibank's global energy financing division. Jim Steel, previously a director of Kyrgoil, brings the benefit of his many years of Calgary-based oil and gas experience. Both Neil and Jim add considerable skills to complement those already present on the Board and their appointment is very much welcomed.

Early this year we also announced the appointment of Chris Hearne as Chief Financial Officer of Serica. Chris joined us from Intrepid Energy North Sea Limited, a leading independent UK North Sea exploration and production company, where he was responsible for corporate finance. It is intended that Chris be elected as Finance Director at this year's Annual General Meeting.

Serica's success to date has been built on the exploration skills of PDA's two founding shareholders Chris Rivett-Carnac (Chief Executive Officer) and Chris Atkinson (Chief Operating Officer). As a new member of the Board, I compliment them on their achievements and I am sure that this will be echoed by shareholders. In particular the enormous contribution made by Chris Rivett-Carnac owes special mention. Earlier this year Chris decided, for personal reasons, to retire from the Board and it is with regret that the Board has accepted his resignation. I and my other Board members wish him every success for the future.

SUMMARY

Serica is poised for an exciting period ahead and I and my Board colleagues have great hopes that we can continue to build on the platform that is already in place. We commence our drilling operations at a time of high oil and gas prices when demand for our product is strong. Serica is highly geared to exploration success and the intention of the Board is to continue to develop as an exploration company, focusing on areas where it can best deploy its skills.

Tony Craven Walker, Chairman

April 21, 2005

REVIEW OF OPERATIONS

Serica's principal oil and gas interests and activities are located in Indonesia, the UK North Sea and Spain.

INDONESIA

Serica, through its predecessor company PDA, has been active in Indonesia for the last four years. The Company's holdings in Indonesia now comprise interests in three Production Sharing Contracts (PSCs) and one Technical Assistance Contract (TAC).

Lematang PSC

- onshore South Sumatra

Asahan Offshore PSC

- offshore North Sumatra

Glagah Kambuna TAC

- offshore North Sumatra

Biliton PSC

- offshore Java Sea

LEMATANG PSC

Lematang covers an area of approximately 407 square kilometres and is located within the prolific South Palembang Basin where oil and gas were first discovered in the late nineteenth century. Serica currently has a 10% working interest in Lematang. As at December 31, 2004 Serica's costs on this interest will be carried by the operator, Medco Energi, up to a further US$13 million gross of the future work programme.

Lematang includes the producing Harimau Field, the Singa gas discovery and further exploration potential.

Production

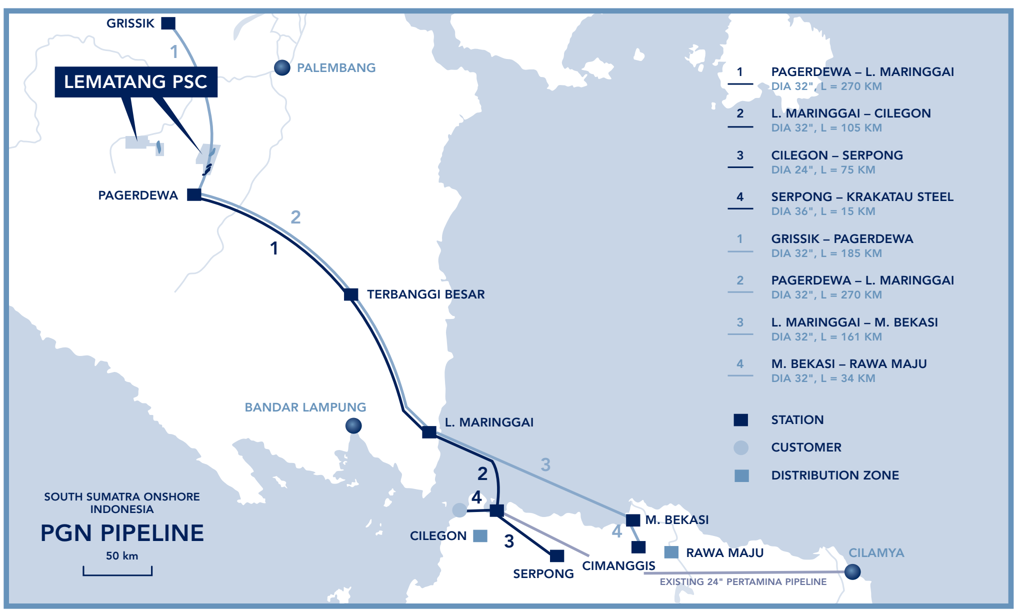
The Harimau Field, located in the eastern portion of the PSC and discovered in 1987, is currently producing an average of approximately 80 barrels of condensate liquids and 2.5 million cubic feet of gas per day. Recent cost control strategies put in place by the operator combined with the high price of oil mean that the field continues to be economic.

Development

The Singa Field was discovered in 1997 when the Singa-1 well tested gas from the Batu Raja formation at a rate of 30.7 million cubic feet per day. In 1999, the Singa-2 appraisal well confirmed the extension of the field to the north of the Singa-1 location. In February 2004, the existing Singa-2 well was re-entered, perforated and flow tested to provide further information on potential production rates from the Singa Field and in late 2004 the operator submitted a Plan of Development ("POD") for the Singa Field to BPMIGAS. The POD included gas processing facilities and a 40-kilometre pipeline to transport the gas to Pagardewa, where the PGN pipeline to Java will commence. The current estimated gross cost for the development is in the region of US$91 million, including three additional wells and the completion of Singa-1.

Based upon the current estimates by the operator, Medco Energi, Serica's carry will be sufficient to cover all costs associated with the development of the Singa Field in 2005 (estimated gross spend US$8 million) but an additional US$6.2 million will be required by Serica in 2006 to complete its 10% share of the final development of the Singa Field.

In 2003 a Memorandum of Understanding with PT Krakatau Steel (Persero) covering the supply of a minimum of 100 million cubic feet per day of gas to the PT Krakatau Steel plant at Cilegon, West Java, was signed by all parties to the PSC. Approximately 50% of this volume would be sourced from the Singa Field, the remainder from the operators of other South Sumatra fields. The timing of Singa gas sales is driven by the construction of a pipeline from Pagardewa to transport South Sumatra gas to the West Java/Jakarta market. The pipeline is expected to be operational by early 2007.



The map above shows the location of the Lematang PSC in relation to the planned Pagardewa to Java trunk pipeline system.

Exploration

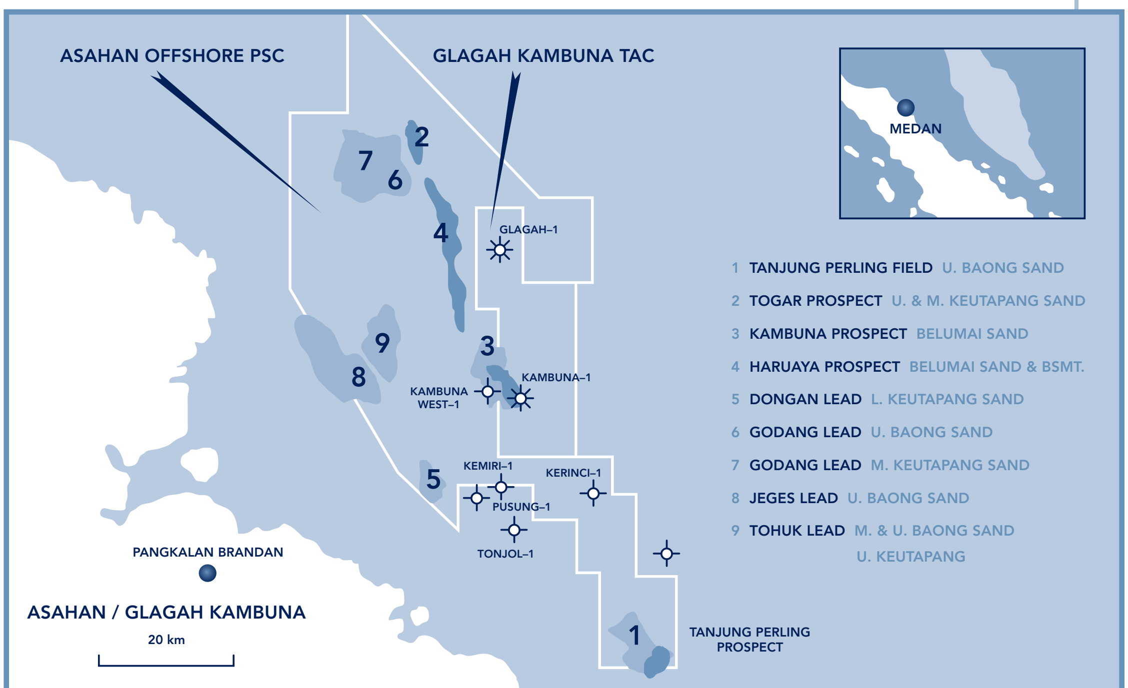
The Banteng-1 exploration well, drilled between June and September, demonstrated gas shows but failed to encounter the anticipated reservoir interval. Serica's US$0.9 million share of drilling costs was fully covered by the existing cost carry.

ASAHAN OFFSHORE PSC

Following the latest statutory relinquishment in December 2004, the Asahan Offshore PSC comprises an area of 2,012 square kilometres of the Malacca Straits. It is located offshore North Sumatra, one of the most prolific hydrocarbon bearing basins in Indonesia with discovered reserves to date in excess of one billion barrels of oil/ condensate and 25 trillion cubic feet of gas. Serica's interest in Asahan currently stands at 58.8235% but this will increase to 65% post the drilling of the first exploration well in the PSC under a contractual agreement. Serica operates this PSC on behalf of its partners: Medco Energi, PT RS Resources, Jagen and Greevest.

Several exploration wells have been drilled in Asahan generating one undeveloped discovery of gas and condensate, the Tanjung Perling Field.

The map below shows the location of the existing discovery and exploration leads and prospects in the PSC with the adjacent Glagah Kambuna PSC.



Appraisal

The Tanjung Perling Field, discovered in 1974, is located some 20 kilometres offshore. The discovery well was tested at flow rates of 3.9 million cubic feet of gas and 214 barrels of oil per day although it was later apparent that this flow had been severely hampered by a downhole obstruction. Serica has recalculated flow rates that indicate that the well would actually be capable of flowing in excess of 50 million cubic feet of gas and 2,500 barrels of oil per day had it not been impaired. Recent re-mapping by Serica using new 2D seismic data obtained in December 2004 indicates upside reserves in the Tanjung Perling Field could be as high as 500 billion cubic feet of gas but additional 2D seismic data will be needed to verify this picture before further appraisal drilling commences.

REVIEW OF OPERATIONS CONTINUED

Exploration

Asahan also contains at least eight exploration prospects and leads that are currently being re-mapped by Serica. In several cases these prospects are supported by the presence of what appear to be good direct hydrocarbon indicators on existing 2D seismic. Combined reserves for these prospects are likely to be in excess of one trillion cubic feet of gas and 100 million barrels of condensate. At the time of writing this report one prospect, Togar, in the north of the block has been completely re-mapped by Serica and is scheduled to be drilled in 2005. Latest studies indicate upside reserves on this prospect could be as high as 150 million barrels of oil equivalent.

The gross drilling cost estimate for an exploration well in the PSC is approximately US$4 million. Success with the Togar-1 well may lead to further seismic acquisition and drilling later in 2005.

GLAGAH KAMBUNA TAC

The Glagah Kambuna TAC comprises an area of 351 square kilometres and lies immediately adjacent to Asahan. Serica's interest in Glagah Kambuna currently stands at 69.4118% but this will increase to 80% post the drilling of the first appraisal well in the TAC under a contractual agreement. Serica operates this TAC on behalf of its partners: PT Gunakarsa, Jagen and Greevest.

Glagah Kambuna contains two undeveloped but tested gas and condensate discoveries: Glagah-1 and Kambuna-1.

Appraisal

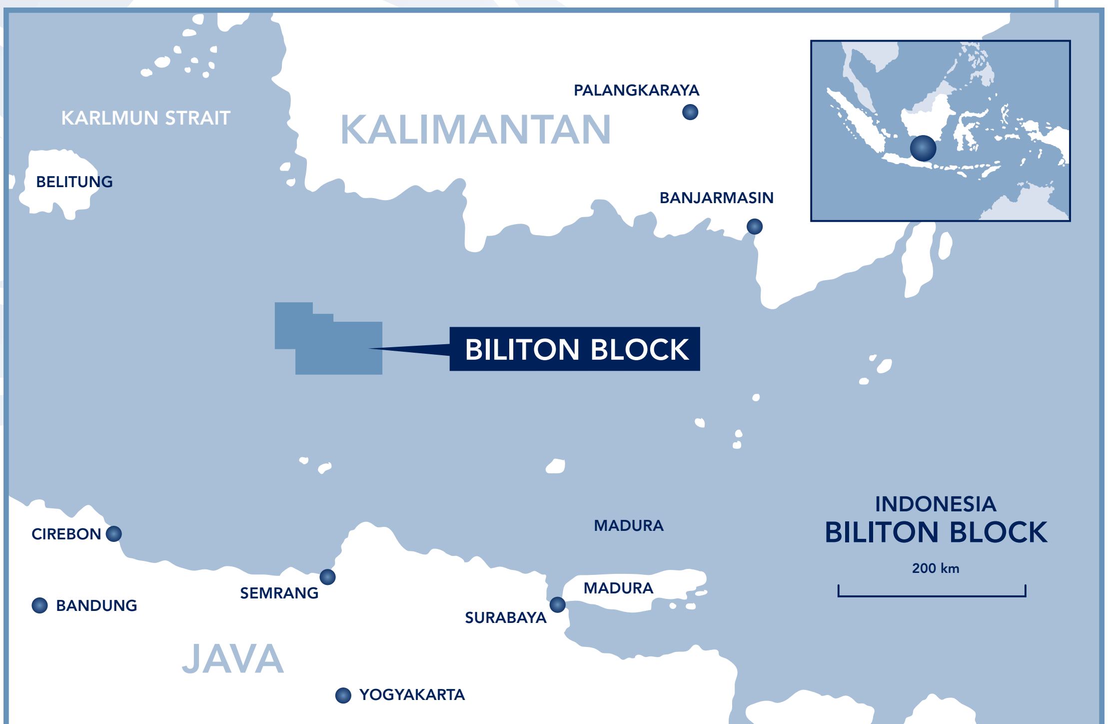
Glagah-1 was drilled in 1985 and flowed 0.9 million cubic feet of gas and 2,100 barrels of oil per day and the Kambuna-1 well was drilled in 1985 and flowed at 13.9 million cubic feet of gas and 950 barrels of oil per day. Interpreted reserve estimates for these discoveries are around 1.2 million barrels of liquids in the case of the Glagah-1 well and 54 billion cubic feet of gas and 2 million barrels of liquids in the case of the Kambuna-1 well. Both discoveries require further appraisal drilling, and the Kambuna-2 appraisal well is scheduled to be drilled in 2005. Upon success of this appraisal well, a fast track plan of development for the Kambuna Field will be submitted to the Indonesian authorities with an aim for first gas and liquid production from the field in 2007.

The gross drilling cost estimate for the Kambuna-2 appraisal well is approximately US$4.5 million.

BILITON PSC

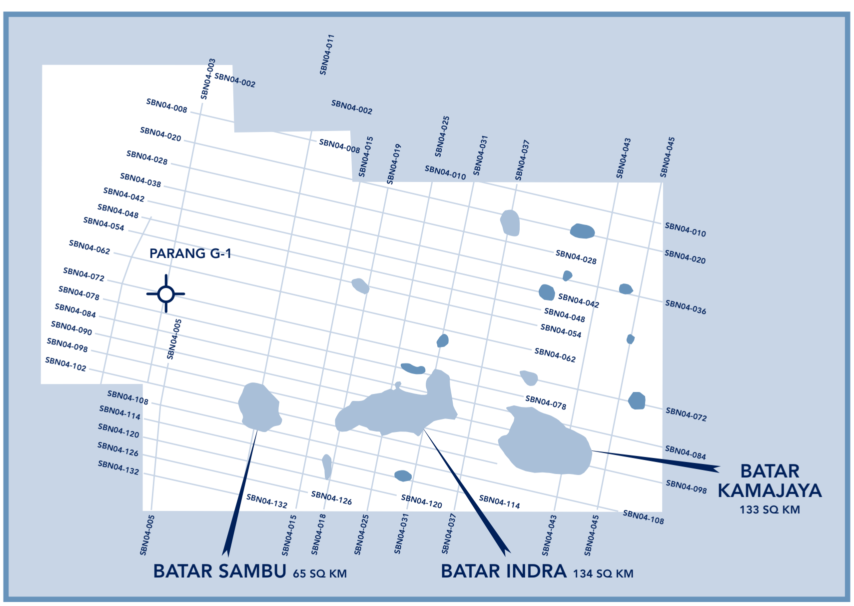
Biliton covers an area of 6,575 square kilometres of the Java Sea, mid way between the islands of Java and Kalimantan. Serica has a 90% interest in Biliton and is operator on behalf of its partner PT Mitra. The map that follows illustrates the location of Biliton.

Last licensed in the late 1960s, limited exploration studies have been conducted in the region with only one exploration well, Parang-1 drilled in 1974. Biliton has never been re-licensed until acquired by Serica in 2003.



Exploration

In February 2004, approximately 2,000 line kilometres of new 2D seismic data were acquired in the block by Serica and this has now been interpreted to reveal the presence of a series of large, structural leads with reserve potential in excess of one billion barrels of oil. Additional infill 2D seismic is currently being acquired with the aim to drill an exploration well on one of the mapped features within the next 12 months.



The gross cost estimate for the infill seismic is US$1.4 million and for the exploration well is US$7 million.

The map (left) shows the location of the currently mapped exploration leads and major named prospects in Biliton.

REVIEW OF OPERATIONS CONTINUED

UNITED KINGDOM

Serica holds four licences covering six blocks in the Southern North Sea and one licence covering two blocks in the Central North Sea. The licences are:

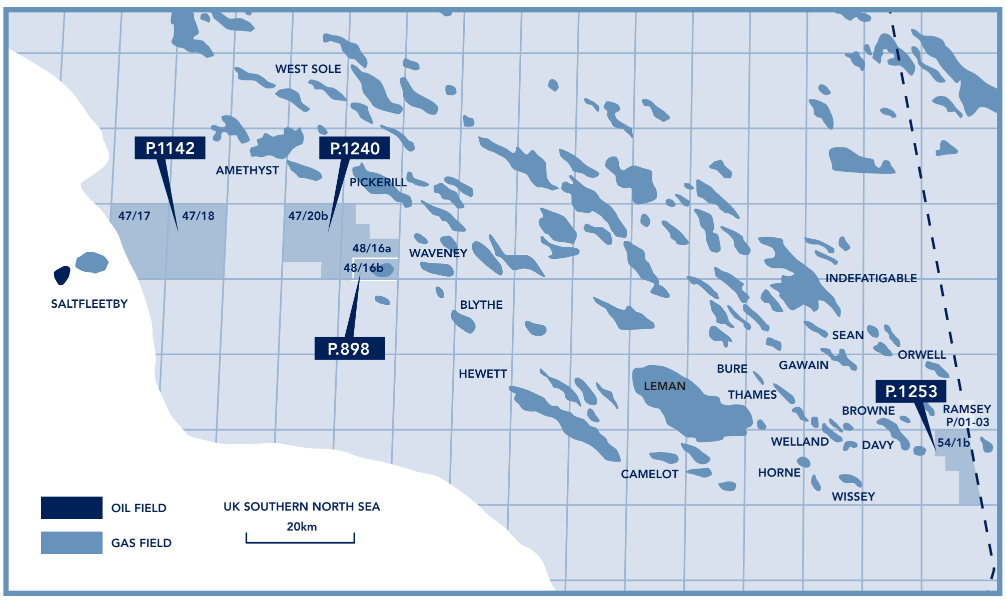
P.898 • Block 48/16b

P.1142 • Blocks 47/17, 47/18

P.1180 • Blocks 23/16e and 23/17b

P.1240 • Blocks 48/16a and 47/20b

P.1253 • Block 54/1b



P.898 – BLOCK 48/16B

Serica holds 100% of this block, which covers an area of 62 square kilometres in the Southern North Sea.

Appraisal

The first exploration well 48/16b-2, drilled in 2002, encountered gas but was not tested. Following its purchase of the entire equity from Conoco in late 2003, Serica has undertaken extensive geological and geophysical studies in order to confirm the presence of gas and to best locate an appraisal well up-dip from the existing discovery. The mean reserves of the feature are estimated at 155 billion cubic feet of gas. Further geophysical studies are currently being undertaken in conjunction with Block 48/16a before seeking a partner to drill.

P.1240 – 48/16A AND 47/20B

Serica holds 100% of these blocks, which cover an area of 315 square kilometres in the Southern North Sea.

Exploration

These blocks were awarded in the 22nd Licensing Round under a promote licence. A large lead, which covers both blocks, has been identified from amplitude studies of the 3D seismic and lies just down-dip from the 48/16b-2 well. A large programme in excess of 150 square kilometres of seismic inversion is currently being undertaken in order to map the prospect in detail.

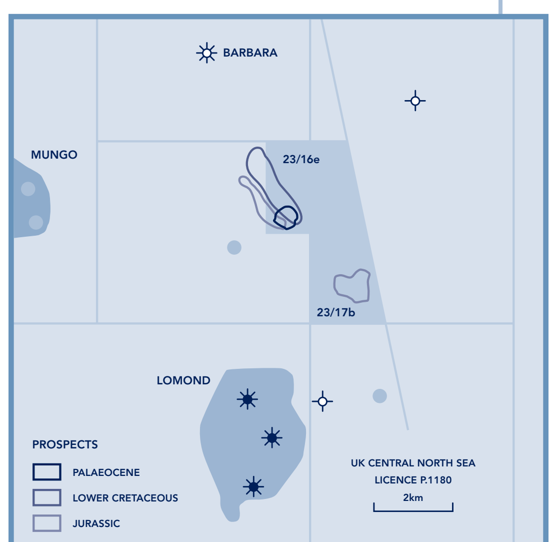
P.1142 – BLOCKS 47/17 AND 47/18

Serica holds 100% of these blocks, which cover an area of 459 square kilometres in the Southern North Sea.

Exploration

These blocks were acquired in the 21st Licensing Round announced in July 2003, under the promote round terms. Evaluation work is ongoing. The work programme agreed with the DTI was to purchase 200 kilometres of 2D seismic data on the blocks, which has been completed. Additionally, Serica has purchased 235 square kilometres of 3D data.

P.1180 – 23/16E AND 23/17B



Serica holds 50% of these blocks, which cover an area of 24 square kilometres in the Central North Sea.

Exploration

These blocks are held in partnership with Endeavour Energy and Wham Energy and were awarded in the 22nd Licensing Round. They represent the Company's first interests in the Central North Sea and were selected for the variety of plays available. Leads have been mapped at Palaeocene, Lower Cretaceous, Jurassic and Triassic levels. The work programme involves purchasing 3D seismic data and undertaking trial reprocessing

P.1253 – 54/1B

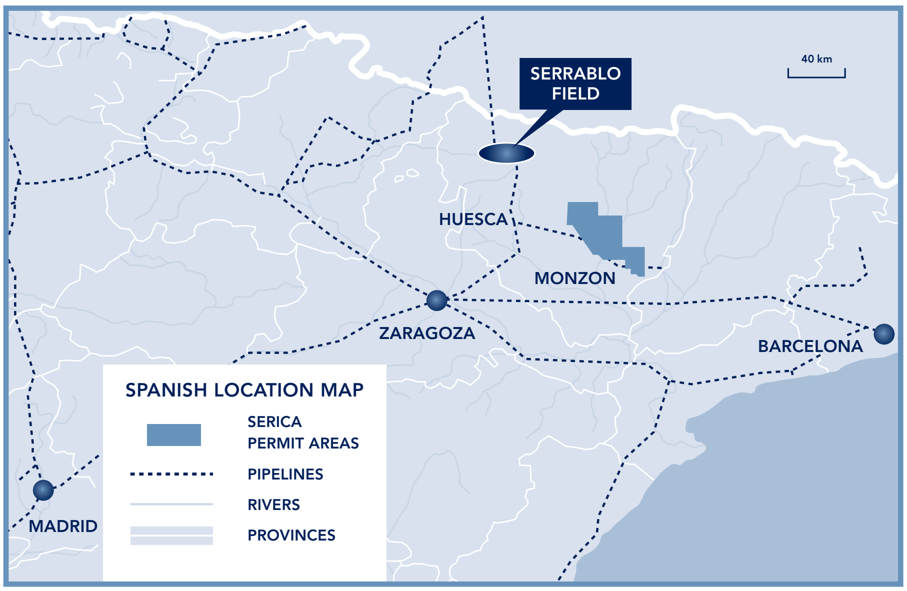
Serica holds 100% of this block, which covers an area of 106 square kilometres in the Southern North Sea.

REVIEW OF OPERATIONS CONTINUED

Exploration

This block was also awarded in the 22nd Licensing Round. The work commitment was to acquire 3D seismic that has already been completed. 54/1b contains several leads of which the main prospect is a Rotliegend structure with a good amplitude anomaly that appears to correspond to the presence of gas. This feature lies up-dip of the 54/1b-2 well and has over 700 feet of relief not tested by the well giving a prospect in excess of 200 billion cubic feet of gas. A new shallower play for the area is the Lower Cretaceous reservoir of which there are several potential structures.

SPAIN



In late 2003, Serica was awarded the rights to explore and develop oil and gas in four Hydrocarbon Research Permits covering approximately 1,300 square kilometres of onshore northern Spain. The area is located entirely within the province of Aragón, and lies approximately 60 kilometres southeast of the existing Serrablo gas field.

Serica holds a 100% operating interest in each of the four permits. The permits are valid for a six-year initial term with complete and/or partial relinquishment decisions being made on an annual basis.

Exploration

There are no known discoveries or existing production on Serica's permits. During 2004, Serica completed a major geological field assessment of the permits involving the detailed mapping of the surface geology and collection of field samples for later analysis. In addition, a high resolution gravity survey was conducted and will be utilized in 2005 as part of further subsurface interpretation studies.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial and operational results of Serica Energy Corporation ("Serica") should be read in conjunction with Serica's consolidated financial statements. References to the "Company" include Serica and its subsidiaries where relevant. All figures are reported in US dollars ("US$") or Canadian dollars ("Cdn$") unless otherwise stated.

Serica was created on January 29, 2004 through the merger of publicly traded Kyrgoil Holding Corporation ("KGO") and privately held Petroleum Development Associates (Oil & Gas) Limited ("PDA"). This has been treated as a reverse takeover and consequently prior year comparative information is based upon PDA only.

Following a review of the fair value adjustments made at the time of the acquisition by PDA of certain PDA group companies in August 2003, it has now been determined that it would have been more appropriate for certain balance sheet items to have been separately identified in the accounts and the related fair value grossed up. Accordingly, the December 31, 2003 balance sheet has been restated to reflect:

(i) the reclassification of property, plant and equipment of US$468,359 as goodwill;

(ii) the establishment of additional future income tax liabilities of US$1,344,586 and the equivalent increase in goodwill;

(iii) the reclassification of inventory totalling US$149,255 previously included as property, plant and equipment; and

(iv) an increase in the fair value of inventory of US$163,733 and a reduction in the fair value of accounts receivable of US$83,075 giving rise to a net reduction of US$80,658 in property, plant and equipment.

Further minor adjustments were made in respect of the acquisition of Serica Energy Pte Limited.

There was no income effect to these reclassifications. Further details of these adjustments and their effects are provided in note 17 to the financial statements.

The management considers that these reclassifications have been made to improve the categorization of assets and liabilities within the balance sheet, given the benefit of greater time for analysis following the completion of the merger and associated transactions in January 2004. They have no impact upon reported profits for the relevant period nor upon liquidity.

Serica's activities are centred on Indonesia, the UK North Sea and Spain. The Company has limited current oil and gas production with the main emphasis placed upon exploration and its future drilling programmes. Efforts during 2004 have concentrated upon preparing for 2005 drilling programmes and ensuring that the Company has the funding to fulfil its plans.

In April 2004, Serica purchased Asahan Oil Investments BV and Glagah Kambuna Exploration BV bringing increased holdings in properties in Indonesia. Then in August, Serica acquired the whole share capital of privately held Firstearl Limited ("Firstearl") bringing additional financial resources and expertise to the group.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

RESULTS OF OPERATIONS

Serica generated a loss of US$6.39 million in 2004 compared to a loss of US$3.81 million for 2003.

	Full Year 2004	Full Year 2003
	US$000	US$000
Revenue	**156**	217
Expenses		
Operating	**–**	(28)
Administrative	**(4,877)**	(3,660)
Stock-based compensation	**(167)**	–
Depletion, depreciation & amortization	**(19)**	(49)
Amortization of deferred charges	**(34)**	–
Interest, net	**170**	21
Foreign exchange gain (loss)	**181**	(78)
Gain (loss) on disposal	**141**	(383)
Release of asset retirement provision	**122**	–
Net loss before tax	**(4,327)**	(3,960)
Income tax recovery	**–**	151
Future income tax expense	**(2,064)**	–
Net loss for the year	**(6,391)**	(3,809)

Revenues throughout both periods were generated from Serica's 10% interest in the Harimau producing oil and gas field. The reduction in sales revenues from US$0.22 million to US$0.16 million was due to gradually declining production levels during the later stages of field life partially offset by higher oil prices. Direct operating expenses for the field during these periods were carried by Medco Energi Ltd.

Administrative expenses of US$4.88 million for 2004 compare to US$3.66 million for 2003 and principally represent work on building Serica's business and preparation for the 2005 Indonesian drilling programme. The overall increase reflects the expansion of the group and its resources through the merger in January 2004 and subsequent growth during the year.

Stock-based compensation costs of US$0.17 million relate to stock options awarded during 2004. DD&A (depletion, depreciation and amortization) charges of US$0.02 million (2003 – US$0.05 million) principally relate to office and computer equipment. Charges relating to oil and natural gas properties are minimal since most of the Company's capital expenditure is classified as unproved and excluded from depletion pending further evaluation of the exploration and appraisal acreage and the outcome of future drilling programmes. In addition, the amortization of deferred charges associated with the Firstearl acquisition totalled US$0.03 million.

The increase in net interest income from US$0.02 million in 2003 to US$0.17 million in 2004 was due to higher rates and to income from the ENI note acquired with Firstearl in August 2004. The prior year exchange loss of US$0.08 million was replaced by an exchange gain of US$0.18 million in 2004 principally arising from the sterling denominated ENI note. A gain of US$0.14 million arose on the disposal of the Company's remaining common shares in Pacific Tiger Energy. Serica retains a small holding in convertible debentures for that company. This gain compared to a US$0.38 million loss on the disposal of a 5% interest in the Lematang PSC in 2003. Finally, a previous provision for asset retirement obligations of US$0.12 million was released as no specific obligations have been identified.

There were no income taxes paid in 2004 due to operating losses. However, an additional provision of future income taxes of US$2.06 million has been made for UK tax that will fall due upon redemption of the ENI note acquired with Firstearl. This tax liability, when it crystallizes, can be offset against tax losses arising in the same accounting period made by other UK companies within the Serica group, thus deferring payment into the future. The 2003 tax credit of US$0.15 million represented a recovery of capital gains tax.

Notwithstanding the increase in the net loss from continuing operations compared to 2003, the net loss per share fell from US$0.29 to US$0.13 due to the substantial increase in the number of shares in issue.

SUMMARY OF 2004 QUARTERLY RESULTS

Quarter ended:	March 31 US$000	June 30 US$000	Sept 30 US$000	Dec 31 US$000
Total revenue	38	44	41	33
Net loss	833	1,570	3,272	716
Basic and diluted loss per share US$	0.02	0.03	0.07	0.01

Note: No quarterly figures are available for periods prior to the merger in January 2004.

The quarterly results show an upward trend, reflecting the general build up of the Company through the year. The third quarter includes provisions for future tax expenses totalling US$2.06 million.

WORKING CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

1. Current Assets and Liabilities

An extract of the balance sheet detailing current assets and liabilities is provided below:

	Balance as at December 31, 2004 US$000	Balance as at December 31, 2003 US$000 Restated*
Current Assets		
Cash and cash equivalents	**1,729**	4,252
Accounts receivable	**1,839**	957
Short-term investments	**7,204**	285
Inventory	**259**	313
Total Current Assets	**11,031**	5,807
Less Current Liabilities		
Accounts payable and accruals	**(1,315)**	(1,695)
Net Current Assets	**9,716**	4,112

* See notes 1 and 17.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

Following the merger in January 2004, which brought additional cash of US$1.65 million, the Company's working capital position was further strengthened through the Firstearl acquisition and associated fund-raising. Completed in August 2004, the acquisition of Firstearl, a private British-registered company, brought cash and securities totalling US$8.56 million for cash consideration and costs of US$7.06 million with the balance satisfied through the issue of shares and warrants. The associated placing of shares and warrants raised US$8.32 million leaving residual funds of US$1.26 million after satisfying the cash consideration and costs.

At year end the Company had net current assets of US$9.72 million, which comprised current assets of US$11.03 million less current liabilities of US$1.31 million. This represents an increase of US$5.60 million over the position at the end of 2003. Apart from cash and accounts receivable, the main component of current assets is the ENI note of US$7.19 million held within short-term investments. This is a floating rate guaranteed unsecured loan note for a nominal amount of £3,752,174 issued by ENI Investments plc on February 15, 2001 that was acquired with Firstearl. This must be redeemed for cash either on June 30 or December 31, 2005.

2. Long-Term Assets and Liabilities

An extract of the balance sheet detailing long-term assets and liabilities is provided below:

	Balance as at December 31, 2004 US$000	Balance as at December 31, 2003 US$000 Restated*
Property, plant and equipment	**11,618**	8,312
Long-term accounts receivable	**302**	151
Goodwill	**2,382**	2,122
Deferred charges	**81**	–
Long-term accounts payable	**(155)**	(151)
Asset retirement obligation	**–**	(122)
Future income taxes	**(4,446)**	(2,122)

* See notes 1 and 17.

During the year total investments in petroleum and natural gas properties, represented by cumulative property, plant and equipment expenditure, were US$3.33 million. Of this US$2.42 million was spent in Indonesia, US$0.72 million in the UK and US$0.19 million in Spain. The expenditures in Indonesia brought increased interests in the Asahan and Glagah Kambuna projects and pre-drilling preparations. In the UK, costs were incurred in respect of the new North Sea exploration licences awarded in the 22nd Licensing Round and in Spain mapping of surface geology and collection of field samples were conducted.

The long-term accounts receivable, which has increased from US$0.15 million to US$0.30 million during the year, represents VAT on Indonesian capital spend that is expected to be recovered once fields commence production.

Goodwill, representing the difference between the price paid on acquisitions and the fair value applied to individual assets, showed a small increase in the year from US$2.12 million to US$2.38 million. This increase arose from the Asahan and Glagah Kambuna acquisitions.

Long-term accounts payable, which comprises mainly VAT payable in Indonesia, shows little change from 2003. The 2003 asset retirement obligation of US$0.12 million was released in 2004 since there are no firm obligations associated with the Harimau asset for which the provision had been carried. Deferred charges represent costs related to the Firstearl acquisition that are being amortized.

The increase in future income taxes of US$2.32 million, which represents deferred taxes, primarily reflects provisions against corporation tax associated with the redemption of the ENI note acquired with Firstearl during 2004.

3. Shareholders' Equity

An extract of the balance sheet detailing shareholders' equity is provided below:

	December 31, 2004	December 31, 2003
	US$000	US$000
Share capital	**33,047**	13,000
Special warrants	**–**	5,327
Contributed surplus	**256**	99
Retained earnings	**(13,805)**	(6,124)

Share capital increased from US$13.00 million at the end of 2003 to US$33.05 million at the end of 2004. The increase primarily comprises US$3.05 million of shares issued on the merger with KGO, US$5.33 million for the conversion of special warrants following the successful completion of the merger, US$0.70 million of shares issued to fund the acquisition of Asahan Oil Investments BV and Glagah Kambuna Exploration BV and a US$8.32 million private share placement plus a further US$1.64 million share issue to fund the acquisition of Firstearl. In addition, a further US$0.92 million of warrants had been exercised by year end.

The 2004 increase in contributed surplus from US$0.10 million to US$0.26 million reflects stock option charges.

4. Capital Resources

In view of the limited revenues currently generated from oil and gas production, Serica is dependent upon supplementing existing financial resources through the raising of additional finance as required to fund its investment programme and ongoing operations.

At December 31, 2004, Serica had US$9.72 million of net working capital and no significant debt. At that date, the Company had commitments to future minimum payments under operating leases in respect of rental of office premises, office equipment and motor vehicles for each of the following years as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

	US$
Year ending December 31, 2005	152,405
Year ending December 31, 2006	66,894
Year ending December 31, 2007	19,265
Year ending December 31, 2008	4,541
Year ending December 31, 2009	2,269

There are no other third party commitments.

At year-end Serica had 20,626,173 warrants outstanding at prices ranging from Cdn$0.80 to Cdn$1.20. Since then, 10,810,650 Cdn$1.00 warrants have been exercised raising a further Cdn$10.81 million. Over 95% of the total warrants that were issued in conjunction with a Serica financing in November 2003 were exercised before their expiry date on January 29, 2005. The balance of those warrants not exercised expired on January 29, 2005. Of the warrants remaining after this expiry date, 1,031,250 are exercisable by August 5, 2005 and 8,396,875 by August 5, 2006.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are detailed in note 2 to the audited 2004 financial statements. Serica has adopted recommendations and guidelines covering asset retirement obligations, full cost accounting, fair value accounting and hedging. These are detailed in note 3 to the financial statements. There have been no other changes in accounting policies during the year.

The costs of exploring for and developing petroleum and natural gas reserves are capitalized. Unproved properties are subject to periodic impairment tests whilst the costs of proved propertied are depleted over producing field lives. In each case calculations are based upon management assumptions about future outcomes, product prices and performance.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash, the ENI note, accounts payable and accounts receivable. The terms of financial instruments are disclosed in note 23 to the financial statements. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying values unless otherwise stated.

Since the ENI note is denominated in pounds sterling and most of the Company's expenditures are denominated in US dollars, in November 2004 the Company entered into a currency option to protect against the risk of sterling falling below an exchange rate of US$1.80. The cost of this option was $0.05 million and it applies for fixed amounts totalling US$5.40 million on pre-determined dates over a six-month period ending on June 30, 2005.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

To-date the Company has not had significant revenue from operations. The following table is a break-down of the material cost components for 2003 and 2004.

Year ended December 31:	**2004**	2003
	US$000	US$000
Capitalized exploration and development costs	**3,322**	1,940
Expensed research and development costs	**nil**	nil
General and administrative expenses	**4,877**	3,660
Material costs not included above	**nil**	nil

SUBSEQUENT EVENTS

On April 5, 2005, the Company signed an Extension of Rehabilitation Agreement in respect of the Technical Assistance Contract covering the Glagah Kambuna concession offshore Indonesia.

Since the balance sheet date, a further 10,810,650 warrants have been exercised at a price of Cdn$1.00.

BUSINESS RISK AND UNCERTAINTIES

Serica, like all exploration companies in the oil and gas industry, operates in an environment subject to inherent risks. Many such risks are beyond the ability of a company to control, particularly those associated with the exploring for and developing economic quantities of hydrocarbons: volatile commodity prices; governmental regulations; and environmental matters.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

TO THE SHAREHOLDERS OF SERICA ENERGY CORPORATION:

Management has responsibility for preparing the accompanying consolidated financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and proper records maintained.

It is the responsibility of the Board of Directors to review the financial statements in detail with management prior to their approval of the financial statements for publication.

External auditors are appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to the Board and management.

Chief Executive Officer
April 21, 2005

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SERICA ENERGY CORPORATION:

We have audited the consolidated balance sheet of Serica Energy Corporation as at December 31, 2004 and the consolidated statements of loss, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2003 and for the year then ended, prior to adjustments described in notes 1 and 17, were audited by other auditors who expressed an opinion without reservation on those statements in their report, dated May 18, 2004. We have audited the adjustments that were applied to restate the 2003 financial statements and in our opinion, such adjustments, in all material respects are appropriate and have been properly applied.

Ernst & Young LLP

London, England
April 21, 2005

CONSOLIDATED BALANCE SHEET

As at December 31, 2004		2004 US$	2003 US$ Restated*
Assets			
Current			
Cash and cash equivalents		1,729,290	4,251,636
Accounts receivable	Note 6	1,838,832	957,198
Short-term investments	Note 7	7,203,894	284,829
Inventory		258,606	312,988
		11,030,622	5,806,651
Property, plant and equipment	Note 8	11,618,327	8,311,856
Long-term accounts receivable	Note 9	301,778	151,488
Goodwill	Note 10	2,381,712	2,122,045
Deferred charges		80,838	–
		25,413,277	16,392,040
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accruals	Note 11	1,314,523	1,694,939
		1,314,523	1,694,939
Long-term accounts payable	Note 9	155,215	151,488
Asset retirement obligation	Note 12	–	121,560
Future income taxes	Note 13	4,445,549	2,122,045
		5,915,287	4,090,032
Shareholders' equity			
Share capital	Note 14	33,046,893	13,000,002
Special warrants	Note 15	–	5,327,363
Contributed surplus	Note 16	256,188	98,555
Deficit		(13,805,091)	(6,123,912)
		19,497,990	12,302,008
		25,413,277	16,392,040

* See notes 1 and 17.

Approved on behalf of the Board

Chief Executive Officer
April 21, 2005

Chief Financial Officer
April 21, 2005

CONSOLIDATED STATEMENT OF LOSS

As at December 31, 2004		2004 US$	2003 US$
Revenue		**155,987**	217,316
Expenses (income)			
Operating		**–**	28,024
Administrative		**4,876,844**	3,660,112
Stock-based compensation		**167,633**	–
Depreciation, depletion and amortization		**18,776**	49,251
Amortization of deferred charges		**33,866**	–
Interest, net		**(169,999)**	(21,097)
Foreign exchange (gain) loss		**(181,302)**	77,765
(Gain) loss on disposal	Note 7 & 19	**(141,273)**	383,202
Release of asset retirement provision	Note 12	**(121,560)**	–
		4,482,985	4,177,257
Net loss before tax		**(4,326,998)**	(3,959,941)
Income taxes			
Income tax expense (recovery)	Note 13	**–**	(150,581)
Future tax expense	Note 4	**2,063,837**	–
Net loss for the year		**(6,390,835)**	(3,809,360)
Loss per common share			
Basic and diluted	Note 20	**(0.13)**	(0.29)

CONSOLIDATED STATEMENT OF DEFICIT

As at December 31, 2004	2004 US$	2003 US$
Deficit, beginning of the year	**(6,123,912)**	841,528
Net loss	**(6,390,835)**	(3,809,360)
Excess of fair value of assets of controlling interest over net asset value (a)	**–**	(6,786,480)
Capitalization of reserves (a)	**–**	3,630,400
Cost of merger (b)	**(1,290,344)**	–
Deficit, end of the year	**(13,805,091)**	(6,123,912)

a) On August 27, 2003, shares of Petroleum Development Associates (Oil & Gas) Limited were exchanged for shares in Petroleum Development Associates LLC, Petroleum Development Associates (Asia) LLC, Petroleum Development Associates (Spain) LLC and Asia Petroleum Development Limited.

The business combination was accounted for in accordance with Emerging Issues Committee ("EIC") Guideline 89 of the Canadian Institute of Chartered Accountants. The proportionate share of the assets and liabilities of the controlling group of shareholders in the predecessor companies was recorded in the Company at carrying value. The proportionate share of the assets and liabilities of the non-controlling interest in the predecessor companies is recorded at its fair value.

The capitalization of reserves arose as part of this business combination

b) The cost of merger arose on the merger of PDA and KGO set out in note 1.

CONSOLIDATED STATEMENT OF CASH FLOW

As at December 31, 2004	2004 US$	2003 US$ Restated*
Operating activities		
Net loss for the year	(6,390,835)	(3,809,360)
Depreciation, depletion and amortization	18,776	49,251
Amortization of deferred charges	33,866	–
(Gain) loss on disposal	(141,273)	383,202
Salaries in lieu, by way of issue of shares in lieu	–	2,000,000
Debenture received in lieu of interest	–	(16,515)
Stock-based compensation	167,633	–
Release of asset retirement provision	(121,560)	–
Foreign exchange gain on investment	(287,792)	–
Future income taxes	2,063,837	–
Cash flow from operating activities	(4,657,348)	(1,393,422)
Changes in working capital	67,404	16,221
Cash used in operating activities	(4,589,944)	(1,377,201)
Investing activities		
Purchases of property, plant and equipment	(2,623,443)	(1,939,939)
Acquisitions, net of cash acquired	(5,400,462)	–
Cost of merger	(1,290,344)	–
Cash acquired on merger	1,654,212	–
Cash disposed of on sale of investment	–	(30,915)
Proceeds on disposal of investment	410,623	–
Purchase of investment	–	(143,462)
Cash used in investing activities	(7,249,414)	(2,114,316)
Financing activities		
Share issue cost	–	(616,923)
Proceeds on issue/exercise of warrants	9,239,195	5,944,286
Issue of share capital	77,817	2,006,199
Cash provided from financing activities	9,317,012	7,333,562
(Decrease) increase in cash and cash equivalents	(2,522,346)	3,842,045
Cash and cash equivalents, beginning of year	4,251,636	409,591
Cash and cash equivalents, end of year	1,729,290	4,251,636

* See notes 1 and 17.

Supplemental cash flow information is provided in note 22.

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2004

Unless otherwise stated, amounts presented in these notes are in US dollars ("US$") or Canadian dollars ("Cdn$"), except number of shares.

1 NATURE AND CONTINUANCE OF OPERATIONS

The principal activity of the Company is to identify, acquire and subsequently exploit oil and gas reserves primarily in Asia and Europe and the provision of ancillary services to third parties in such respect.

The Company was formed on January 29, 2004 by a merger of Petroleum Development Associates (Oil & Gas) Limited ("PDA") and Kyrgoil Holding Corporation ("KGO") and was continued under the name of Serica Energy Corporation.

On January 1, 2004, PDA acquired all of the issued shares of Serica Energy Pte Limited (formerly Asia Petro Services Pte Limited) for a cash consideration equal to that company's net assets (note 17). This company was owned and operated by the management team of PDA but had not been included within the business reorganization effected on August 27, 2003. As there had been common control throughout, the December 31, 2003 balance sheet comparatives have been restated to incorporate the assets and liabilities of this company at December 31, 2003.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company currently has relatively minor operating revenues and, during the years ended December 31, 2004 and 2003, incurred losses of US$6,390,835 and US$3,809,360 respectively from continuing operations. Continued operations of the Company are therefore dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future, none of which is assured. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles that require management to make assumptions and estimates that affect the reported amounts and other disclosures in these consolidated financial statements. Actual results may differ from those estimates.

The significant accounting policies used in these consolidated financial statements are as follows:

Basis of consolidation

The consolidated financial statements include the accounts of Serica Energy Corporation ("the Company") and its wholly-owned subsidiaries Asia Petroleum Development Limited, Petroleum Development Associates (Asia) Limited, Petroleum Development Associates Iberica S.L., Firstearl Limited, Serica Energy (UK) Limited and Serica Energy Pte Limited.

All significant inter-company balances and transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less at the date acquired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Deferred charges

Deferred charges relating to a premium paid on a note receivable are being amortized over the life of the note receivable. For the year ended December 31, 2004 US$33,866 of deferred charges have been amortized to operations.

Carried Interest

In accordance with industry practice, the Company does not record its share of costs that are 'carried' by third parties in relation to its farm-in agreements. Similarly, while the Company has agreed to carry the costs of another party to a Joint Operating Agreement ("JOA") in order to earn additional equity, it records its paying interest that incorporates the additional contribution over its equity share.

Investments

Portfolio investments are recorded at the lower of cost or market value. They have been classified either as long-term or short-term investments in concurrence with the nature of the investment.

Foreign currency translation

Monetary items denominated in a foreign currency are translated into US dollars at the exchange rate prevailing on the balance sheet date. Exchange gains and losses arising from translation are included in operations.

Integrated foreign operations are translated into US dollars as follows: monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date; non-monetary assets and liabilities, revenues and expenses are translated at exchange rates prevailing on the dates of transactions. Exchange gains and losses arising from translation are included in operations.

Property, plant and equipment

a) Petroleum and natural gas properties

The Company follows the full cost method of accounting for oil and gas properties, whereby all the costs associated with the exploration for, and the development of, petroleum and natural gas reserves, whether productive or unproductive, are capitalized in cost centres on a country-by-country basis. Costs capitalized include land acquisition costs, geological and geophysical expenditures, rentals on undeveloped properties and drilling and overhead expenses related to exploration and development activities. The Company has currently three cost centres: Indonesia, Spain and the UK.

The costs related to each cost centre are depleted and depreciated on a unit-of-production basis. The recoverability of a cost centre is tested by comparing the carrying value of the cost centre to the sum of the undiscounted cash flows expected from the cost centre's use and eventual disposition. If the carrying value is unrecoverable the cost centre is written down to its fair value estimated as the present value of expected future cash flows from proved and probable reserves and the value of unproved properties. This approach incorporates risks and uncertainties in the expected future cash flows that are discounted using a risk free rate. The cash flows are estimated using expected future product prices and costs.

Costs of unproved properties are excluded from depletion until it is determined whether or not proved reserves exist or impairment occurs. Properties excluded from the depletion calculation are assessed at least on an annual basis to see if impairment has occurred.

b) Computer equipment and fixtures, fittings and equipment

Computer equipment and fixtures, fittings and equipment are recorded at cost. The straight-line method of amortization is used to amortize the cost of these assets over their estimated useful lives. Computer equipment is amortized over three years and fixtures, fittings and equipment over four years.

Goodwill

Goodwill, which represents the excess of purchase price over the fair market value of net tangible assets acquired, is not amortized but is subject to an annual impairment test. Goodwill impairment is assessed based on a comparison of the fair value of an individual reporting unit to the underlying carrying value of the reporting unit's net assets including goodwill. When the carrying amount of the reporting unit exceeds its fair value, the fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of impairment loss, if any. The fair value of goodwill is determined in the same manner as in a business combination.

Joint venture activities

The Company conducts petroleum and natural gas exploration and production activities jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

Substantially, all of the Serica's activities are carried out through joint ventures. Serica currently has a 10% working interest in the Lematang PSC. The Company is the operator for the Asahan Offshore and Biliton PSC's, of which it has interests of 56.82% and 90% respectively. The Company is being carried by Medco International Ventures Limited for its share of all costs arising under the Lematang PSC up to a maximum of US$2.8 million. The Company is carrying the 28.18% share of all costs arising under the Asahan PSC and 10% share of all costs arising under the Biliton PSC otherwise attributable to the other parties to those agreements up to US$1 million.

Asset retirement obligations

The fair value of legal obligations for property abandonment and site restoration are recognized as a liability on the balance sheet as incurred with a corresponding increase to the carrying amount of the related asset. Changes in the fair value of the liability over time are reflected as accretion charges included in depletion, depreciation and amortization. Revisions to the estimated amount or timing of the obligations are reflected as increases or decreases to the recorded liability. Asset retirement expenditures, up to the recorded liability at the time, are charged to the liability. Amounts capitalized to the related assets are amortized to income consistent with the depletion or depreciation of the underlying asset.

Income taxes

The Company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided to the extent that it is more likely than not that future income taxes will not be realized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Revenue recognition

Revenue from oil and natural gas production from properties in which the Company has an interest along with other producers are recognized on the basis of the Company's net working interest.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share is calculated based on the treasury stock method that assumes that any proceeds obtained on the exercise of any options and warrants would be used to purchase common shares at the average price during the period.

Stock-based compensation

The Company uses the fair value method of accounting for stock-based compensation, or stock options, granted to employees and directors. Stock-based compensation is recorded in the consolidated statement of operations as a separate expense for all options granted with a corresponding increase in equity recorded as contributed surplus. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital.

The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather, the Company accounts for forfeitures as they occur. In the event that vested options expire without being exercised, previously recognized compensation expense associated with stock options is not reversed.

Compensation expense for options granted during 2004 is based on the estimated fair values at the time of the grant and the expense is recognized over the vesting period of the option.

Financial instruments

The Company has adopted the CICA Accounting Guideline 13 'Hedging Relationships' and EIC 128 'Accounting for Trading, Speculative or Non-Hedging Derivative Financial Instruments'. Under these guidelines the Company's financial instruments that are not designated as hedges are recorded in the Company's consolidated balance sheet at their fair value on the date thereof, with subsequent changes in fair value recorded in earnings on a quarterly reporting basis.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets other than petroleum and natural gas properties is based on the estimated useful lives of the capital assets. The amounts recorded for depletion and depreciation of property, plant and equipment and the provision for abandonment and site restoration are based on estimates of proved reserves, proved developed reserves, production rates, future costs and other relevant assumptions. These estimates are reviewed regularly and changes in such estimates in future years could be significant. As adjustments become necessary, they are reported in earnings in the periods in which they become known.

3 CHANGES IN ACCOUNTING POLICIES

a) On January 1, 2004, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations", which requires that the fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset. The amount of the liability is subject to re-measurement at each reporting period. The adoption of these recommendations had no material impact on the Company's consolidated financial statements.

b) Effective January 1, 2004, the Company adopted the new Canadian accounting guideline for the full cost method of accounting for oil and gas properties. The recoverability of a cost centre is tested by comparing the carrying value of the cost centre to the sum of the undiscounted cash flows expected from the cost centre's use and eventual disposition. If the carrying value is unrecoverable the cost centre is written down to its fair value using the expected present value approach. This approach incorporates risks and uncertainties in the expected future cash flows that are discounted using a risk free rate. The cash flows are estimated using expected future product prices and costs. The adoption of this guideline had no effect on the Company's financial results.

c) Effective January 1, 2004 the Company adopted the fair value recognition provisions of the CICA Handbook Section 3870,"Stock-based Compensation and Other Stock-based Payments" for stock-based compensation awards granted to employees. This accounting policy, which was adopted as of January 1, 2004, was applied prospectively. The fair value of the options at the date of the grant was estimated using the Black-Scholes option-pricing model. The estimated fair value of the option is amortized to expense over the option's vesting period on a straight-line basis.

This change resulted in an increase in the net loss for the year of US$167,633 (US$0.003 per share).

d) On January 1, 2004, the Company prospectively adopted the CICA's Accounting Guideline 13, "Hedging Relationships" and EIC 128, "Accounting for Trading, Speculative or Non-Hedging Derivative Financial Instruments".

Guideline 13 and EIC 128 require that financial instruments that are not designated as hedges be recorded on the Company's consolidated balance sheet at fair value on the date thereof, with subsequent changes in fair value recorded in earnings on a quarterly reporting basis. The adoption of this policy has had no effect on the previously reported financial results.

4 ACQUISITIONS

a) On January 29, 2004, PDA and KGO merged to form Serica Energy Corporation, via a share for share exchange. Under EIC10 this merger was considered to be a reverse takeover by PDA and as such the financial statements of the Company represent a continuation of PDA. Under the merger agreement the 13,000,002 common shares and 5,972,358 special warrants of PDA were converted into common shares and warrants of the Company at a rate of 1.84:1.00.

The KGO assets at the merger date were:

	US$
Cash and cash equivalents	1,654,212
Accounts receivable	1,818,124
Accounts payable	(422,882)
	3,049,454

b) On August 10, 2004, Serica Energy Corporation acquired Firstearl Limited, a private British-registered company. The consideration was satisfied by the issue of 3,043,750 Common Shares and 1,521,875 purchase warrants having an exercise price of Cdn$1.20 per share expiring two years from the closing date, with the balance of the consideration to be paid in cash.

The acquisition has been accounted for as a capital transaction in these consolidated financial statements from the date of acquisition, as it does not meet the definition of a business.

Cost of acquisition was as follows:

	US$
Cash	6,761,257
Shares and purchase warrants	1,993,240
	8,754,497

The net effect of the acquisition on the Company's consolidated balance sheet was as follows:

	Fair value US$
Note receivable (note 7)	6,900,623
Cash and cash equivalents	1,655,996
Accounts receivable	109,322
Accounts payable	(26,148)
Future income taxes	(2,063,837)
	6,575,956

The excess of the acquisition costs over the fair value of assets acquired of US$2,178,541 has been accounted for in the consolidated financial statements as follows:

	Balance sheet US$	Statement of loss US$	Total US$
Future income taxes	–	2,063,837	2,063,837
Premium on note receivable	114,704	–	114,704
	114,704	2,063,837	2,178,541

The premium arising on the note receivable is included in deferred charges. This balance will be amortized over the life of the note.

c) The Company entered into an agreement on April 22, 2004 to purchase Asahan Oil Investments BV and Glagah Kambuna Exploration BV, both of which are registered in the Netherlands, for a consideration of US$701,804. The consideration was satisfied by the issue of 1,004,950 shares of Serica Energy Corporation.

The value of the common shares issued was determined based on the market price of the Company's common shares on April 22, 2004. The acquisition has been accounted for by the purchase method in these consolidated financial statements from the date of acquisition.

The net effect of the acquisition on the Company's consolidated balance sheet and the assets at acquisition were as follows:

Asahan Oil Investments BV	Fair value US$
Cash and cash equivalents	28,393
Property, plant and equipment	663,397
Goodwill	245,457
Accounts payable	(28,393)
Future income taxes	(245,457)
	663,397

Glagah Kambuna Exploration BV	Fair value US$
Cash and cash equivalents	28,388
Property, plant and equipment	38,407
Goodwill	14,210
Accounts payable	(28,388)
Future income taxes	(14,210)
	38,407

The amount of goodwill deductible for tax purposes is nil.

5 SEGMENTED INFORMATION

The Company has defined its continuing operations into geographic segments of Indonesia, Spain and the UK.

There are no discontinued operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Segment:	Indonesia	Spain	UK	Total
2004	US$	US$	US$	US$
Revenue	**155,987**	**–**	**–**	**155,987**
Goodwill	**1,997,976**	**90,845**	**292,891**	**2,381,712**
Property, plant and equipment	**8,274,985**	**555,465**	**2,787,877**	**11,618,327**
Other assets	**3,100,114**	**5,756**	**8,307,368**	**11,413,238**
Total assets	**13,373,075**	**652,066**	**11,388,136**	**25,413,277**
2003				
Revenue	217,316	–	–	217,316
Goodwill (restated*)	1,738,309	90,845	292,891	2,122,045
Property, plant and equipment (restated*)	5,870,343	367,367	2,074,146	8,311,856
Other assets (restated*)	5,698,469	4,084	255,586	5,958,139
Total assets	13,307,121	462,296	2,622,623	16,392,040

* See notes 1 and 17.

6 ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following:

	2004 US$	2003 US$ Restated*
Merger expenses prepaid	**–**	356,985
Tax refunds	**215,066**	336,025
Trade/Other	**1,623,766**	264,188
	1,838,832	957,198

* See notes 1 and 17.

7 INVESTMENTS

Included in investments is an interest in convertible debentures of a company listed on the TSX Venture Exchange.

	Percent Ownership 2004	**2004** US$	2003 US$
Investment represents:			
Common shares	**–**	**–**	268,714
Convertible debentures	**1.7%**	**15,479**	16,115
		15,479	284,829

The investment is in a company that carries on oil and gas exploration, development and production activities in Thailand. The company is traded on the TSX Venture Exchange. The common shares held were disposed of in 2004 resulting in a gain of US$141,273. The convertible debentures were issued in the amount of Cdn$22,029 and bear interest at the rate of 10% per annum. The convertible debentures are convertible into common shares at the rate of 30 common shares for each whole multiple of Cdn$10.50 of convertible indebtedness until March 31, 2005. After that date, the debentures are convertible into 27 common shares for each whole multiple of Cdn$10.50 of indebtedness. The maturity date of the debentures is March 30, 2006.

In addition the Company has a Floating Rate Guaranteed Unsecured Loan Note 2005 with a nominal value of £3,752,174 (US$7,188,415) issued by ENI Investments plc on February 15, 2001. The note is repayable on June 30, 2005 or December 31, 2005.

8 PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas properties US$	Computer equipment US$	Fixtures, fittings and equipment US$	Total US$
Cost or fair value:				
January 1, 2004 (restated*)	8,525,529	27,706	5,693	8,558,928
Additions	3,322,157	3,090	–	3,325,247
December 31, 2004	**11,847,686**	**30,796**	**5,693**	**11,884,175**
Depreciation, depletion and amortization:				
January 1, 2004	230,677	13,879	2,516	247,072
Charge in year	5,002	12,038	1,736	18,776
December 31, 2004	**235,679**	**25,917**	**4,252**	**265,848**
Net book value:				
December 31, 2004	**11,612,007**	**4,879**	**1,441**	**11,618,327**
December 31, 2003	8,294,852	13,827	3,177	8,311,856

The net book value of petroleum and natural gas properties is allocated to the following cost pools:

	2004 US$	2003 US$ Restated*
Indonesia	**8,274,985**	5,870,343
Spain	**555,465**	367,367
UK	**2,781,557**	2,057,142
	11,612,007	8,294,852

* See notes 1 and 17.

General and administrative expenses have not been capitalized. All petroleum and natural gas properties are unproved and therefore they are not subject to depletion and depreciation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9 LONG-TERM ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Long-term accounts receivable and accounts payable are non-secured and non-interest bearing. As these accounts will not be demanded within the next 12 months, they have been classified as non-current.

10 GOODWILL

	US$
Cost:	
January 1, 2004 (restated*)	2,122,045
Additions (note 4)	259,667
December 31, 2004	**2,381,712**
Impairment:	
January 1, 2004	–
Change in year	–
December 31, 2004	**–**
Net book value:	
December 31, 2004	**2,381,712**
December 31, 2003	2,122,045

* See notes 1 and 17.

11 ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals are comprised of the following:

	2004 US$	2003 US$ Restated*
Trade creditors and accrued liabilities	**1,307,180**	1,684,259
Taxes payable	**7,343**	10,680
	1,314,523	1,694,939

* See notes 1 and 17.

12 ASSET RETIREMENT OBLIGATION

The Company had accrued the following liability to remove all drilling equipment, at the end of its useful life, from its Harimau Field in Indonesia. A corresponding amount was capitalized as an asset retirement obligation and added to the carrying value of petroleum and natural gas properties but is now fully depreciated.

As there is no legal obligation to pay this and no significant costs are anticipated, the Company has decided to write back the amount of this accrual to the consolidated statement of loss.

	US$
Liability, January 1, 2004	121,560
Release of provision	(121,560)
Liability, December 31, 2004	–

13 INCOME TAXES

The components of the net future income tax liability are:

	2004	2003
	US$	US$
Property, plant and equipment	**4,445,549**	2,122,045
Net future income tax liability	**4,445,549**	2,122,045

The Company has non-capital tax losses of approximately US$16,764,069. The benefit of these has not been recognized in these consolidated financial statements.

The income tax recovery differs from the amount that would be expected by applying the current tax rates for the following reasons:

	2004	2003
	US$	US$
Loss before taxes	**(4,326,998)**	(3,959,941)
Expected tax recovery at 40.0% (2003 – 40.0%)	**(1,730,799)**	(1,583,976)
Unrecognized benefit of future tax asset	**482,494**	(23,717)
Non-deductible expenses for tax	**–**	1,049
Adjustments to previous period	**–**	18,553
Exchange difference	**–**	17,227
Rate difference	**–**	51,255
Losses not available for carry forward	**1,248,305**	1,373,727
Other tax adjustment	**–**	(4,699)
Income tax expense (recovery)	**–**	(150,581)

14 SHARE CAPITAL

Authorized capital

Authorized – Unlimited number of common shares with no par value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Issued capital	Capital shares Number	Issued and outstanding in value US$
January 1, 2004	13,000,002	13,000,002
Additional shares issued to existing shareholders on merger with KGO (a)	10,920,000	–
Shares issued on merger with KGO at book value (a)	8,289,406	3,049,454
Shares issued to acquire Asahan Oil Investments BV and Glagah Kambuna Exploration BV (b)	1,004,950	701,804
Shares issued in private placement in August 2004 (c)	13,750,000	8,321,986
Shares issued to acquire Firstearl Limited (d)	3,043,750	1,641,258
Conversion of warrants (e)	12,428,650	6,244,572
Options exercised for cash	249,000	77,817
Transferred from contributed surplus on exercise of options	–	10,000
December 31, 2004	**62,685,758**	**33,046,893**

a) On January 29, 2004, in accordance with the merger agreement, the Company's shares were exchanged for new shares in the merged entity at the rate of 1.84:1.00.

The Company issued shares to the shareholders of KGO at the rate of one share for each 10 shares previously held in KGO, in accordance with the merger agreement. The net asset value of KGO at the time of this share issue was US$3,049,454.

b) On April 22, 2004, Serica Energy Corporation purchased Asahan Oil Investments BV and Glagah Kambuna Exploration BV, both of which are registered in the Netherlands for a consideration of US$701,804. The consideration was satisfied by the issue of 1,004,950 shares of Serica Energy Corporation (see note 4).

c) On August 6, 2004, Serica Energy Corporation completed a private placement of 13,750,000 special warrants at a price of Cdn$0.80 per special warrant for gross subscription proceeds of Cdn$11 million. Each special warrant is convertible, for no additional consideration, into one common share and one-half of one common share purchase warrant of the Company. Each whole purchase warrant entitles the holder to purchase one additional common share within two years of the closing date of the private placement, at a price of Cdn$1.20 per share.

d) On August 10, 2004, Serica Energy Corporation acquired Firstearl Limited, a private British-registered company. The consideration was partly satisfied by the issue of 3,043,750 common shares (see note 4).

Issue costs of US$351,982 have been deducted from the consideration.

e) During the year 10,989,163 special warrants with a carrying value of US$5,327,363 were converted to common shares.

In addition the following share purchase warrants were exercised:

- 340,573 at an exercise price of Cdn$1.00
- 1,098,914 at an exercise price of Cdn$0.70

15 SPECIAL WARRANTS AND SHARE PURCHASE WARRANTS

As at December 31, 2004, the following share purchase warrants were outstanding:

	Number of Warrants	Exercise Price per Warrant	Expiry Date
	10,648,591*	1.00	1/29/05
	549,457*	1.00	1/29/05
	687,500	0.80	8/5/05
	343,750	1.20	8/5/05
	8,396,875	1.20	8/5/06
December 31, 2004	**20,626,173**		

*Subsequent to year end 10,810,650 special warrants were exercised (see note 25).

As at December 31, 2003, 5,972,358 special warrants were outstanding, which were issued for a consideration of US$5,327,363 after deducting issue costs of US$616,921. Each of these warrants was exchanged upon the merger with KGO for 1.84 special warrants in Serica Energy Corporation.

16 CONTRIBUTED SURPLUS

	US$
January 1, 2004	98,555
Amortization of fair value of stock options	167,633
Transferred to share capital	(10,000)
December 31, 2004	**256,188**

17 PRIOR YEAR ADJUSTMENTS

On January 1, 2004, PDA acquired all of the issued shares of Serica Energy Pte Limited (formerly Asia Petro Services Pte Limited) for a cash consideration equal to that company's net assets. This company was owned and operated by the management team of PDA but had not been included within the business reorganization effected on August 27, 2003. As there had been common control throughout, the December 31, 2003 balance sheet comparatives have been restated to incorporate the assets and liabilities of this company at December 31, 2003. The effect of this was to increase cash and cash equivalents by US$64,104, accounts receivable by US$10,882 and accounts payable by US$74,986.

Following a review of the fair value adjustments made at the time of the acquisition of the PDA companies in August 2003, it has now been determined that it would have been more appropriate for certain balance sheet items to have been separately identified in the accounts and the related fair value grossed up. Accordingly, the December 31, 2003 balance sheet has been restated to reflect:

a) the reclassification of property, plant and equipment of US$468,359 as goodwill;

b) the establishment of additional future income tax liabilities of US$1,344,586 and the equivalent increase in goodwill;

c) the reclassification of inventory totalling US$149,255 previously included as property, plant and equipment; and

d) an increase in the fair value of inventory of US$163,733 and a reduction in the fair value of accounts receivable of US$83,075 giving rise to a net reduction of US$80,658 in property, plant and equipment.

There was no income effect to these reclassifications.

The effect of these adjustments is shown below.

Consolidated balance sheet at December 31, 2003

	As reported US$	Change US$	As restated US$
Assets:			
Cash and cash equivalents	4,187,532	64,104	4,251,636
Accounts receivable	1,029,391	(72,193)	957,198
Inventory	–	312,988	312,988
Property, plant and equipment	9,010,128	(698,272)	8,311,856
Goodwill	309,100	1,812,945	2,122,045
Liabilities:			
Accounts payable and accruals	(1,619,953)	(74,986)	(1,694,939)
Future income taxes	(777,459)	(1,344,586)	(2,122,045)

18 STOCK OPTIONS

A Stock Option Plan has been established for the benefit of directors, officers and key employees. Under the plan, the terms, conditions and limitations are determined at the discretion of the Board of Directors. The options are exercisable until February 19, 2009 at Cdn$0.50-2.00 per share and vest over periods ranging from immediately to three years.

The Company calculated the value of stock-based compensation using a Black-Scholes option pricing model to estimate the fair value of stock options at the date of grant. The estimated fair value of options is amortized to expense over the options' vesting period. For stock options granted during 2004, US$167,633 has been charged to income and US$167,633 was credited to contributed surplus.

The assumptions made for the options granted during 2004 include a volatility factor of expected market price of 70%, a weighted average risk-free interest rate of 6.0%, no dividend yield and a weighted average expected life of options of three years. The weighted average grant date fair value was US$0.39 per share.

The following table summarizes changes in the Company's stock options during the period:

	Number of shares	Exercise price per share Cdn$	Weighted average exercise price Cdn$
Outstanding, beginning of year	–	–	–
KGO options acquired upon merger	199,000	0.40 to 0.50	0.41
Granted	3,577,500	0.40 to 2.00	1.65
Cancelled	(425,000)	0.40 to 2.00	1.81
Exercised	(249,000)	0.40 to 0.50	0.41
Outstanding, December 31, 2004	**3,102,500**	**0.50 to 2.00**	**1.65**

The following table summarizes information about stock options outstanding at December 31, 2004:

Exercise Price	Number of shares outstanding	Weighted average remaining life (Years)	Number of shares exercisable
Cdn$0.50	5,000	2	5,000
Cdn$1.00	445,000	5	–
Cdn$1.11	700,000	3	–
Cdn$2.00	1,952,500	4	100,000
	3,102,500	4	105,000

4,670,000 shares have been reserved to meet outstanding options.

19 (GAIN) LOSS ON DISPOSAL

On July 1, 2003, the Company disposed of a 5% interest in the Lematang PSC. The consideration for this was US$67,062 plus an additional US$312,938 cost carry for the remaining 10% interest held. The disposal resulted in a loss of US$383,202.

20 LOSS PER SHARE

Basic and diluted earnings per share is calculated using the weighted average number of shares outstanding during the year. As the Company was only incorporated to effect a business combination and the results of that amalgamation are reflected in these financial statements on an aggregated basis as if the acquired companies had been acquired at their inception, for the purposes of this calculation the 13,000,002 shares of the Company issued to effect the business combination have been assumed to have been in issue throughout the periods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

The weighted average number of shares outstanding and the loss per share amounts are calculated as follows:

		2004 Basic and diluted	2003 Basic and diluted
Common shares		**47,903,894**	13,000,002
Loss	US$	**(6,390,835)**	(3,809,360)
Per share	US$	**(0.13)**	(0.29)

As a result of the net loss for the years ended December 31, 2004 and 2003, there is no dilutive effect of the stock options and warrants.

21 COMMITMENTS AND CONTINGENCIES

At December 31, 2004, the Company had commitments to future minimum payments under operating leases in respect of rental of office premises, office equipment and motor vehicles for each of the following years as follows:

	US$
Year ending December 31, 2005	152,405
Year ending December 31, 2006	66,894
Year ending December 31, 2007	19,265
Year ending December 31, 2008	4,541
Year ending December 31, 2009	2,269

There are no other third party commitments.

22 SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital

	2004 US$	2003 US$ Restated*
Accounts receivable	**895,522**	(581,696)
Accounts payable	**(882,500)**	747,172
Inventory	**54,382**	(149,255)
	67,404	16,221
Other cash flow information:		
Other interest (paid)	**(709)**	–
Other interest received	**29,613**	21,097
Cash taxes received (paid)	**168,354**	(211,658)

* See notes 1 and 17.

23 FINANCIAL INSTRUMENTS

The Company's financial instruments included in the consolidated balance sheet are comprised of short-term investments, accounts receivable, bank overdraft, accounts payable and accrued liabilities.

a) Foreign exchange put option

On November 2, 2004, the Company entered into a currency average rate option agreement which if exercised enables the Company to fix the exchange rate on a receipt of £3 million in the period to June 30, 2005 to acquire US$5.4 million. The £/US$ closing exchange rate was 1.9158 as at December 31, 2004.

The put option is stated at fair value and included in current liabilities in the consolidated balance sheet. Any changes in the fair value are included in administrative expenses in the consolidated statement of loss.

If exercised at December 31, 2004, the option would have realized a shortfall of US$347,000. However, using the estimate from a third-party broker, the fair value of the option has been determined as US$3,229.

b) Fair values of financial assets and liabilities

The fair value of derivative financial instruments is determined using the estimate from a third-party broker. The carrying amount of short-term investments, accounts receivable, bank overdraft, accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The fair value of the Company's long-term financial instruments is estimated using discounted cash flow analysis based on market borrowing rates of 6% (2003: 5%). Based on these assumptions, the fair values as at December 31, of these long-term financial instruments are as follows:

		2004		2003
	Carrying amount US$	**Fair value US$**	Carrying amount US$	Fair value US$
Long-term accounts receivable	**301,778**	**263,358**	151,488	129,882
Long-term accounts payable	**(155,215)**	**(137,148)**	(151,488)	(129,882)

Fair values are based on management's best estimates after consideration of current market conditions. The estimates are subjective and involve considerable judgment, and as such are not necessarily indicative of the amounts that the Company may incur in actual market transactions.

c) Credit risk

The Company is exposed to credit risk from financial instruments to the extent of non-performance by third parties, and non-performance by the counterparty to the option agreement. The Company minimizes the credit risk associated with possible non-performance by the financial instrument counterparty by entering into the contract with only a high rated counterparty. The Company's accounts receivable are with customers and joint venture partners in the petroleum and natural gas industry and are subject to normal credit risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

d) Interest rate risk

The Company has no exposure to interest rate risk as it has no debts that have a floating interest rate. The Company had no interest rate swaps or hedges at December 31, 2004.

24 FOREIGN CURRENCY RISK

The Company enters into transactions denominated in currencies other than its US dollar reporting currency. Foreign denominated balances, subject to exchange rate fluctuations, at year-end were as follows:

	2004	2003
Cash and cash equivalents		
Pounds sterling	**491,851**	7,629
Canadian dollars	**330,770**	–
Singapore dollars	**43,715**	107,625
Indonesian rupiah	**89,533,310**	41,243,883
Euros	4,246	3,242
Accounts receivable		
Pounds sterling	**206,191**	228,636
Singapore dollars	**30,800**	18,270
Short-term investments		
Pounds sterling	**3,752,174**	–
Canadian dollars	**22,029**	337,500
Accounts payable		
Pounds sterling	**83,150**	260,464
Singapore dollars	**6,750**	125,895
Euros	**1,093**	1,093

25 SUBSEQUENT EVENTS

Since the balance sheet date, a further 10,810,650 special warrants have been exercised at a price of Cdn$1.00.

On April 5, 2005, Asia Petroleum Development (Glagah Kambuna) Limited, a subsidiary of Serica Energy Corporation, signed an Extension of Rehabilitation Agreement (ERA) with PT Pertamina and PT Gunakarsa in relation to the Technical Assistance Contract (TAC) covering the Glagah Kambuna concession offshore Indonesia.

CORPORATE INFORMATION

TONY CRAVEN WALKER
Non Executive Director
Chairman of the Board

AMJAD BSEISU
Non Executive Director
Chairman of the Remuneration Committee

NEIL PIKE
Non Executive Director
Chairman of the Audit Committee

JIM STEEL
Non Executive Director
Chairman of the Governance Committee

CHRISTOPHER ATKINSON
Executive Director
Chief Operating Officer

CHRISTOPHER RIVETT-CARNAC
Executive Director (1)
President and Chief Executive Officer

CHRISTOPHER HEARNE
Executive Director (2)
Chief Finance Officer

KENNETH PEARCE
Company Secretary

(1) Retiring at AGM
(2) Standing for election at AGM

MANAGEMENT

DOUGLAS FENWICK
Managing Director, UK

GRAHAM BAKER
Exploration Manager, UK

JOHN GRANT
General Manager, Indonesia

ROBERT TAMBURRINI
Finance Manager

MICHAEL RENOLDS
Exploration Consultant, Indonesia

JACQUELINE KILFORD
Group Administration Manager

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ANNUAL GENERAL MEETING

June 15, 2005, 10:00am at
BLAKE, CASSELS & GRAYDON LLP
Commerce Court West Toronto Canada

SERICA ENERGY

CORPORATION