



EnQuest May Operations Update

EnQuest PLC, 24 May 2023

Operations update

Good production performance year to date; full year guidance remains unchanged

EnQuest Chief Executive, Amjad Bseisu, commented:

"EnQuest has continued to deliver strong operational performance across our operated portfolio during the early part of the year, with production to the end of April above the top end of 2023 guidance.

"Production enhancement at Magnus is continuing, following the successful execution of our 2022 planned shutdown and well programme, including the drilling of North West Magnus well. We are now drilling the North West Magnus injector well, which is expected to come online at the end of May. We expect to drill two further infill wells later in 2023.

"We have improved asset reliability and integrity across our operated assets, resulting in delivery of strong uptime across our portfolio, including production efficiency of c.89% at Magnus, c.94% at the Greater Kittiwake Area and at Kraken, where we continue to deliver top quartile FPSO performance, and over 92% at PM8/Seligi in Malaysia.

"We are building a strong track record in decommissioning with 24 well abandonments executed at Heather and Thistle last year and another 23 well abandonments planned for this year, while we have also reached an important milestone in the Thistle project by awarding the contract for the topsides and jacket removal and disposal to Saipem.

"We are also making good progress in respect of our new energy and decarbonisation plans at the Sullom Voe Terminal and I was very pleased to receive the offer of four carbon storage licences as part of the first round of UK sequestration licences issued by the North Sea Transition Authority.

"In response to changes in the UK Energy Profits Levy, we are optimising our capital allocation by prioritising organic investments with quick pay backs while remaining focused on deleveraging and pursuing accretive M&A opportunities."

Operating performance

- Average Group production in the four months to end April 2023 was above the top end of our guidance range at 47,725 Boepd, based upon strong uptime across the portfolio
- The 2023 Magnus well work programme is underway, with three wells returned to service following P seal repairs/replacement. The North West Magnus injector is progressing well and is expected to be available to provide support to the producer by the end of May
- In May, we signed an agreement with PETRONAS to provide additional gas from the Seligi field through existing infrastructure until the end of 2025. This agreement is expected to increase EnQuest's gas production by around 25 mmscf per day (50 mmscfd gross)

Liquidity and net debt

- At 31 March April 2023, the Group's net debt position was c.\$678 million, a decrease of c.\$39 million since 31 December 2022 but an increase of c.\$54 million versus 28 February 2023, primarily driven by the unwind of the c.\$50 million positive February working capital position. Cash and available facilities totalled c.\$276 million at 31 March.
- For the period May to December 2023, EnQuest has hedged c.3.6 MMbbls of oil, through the combination of 2.7 MMbbls of put options and 0.9 MMbbls of costless collars. The average floor price is c.\$59/bbl and the ceiling associated with the costless collars is c.\$76/bbl.

- For 2024, EnQuest has hedged c.3.2 MMbbls of oil through put options with an average floor price of c. \$60/bbl.

Guidance unchanged

- 2023 average net Group production is expected to be between 42,000 Boepd and 46,000 Boepd, noting shutdowns and periods of single train operations planned at Magnus and Kraken, respectively, in the third quarter
- Operating expenditure is expected to be approximately \$425 million
- Cash capital expenditure is expected to be around \$160 million
- Decommissioning expenditure is expected to be around \$60 million

Production details

Average daily production on a net working interest basis (Boepd)	1 Jan 2023 to 30 Apr 2023	1 Jan 2022 to 30 Apr 2022
	(Boepd)	(Boepd)
UK Upstream		
- Magnus	16,505	12,880
- Kraken	15,910	19,862
- Golden Eagle	4,496	7,551
- Other Upstream ¹	3,058	4,158
Total UK	39,969	44,451
Total Malaysia	7,756	5,910
Total EnQuest	47,725	50,361

¹ Other Upstream: Scolty/Crathes, Greater Kittiwake Area and Alba

Magnus

Average production for the first four months of 2023 was 16,505 Boepd, with production efficiency of 89% for the period. The Group's programme of well work is underway, with three wells returned to service following P seal repair/replacement works. Excluding this legacy wellhead remediation, which is now able to be carried out offline from the rig operations, Magnus production efficiency would be around 95%. In addition, the North West Magnus injector well is nearing completion and is expected to deliver water injection support to the North West Magnus producer well from the end of this month.

The Group remains focused on further production enhancement activity, with infill drilling of two further wells planned for later in 2023.

Kraken

During the first four months of 2023, average net production was 15,910 Boepd net, driven by natural field decline. The floating, production, storage and offloading ('FPSO') vessel continues to deliver top quartile performance, with production efficiency and water injection efficiency both at c.94% as at the end of April.

Golden Eagle

Production to the end of April was 4,496 Boepd and production efficiency remained high at 92%. EnQuest continues to work with the operator and the joint venture partners to identify opportunities to enhance performance.

Infill drilling is ongoing, with completion underway and progressing in line with the revised plan. First oil is expected in June 2023. Further to completion of the 2022 drilling campaign, a platform well programme is expected to commence later in the year, subject to joint venture approval.

Other UK upstream assets

Production for the first four months of 2023 averaged 3,058 Boepd, with strong uptime of c.94% and the reinstatement of the Grouse well at the Greater Kittiwake Area combining to deliver a robust production performance.

Malaysian operations

For the first four months of 2023, average production in Malaysia was 7,756 Boepd, with production efficiency of c.92%. Production at PM8/Seligi was boosted by the first of 11 Idle Well Restoration ('IWR') candidate wells coming online during the first quarter. It is expected that first oil from the first of two well workovers in 2023 will be achieved in July.

Following the recent agreement to provide additional gas from the Seligi field, it is expected that an additional net 25 mmscf will be recognised as EnQuest production from May onwards, with c.15% attributed to PM8 through the existing PSC arrangement and c.85% attributed to gas where revenue arising from this production effectively represents a transportation fee.

Infrastructure and New Energy

The Sullom Voe Terminal ('SVT') and its related infrastructure maintained safe and reliable performance throughout the first four months of 2023, delivering 100% export service availability.

The Group continued to make good progress against its plans to repurpose the terminal site and connected offshore infrastructure, in support of its ambitions to advance world-scale decarbonisation opportunities. Within carbon capture and storage ('CCS'), the Group has successfully secured the offer of carbon storage licences as part of the first round of UK carbon sequestration licences issued by the North Sea Transition Authority ('NSTA'). EnQuest has plans to develop a low-cost carbon megastore that will initially be capable of receiving and storing up to ten million tonnes of CO₂ per annum from emitters in UK, Europe and beyond. The Group also continues to progress innovative proposals to harness local renewable power and SVT's advantaged location to offer robust and commercially attractive electrification solutions to facilitate new asset developments in the North Sea basin and to support UK energy security. EnQuest is also exploring opportunities to aggregate and use the excess energy produced by the wind power from onshore and offshore wind farms being developed near the Sullom Voe site to produce green hydrogen and derivatives, which could help to decarbonise a number of industries, both locally and globally. We continue to maintain a capital-light approach and believe we are well placed to deliver on these ambitions in conjunction with potential strategic and financial partners.

UK Decommissioning

A total of eight wells have been plugged and abandoned at Heather and Thistle (five and three wells, respectively) during the first four months of 2023, with the decommissioning team targeting a total of 23 wells to be completed by year end.

The contract for the removal and disposal of the Thistle topsides and jacket was awarded to Saipem during May and will utilise Saipem's S7000 heavy lift vessel.

Liquidity and net debt

During the first quarter of 2023, the Group made repayments totalling \$118 million reducing cash drawn under the RBL facility to \$282 million at 30 April 2023. The Group remains ahead of its accelerated amortisation requirements following the revisions made to EPL.

Net debt as at 31 March 2023 was \$678 million, with cash and available facilities of \$276 million, including restricted funds and ring-fenced funds held in joint venture operational accounts totalling \$139 million.

EnQuest remains focused on deleveraging the balance sheet and optimising its capital structure.

2023 outlook unchanged

The Group remains on track to achieve net production between 42,000 and 46,000 Boepd, with low cost, quick payback well activity planned, most notably at Magnus, partially offset by maintenance shutdowns planned at both Magnus and Kraken in the third quarter and natural declines.

Operating expenditures are expected to be approximately \$425 million, cash capital expenditure is expected to be \$160 million and abandonment expenditure is expected to be around \$60 million.

EnQuest hedged a total of c.7.9 MMbbls for 2023 predominantly using costless collars, with an average floor price of c.\$58/bbl and the average ceiling price associated with the 3.3 MMbbls of costless collars of c.\$75/bbl. For the period May to December 2023, EnQuest has hedged c.3.6 MMbbls of oil, predominantly through the combination of puts and costless collars. The average floor price is c.\$59/bbl and the ceiling associated with the remaining 0.9 MMbbls of costless collars is c.\$76/bbl.

EnQuest expects to announce its 2022 half year results in September 2023.

Ends

For further information please contact:

EnQuest PLC

Amjad Bseisu (Chief Executive)
Salman Malik (Chief Financial Officer)
Ian Wood (Head of Communications & Investor Relations)
Craig Baxter (Senior Investor Relations Manager)

Tel: +44 (0)20 7925 4900

Tulchan Communications

Martin Robinson
Martin Pengelley
Harry Cameron

Tel: +44 (0)20 7353 4200

Notes to editors

ENQUEST

EnQuest is providing creative solutions through the energy transition. As an independent production and development company with operations in the UK North Sea and Malaysia, the Group's strategic vision is to be the operator of choice for maturing and underdeveloped hydrocarbon assets by focusing on operational excellence, differential capability, value enhancement and financial discipline.

EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm.

Please visit our website www.enquest.com for more information on our global operations.

Forward-looking statements: This announcement may contain certain forward-looking statements with respect to EnQuest's expectations 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 announcement should be construed as a profit forecast. Past share performance cannot be relied upon as a guide to future performance.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.