



Report on Payments to Govts

ENQUEST PLC, 21 JUNE 2017

Reports on Payments to Governments for the Year ended 31 December 2016

This report provides information in accordance with DTR 4.3A in respect of payments made by the Company to governments for the year ended 31 December 2016 and in compliance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209).

This report is available to download from: <http://www.enquest.com/corporate-responsibility/business-conduct.aspx>

Basis of preparation

The payments disclosed, which are on a cash basis, are based on where the obligation for the payment arose (ie at a project or corporate level). However, where a payment or a series of related payments do not exceed £86,000, they are disclosed at a corporate level, in accordance with the UK Regulations.

All of the payments disclosed in accordance with the Directive have been made to national governments, either directly or through a Ministry or Department of the national government, with the exception of the Malaysian payments in respect of production entitlements, supplementary payments, royalties and education commitment payments which are paid to PETRONAS (Petroliam Nasional Berhad, the National Oil Company of Malaysia).

By Licence										
Project/entity name	Licence	Production entitlements		Taxes	Royalties	Licence Fees	Education commitment payment	Research CESS	Supplementary payments	TOTAL
		bbls (000)	\$'000							
Kraken & Kraken North	P1077	-	-	-	-	638	-	-	-	638
Alma & Galia	P1765 & P1825	-	-	-	-	456	-	-	-	456
Heather & Broom	P242 & P902	-	-	-	-	367	-	-	-	367
Greater Kittiwake Area	P351, P73 & P238	-	-	-	-	320	-	-	-	320
Dons (including Ythan & Conrie)	P236, P2145, P1200 & P2137	-	-	-	-	313	-	-	-	313
Scolty & Crathes	P1107 & P1617	-	-	-	-	329	-	-	-	329
Kildrummy	P585	-	-	-	-	131	-	-	-	131
Corporate		-	-	(2,365)	-	464	-	-	-	(1,901)
Total United Kingdom		-	-	(2,365)	-	3,018	-	-	-	653

PMB		866	36,297	-	488	-	-	411	2,065	39,261
Tanjong Baram		-	-	-	-	-	100	-	-	100
Corporate		-	-	10,840	-	-	-	-	-	10,840
Total Malaysia		866	36,297	10,840	488	-	100	411	2,065	50,201
Corporate		-	-	(582)	-	-	-	-	-	(582)
Total Norway		-	-	(582)	-	-	-	-	-	(582)
Total Group		866	36,297	7,893	488	3,018	100	411	2,065	50,272

By Government										
Project/entity name	Licence	Production entitlements		Taxes	Royalties	Licence Fees	Education commitment payment	Research CESS	Supplemental payments	TOTAL
		bbls (000)	\$'000							
HM Revenue & Customs		-	-	(2,365)	-	-	-	-	-	544
Department of Energy & Trade		-	-	-	-	3,018	-	-	-	3,018
Total United Kingdom		-	-	(2,365)	-	3,018	-	-	-	653
PETRONAS			36,297							

	866		-	488	-	100	411	2,065	39,361
Malaysian Inland Revenue Board	-	-	10,840	-	-	-	-	-	10,840
Total Malaysia		36,297				100			
	866		10,840	488	-		411	2,065	50,201
Skatteetaten	-	-	(582)	-	-	-	-	-	(582)
Total Norway			(582)						(582)
Total Group	866	36,297	7,893	488	3,018	100	411	2,065	50,272

Production entitlements expressed in barrels

This includes non-cash royalties and amounts paid in barrels of oil or gas out of EnQuest's working interest share of production in a licence. The figures disclosed are produced on an entitlement basis rather than a liftings basis, and are valued at the actual price used to determine entitlement. They do not include the Government's or National Oil Company's working interest share of production in a licence.

Taxes

This represents cash tax calculated on the basis of profits including income or capital gains. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebates received from the government or revenue authority during the year and excludes fines and penalties. In the UK, taxes also include Petroleum Revenue Tax.

Royalties

This represents cash royalties paid to governments during the year for the extraction of oil or gas. The terms of the royalties are described within our host government contracts and can vary from project to project within one country. Royalties paid in kind have been recognised within the production entitlements category.

Licence fees

This represents total, rather than working interest share of, licence fees, rental fees, entry fees and other consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments).

Education commitment payment

This represents the annual education contribution paid to PETRONAS pursuant to the Tanjung Baram Risk Service Contract.

Supplementary payments

Supplementary payments are required under the PM8 Production Sharing Contract and are based on EnQuest's entitlement to profit oil and profit gas. These payments are made to Petronas.

Research CESS

Research CESS payments are contractual amounts due under the PM8 Production Sharing Contract, and are based on EnQuest's entitlement to production. These payments are made to Petronas.

Bonus payments and dividends

There were no bonus or dividend payments during the year.

Ends

For further information please contact:

EnQuest PLC

Amjad Bseisu (Chief Executive)
Jonathan Swinney (Chief Financial Officer)
Michael Waring (Head of Communications & Investor Relations)

Tel: +44 (0)20 7925 4900

Tulchan Communications

Martin Robinson
Martin Pengelley

Tel: +44 (0)20 7353 4200

Notes to editors

EnQuest is one of the largest UK independent producers in the UK North Sea. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. Its operated assets include Thistle/Deveron, Heather/ Broom, the Dons area, the Greater Kittiwake Area, Scolty/Crathes and Alma/Galia, also the Kraken development; EnQuest also has an interest in the non-operated Alba producing oil field. At the end of December 2016, EnQuest had interests in 25 UK production licences, covering 35 blocks or part blocks and was the operator of 23 of these licences.

EnQuest believes that the UKCS represents a significant hydrocarbon basin, which continues to benefit from an extensive installed infrastructure base and skilled labour. EnQuest believes that its assets offer material organic growth opportunities, driven by exploitation of current infrastructure on the UKCS and the development of low risk near field opportunities.

EnQuest is replicating its model in the UKCS by targeting previously underdeveloped assets in a small number of other maturing regions; complementing its operations and utilising its deep skills in the UK North Sea. In which context, EnQuest has interests in Malaysia where its operated assets include the PMB/Seligi Production Sharing Contract and the Tanjung Baram Risk Services Contract.

Forward looking statements: This announcement may contain certain forward-looking statements with respect to EnQuest's expectation and plans, strategy, management's objectives, future performance, production, reserves, costs, revenues and other trend information. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this presentation should be construed as a profit

forecast. Past share performance cannot be relied on as a guide to future performance.