ENQUEST PLC, 8 December 2015.
Operations Update H2 2015.

Strong production up 26% year on year.
Alma/Galia performing well.
Cost reduction programme ahead of expectations.

Key highlights

- Production averaged 35,022 Boepd to end of November, up 26% on the same period last year and with a 39% increase to 41,360 Boepd from July to November Vs H1 2015. On 18 November, EnQuest delivered its first individual day's production total of over 50,000 barrels.
- Operating costs continue to be reduced, now ahead of target and expected to be $31-32/bbl in 2015.
- Alma/Galia: Since first oil on 27 October, Alma/Galia has been performing as anticipated by EnQuest's reservoir modelling. Average net daily production of four thousand barrels a day was achieved in the month of November, predominantly from the first two Alma wells. The Galia well was also brought onstream in the second half of November and this well alone has produced approximately seven thousand barrels per day gross since late November.
- Kraken: The project continues on schedule for first oil in H1 2017; capex costs for the project have now been reduced by over 10%, bringing the expected gross capex to $2.86 billion. The Kraken FPSO vessel continues to be on track for delivery in 2016.
- Scolty/Crathes: The Scolty/Crathes field development plan has been approved and sanctioned. The project benefits from limited cash capital expenditure until first oil in 2017 and extends field life for the GKA field. Including this field life extension, unit capital costs for the project are under $20/bbl. Unit operating cost should be under $15/bbl in the initial peak volume years.

Outlook Highlights

- EnQuest's average production guidance for the full year 2016 is for between 44,000 Boepd to 48,000 Boepd
- Unit Opex: EnQuest is on course to achieve an average unit opex in the range $26-28/bbl in 2016
- Hedging of 10 million barrels remains in place for 2016
- Scolty/Crathes: Drilling of the development wells is due to commence by the middle of 2016, with first oil anticipated in H1 2017
- Net debt is planned to increase during 2016 ahead of Kraken first oil, with debt repayments anticipated being made from H2 2017 onwards.

EnQuest CEO Amjad Bseisu said:

"EnQuest is addressing its priorities in this low oil price environment: delivering on production and execution targets, streamlining operations and strengthening the balance sheet.

Production in H2 2015 has been very strong across the portfolio, averaging 41,360 Boepd from July to November, including spot rates of c.14,000 Boepd gross from the Alma/Galia development which was put onstream in late October. The Kraken development continues firmly on schedule. At the mid-point of our guidance ranges for 2015 and 2016, we are now forecasting a further 33% growth in production next year, before Kraken and Scolty/Crathes come onstream.

We have continued to reduce operating costs which are now expected to be $31-32/bbl in 2015 and are currently expected to be in the $26-28/bbl range for 2016, ahead of our earlier expectations**.**

EnQuest is improving its balance sheet with good operational performance. We have reduced Kraken capital expenditure by c.10% and average development cost/barrel around our established operated hubs is approximately $18/bbl in 2015. The 2015 drilling programme is below budget, with very high operating efficiencies across our operated rigs and significantly lowered spread rates.

With 2016 capex focused on Kraken, net debt is planned to increase during 2016 ahead of Kraken first oil. Capex will be substantially reduced in 2017 and will further reduce in subsequent years. Debt repayments are anticipated to be made from H2 2017 onwards."

Further summary details

Production. Production in the second half of the year has benefitted from Alma/Galia coming onstream and a strong Kittiwake contribution. Net GKA production was 5,120 Boepd from July to November and the platform achieved gross peak production levels of over 19,000 Boepd in the period after the sidetracking of the Gadwall well. Malaysia continued with high levels of performance with production of 8,654 Boepd in 2015 to the end of November including the first contribution from Tanjong Baram.

Full year 2015 production guidance continues to be the range of between 33,000 Boepd and 36,000 Boepd.

Capital expenditure. Cash capital expenditure for work done in 2015 has increased by approximately $150 million as a result of the earlier drilling of the Galia production well, which was moved from 2016 into 2015. As a result of the strong performance of the planned Thistle wells, a further three wells were added to the programme. Finally, there was additional work required during the final commissioning processes and start-up of the EnQuest Producer on the Alma/Galia field as well as the capitalisation of standby operating costs resulting from the timing of first oil.

Including the impact of this additional Alma capex, 2015 year end net debt is now anticipated to be approximately $1.55 billion. The 2016 capex programme will be focused on Kraken and total 2016 cash capex is anticipated to be approximately $700-$750 million, depending on payment profiles, with significant reductions in 2017 and beyond.

Operating expenditure. EnQuest's programme of cost reduction initiatives is now on course to deliver unit opex of $31-32/bbl in 2015.

Savings have been achieved across the business; the Greater Kittiwake Area alone has reduced unit opex from above $100 / bbl at the time of the acquisition of this hub, down to below $30 per barrel, partly due to significant increases in production, but also to material cost reductions.

To achieve these cost reductions we have focused on three key areas:

- Lower unit rates: Examples are scale treatments, subsea inspection, repairs and maintenance, logistics, equal time rotas and reduced contractor rates
- Incentivised contract structures: KPI structures for our service providers ensures payment is linked to performance
- Enhanced contract and procurement practices. We have moved our procurement team to Dubai to take advantage of lower global costs

Transportation costs have also reduced; we are working with the SVT operator to reduce gross cost levels and agree cost allocation based on usage. Unit transportation costs have improved and we expect reductions to continue.

General and administration costs for 2015 are now expected to be around the bottom of the previous guidance range of $15 million to $20 million, reflecting further savings initiatives and reductions in the size of the direct workforce.

Scolty/Crathes Development sanction

The Scolty/Crathes development has been approved by the UK Oil & Gas Authority. EnQuest is the operator of the development with a 50% working interest. The Scolty/Crathes project has been sanctioned with a net development cost of approximately $125 million.

The development plan consists of single horizontal wells to be drilled in each of the Scolty and Crathes fields. The fields will be tied back to the Kittiwake platform, in the Greater Kittiwake Area. The potential for such a tie back was one of the original rationales for the acquisition of GKA. Production from the Scolty/Crathes fields is expected to continue until 2025 which also extends the life of the GKA hub to 2025. Development well drilling is anticipated by mid-2016, with first oil from Scolty/Crathes expected by the first half of 2017. The Scolty/Crathes development itself is anticipated to have gross peak volumes of 10,000 Boepd in its first year and combined with the resulting increase in GKA reserves, the project is estimated to increase EnQuest's net 2P reserves by c.9 million barrels.

The cost of the tie back and the work required on the topsides of the Kittiwake platform have been agreed on a fixed lump sum turnkey basis and will only become payable after a first oil determined date.

Investment prioritisation and asset disposals

Hydrocarbon assets. Norway**:** EnQuest confirms that it has completed the disposal of its Norwegian North Sea interests.

In 2015, EnQuest also ceased to have interests in Egypt and Tunisia and sold its exploration assets in Malaysia. In the UK, it has relinquished interests in a number of licences since the oil price decline. By the end of 2015, EnQuest is expected to have interests in c.30 UK production licences, down from 35 at the end of H1 2014.

Production and development summary by asset:

Production on a working interest basis	Net daily average 1 Jan' 2015 to 30 Nov' 2015	Net daily average 1 Jan' 2014 to 30 Nov' 2014
	(Boepd)	(Boepd)
Thistle/Deveron	8,609	9,061
Dons area	7,818	9,136
Heather/Broom	4,450	4,046
Kittiwake	3,925	1,282[1]
Alma/Galia	390[2]	-
Alba	1,176	1,227
Total UKCS	26,369	24,753
PM8/Seligi	8,401	3,062
Tanjong Baram	253[3]	-
Total Malaysia	8,654	3,062[4]
Total EnQuest	35,022	27,815

[1] Net production since the completion of the acquisition at the start of March 2014, averaged over the eleven months to the end of November 2014
[2] Net production since first oil on 27 October 2015, averaged over the eleven months to the end of November 2015
[3] Net production since first production in June 2015, averaged over the eleven months to the end of November 2015
[4] Net production since the start of H2 2014, averaged over the eleven months to the end of November 2014

UK North Sea

Alma/Galia

- Commissioning operations continued with first oil being safely achieved on 27 October 2015. First oil was achieved by flowing two Alma ESP wells (K3Z & K5) with the Galia well brought online in mid-November. Well performance is currently in line with expectations.
- Project post first oil items are being closed out resulting in full production being achieved before the end of Q1 2016. There will be a short production shutdown in Q1 2016 to transfer over to power generated from the steam turbine generators and to commission the remaining sub-sea scope. Following this shutdown, six production wells will be available for production and one water injector well.

Thistle/Deveron

- Production efficiency has been c.85%, which included a planned three week shutdown.
- Drilling recommenced at Thistle in 2015, with the drilling of the A61/34 well which came onstream in May and which has been performing well. An additional production well A62/53 has been drilled and was placed on production in August. An ESP workover on well A59/45 was completed successfully in August, with the well reinstated to production. Due to strong performance of the drilling programme, two wells anticipated in 2016 were brought forward into 2015. Well A64/40 was drilled in the crest of the Western Fault Block and was brought on line in October. This was followed by completion of the Deveron A63/07 well with a dual ESP which was brought on

line in November. Excellent drilling performance has delivered considerable savings against budgeted costs.

- In Q4 2015, the Thistle/Deveron work programme has been further extended to include a workover of Deveron A58 to replace and upgrade the ESPs, on which operations have now concluded, and also an infill producer in the Southern Fault Block of Thistle (SFB-P2).

Dons area

- The new Ythan production well was completed in April and tied in and brought online in late May 2015 and continues to deliver oil rates above expectations. Production efficiency was strong, at c.85%, with high levels of water injection efficiency supporting production. 2015 production to the end of November in the Dons area was down year on year due partly to the maintenance shutdown in June and to the operational shut-in of the W4 well in January and February due to scale build up.

Heather/Broom

- The Heather H66 production well was brought onstream in March with encouraging results, completing the latest redevelopment drilling programme on Heather. Water injection was reinstated to the Broom field as planned in Q2 2015, following replacement of a flowline. Overall production to the end of November was ahead of 2014 reflecting the increase in Heather rate from 2014 drilling, offset by the water injection outage on Broom and the planned maintenance shutdown in June 2015. High levels of operational uptime have been achieved, with production efficiency of c. 85%. No further drilling is planned on Heather/Broom in 2015. Overall levels of water injection have improved in Q2 2015 and this is providing increased rates on both Heather and Broom currently.

Greater Kittiwake Area ('GKA')

- In H1 2015, GKA demonstrated continual improvement in production efficiency with 87% YTD. The redundant Gadwall production well was successfully sidetracked to an updip location and was brought onstream in August with encouraging results. A successful chemical treatment has also been undertaken on Goosander raising production levels substantially from the field. The planned three week GKA maintenance shutdown was successfully completed in September. To the end of November, production is over three times the level produced in 2014, with Gadwall having peaked at over 19,000 Boepd.

- The success of GKA demonstrates the transferability of the EnQuest model and of its ability to create value from mature assets. A sound strategy, focused capital investment and good opex discipline has resulted in significant value being generated from the hub.

Kraken

- The Kraken project is progressing well, on schedule and under budget.
- The fixed pipelines for the first two drill centres were installed on the seabed in H1 2015. Installation of the mooring system for the FPSO was started, also in the first half. Following manufacture, the submerged turret/buoy was transported to the field and successfully installed. Drill centre 1 (DC 1) was fully connected to the turret/buoy, with only one production riser still to be connected from the second drill centre.
- The conversion programme for the Kraken FPSO vessel is continuing on plan. Equipment procurement and fabrication of the modules continues.
- In H2 2015, following the completion of the Kraken batch top-hole drilling programme at DC1, the drilling rig has been progressing with the pre-drilling of individual wells into the reservoir and is currently ahead of schedule. Reservoir analysis of the two full well penetrations to date has correlated very closely with the previous subsurface prognosis. Procurement, manufacture and installation continues in relation to the next phases of wells, subsea infrastructure and the FPSO.

Malaysia

PM8/Seligi

- EnQuest assumed offshore field operations in October 2014, and the overall transition was completed in December 2014. The PM8/Seligi asset has delivered strong production performance due to improved production efficiency and idle well restoration activities completed since assuming operatorship.

- The 2015 PM8/Seligi field infrastructure work programme focused on inspections to establish pipeline and vessel integrity baselines and on overhauls and repairs to gas compression trains. As a result, compressor availability was improved from 70% to 95% and overall production efficiency was increased from c.80% to over 90%, delivering an immediate boost to production. In addition, well intervention activities were completed to restore idle wells and optimise existing wells, leading to a production gain of approximately 3,000 gross Boepd.

- EnQuest will continue to enhance production by investing in well intervention work, activities to improve facility reliability and production efficiency, and facilities improvement upgrades. At the same time, ongoing technical studies will support future drilling, well work over and water injection projects to further enhance production and ultimate recovery.

Tanjong Baram

- Tanjong Baram was developed as an unmanned platform with production from two wells tied back to the Petronas Carigali operated West Lutong A complex.

- First production from the Tanjong Baram field was achieved on schedule in June 2015. The host platform requested changes to the receiving vessel to accommodate higher volumes of liquids in the associated gas. This required the field to be shut in while the work was completed. Tanjong Baram was successfully restarted on 18 August and the field was producing approximately 1,300 net Boepd in November.

EnQuest Capital Markets Day

A presentation to investors and analysts will be held today, reviewing the business generally, with presentations on the EnQuest's North Sea business, on Kraken and on Malaysia. The presentation will start at approximately 09:00 London time, it will also be accessible via an audio webcast, available at www.enquest.com. A conference call facility will also be available on the following numbers:

United Kingdom:	+44(0)20 3427 1905
United States of America:	+1212 444 0895
Confirmation Code:	EnQuest

Ends

For further information please contact:

EnQuest PLC Tel: +44 (0)20 7925 4900
Amjad Bseisu (Chief Executive)
Jonathan Swinney (Chief Financial Officer)
Michael Waring (Head of Communications & Investor Relations)

Tulchan Communications Tel: +44 (0)20 7353 4200
Martin Robinson
Martin Pengelley

Notes to editors
EnQuest is the largest UK independent producer in the UK North Sea. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. Its operated assets include the Thistle/Deveron, Heather/ Broom, Dons area, the Greater Kittiwake Area and Alma/Galia, also the Kraken and the Scolty/Crathes developments; EnQuest also has an interest in the non-operated Alba producing oil field.

EnQuest believes that the UKCS represents a significant hydrocarbon basin in a low risk region, 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 our operations and utilising our deep skills in the UK North Sea. In which context, EnQuest has interests in Malaysia where its operated assets include the PM8/Seligi Production Sharing Contract and the Tanjong Baram development.

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.

Glossary

GKA	Greater Kittiwake Area
SVT	Sullom Voe Terminal
FPSO	Floating production, storage and offloading vessel
ESP	Electrical submersible pump
DC	Drill centre
KPI	Key performance indicators