



EnQuest PLC, 12 May 2021

Operations update

Full year 2021 guidance remains unchanged

EnQuest Chief Executive, Amjad Bseisu, said:

"EnQuest remains on track to deliver against its targets. Performance at Kraken has been strong, with the FPSO continuing to perform well, and production at PM8/Seligi has improved following the completion of initial restoration activities ahead of schedule. While Magnus performance has been below expectations, we have a number of activities planned for the rest of the year to optimise production.

"We have continued to pursue opportunities to enhance our portfolio with our agreements to acquire the Golden Eagle and Bentley assets. Golden Eagle will add immediate material production, reserves and cash flow to the Group, while Bentley offers further long-term potential development opportunities and other synergies to add to those at Bressay.

"The various workstreams in relation to the Golden Eagle acquisition continue on track and operationally we are focused on improving production across our portfolio."

Operating performance

- Average net Group production in the four months to end April 2021 was 46,158 Boepd, within the Group's full year 2021 guidance range which remains unchanged at between 46,000 and 52,000 Boepd (net)
 - Strong production at Kraken and PM8/Seligi reflects high production efficiency at both assets and the acceleration of well restoration activities at PM8/Seligi
 - Production at Magnus has been lower than expected reflecting power and third-party outages and slower execution of the well intervention program
 - Multiple production adding projects across our assets continue to be developed and implemented, underpinning full year guidance

Effective liquidity management

- Hedged c.9.0 MMBbls of oil for 2021 with an average floor price of c.\$59/bbl and an average ceiling price of \$68/bbl
- Refinancing of the senior credit facility as part of the proposed Golden Eagle acquisition is on track

No change to guidance

- 2021 average net Group production is expected to be between 46,000 Boepd and 52,000 Boepd; Kraken gross production is expected to be between 30,000 Bopd and 35,000 Bopd (21,150 Bopd to 24,675 Bopd net)
- Operating expenditure is expected to be approximately \$265 million
- Combined cash capital and abandonment expenditure is expected to be approximately \$120 million
- Signed agreement to acquire non-operating interest in Golden Eagle; expected to complete around the end of the third quarter
- Signed agreement to purchase the Bentley discovery

Production details

Average daily production on a net working interest basis (Boepd)	1 Jan 2021 to 30 Apr 2021	1 Jan 2020 to 30 Apr 2020
	(Boepd)	(Boepd)
UK Upstream		
- Magnus	14,250	18,330
- Kraken	22,689	26,871
- Other Upstream ¹	4,080	8,047
UK Upstream	41,019	53,238
UK Decommissioning²	508	4,111
Total UK	41,527	57,359
Total Malaysia	4,631	8,579
Total EnQuest	46,158	65,938

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

² UK Decommissioning: Heather/Broom, Thistle/Deveron, the Dons, Alma/Galia

Magnus

Average production for the first four months of 2021 was 14,250 Boepd, reflecting an unplanned third-party outage and power related failures in the first quarter, which have been rectified, and slower execution of the well intervention programme. The Group remains focused on improving production through a well intervention programme, increased water injection and facility optimisation.

Kraken

During the first four months of 2021, average gross production was 32,183 Bopd, in line with 2021 full year guidance of between 30,000 and 35,000 Bopd (21,150 and 24,675 Bopd net). The floating, production, storage and offloading vessel continues to perform well, with production efficiency of 86% and water injection efficiency of 89%. A tether was successfully replaced in March, with the field shut in for approximately three days. Subsurface and well performance remains good, with aggregate water cut stable.

Other upstream assets

Production for the first four months of 2021 averaged 4,080 Boepd, in line with expectations. This was driven by good performance from Scolty/Crathes, reflecting the positive impact of compression uptime and gas lift, partially offset by lower production at the Greater Kittiwake Area, primarily as a result of a failure of an umbilical providing power to the Mallard and Gadwall wells impacting production. Reinstatement of power is expected in the third quarter of 2021.

Alba continues to perform broadly in line with Group expectations.

Midstream¹

The Sullom Voe Terminal and its related infrastructure continues to maintain safe and reliable performance, with 100% export service availability during the first four months of 2021.

¹ Includes the Sullom Voe Terminal and Pipelines

UK Decommissioning

Average production of 508 Boepd was lower than in 2020, primarily reflecting the cessation of production at Alma/Galia in June 2020 and the Dons in the first quarter of 2021, which together contributed c.4,000 Boepd during the first four months of 2020. In April, the Northern Producer Floating Production Facility departed the Dons and was handed back to its owners.

Malaysian operations

For the first four months of 2021, average production in Malaysia was 4,631 Boepd. Production has been better than expected as a result of the acceleration of initial production recovery activities following the riser detachment in late 2020. The Group anticipates replacement of the pipeline and riser around the end of the third quarter.

Business development

In February, the Group signed an agreement with Suncor to purchase Suncor's entire 26.69% non-operated equity interest in the Golden Eagle area, comprising the producing Golden Eagle, Peregrine and Solitaire fields for an initial consideration of \$325 million. Upon completion, expected to complete around the end of the third quarter, the agreement will add immediate incremental production of c.10 kboepd¹, c.18 MMbbls to net 2P reserves¹ and

c.5MMbbls to net 2C resources¹, in addition to providing significant medium term development potential and value enhancement.

In April, a share purchase agreement was signed with Whalsay Energy to purchase its entire 100.00% equity interest in the P1078 licence containing the proven Bentley heavy-oil discovery. The agreement is subject to a number of conditions precedent, including regulatory approval of the licence extension. This discovery is within c.15 kilometres of the Group's existing Kraken and Bressay operated interests, offering further long-term potential development opportunities and other synergies.

The Group also signed an agreement with Anasuria Hibiscus to farm-down an 85% working interest in, and transfer operatorship of, the Eagle discovery located in the UK North Sea. EnQuest will retain a 15% non-operating working interest.

¹ EnQuest estimates

COVID-19 Update

The health, safety and wellbeing of our employees is our top priority. The Group remains compliant with UK, Malaysia and Dubai government and industry policy. The Group continues to work with a variety of stakeholders to ensure its operational response and advice to its workforce is appropriate and commensurate with the prevailing expert advice and level of risk. The Group's day-to-day operations continue without being materially affected by COVID-19.

2021 outlook (based on the Group's existing portfolio)

The Group remains on track with net production expected to be between 46,000 and 52,000 Boepd, with a number of production enhancing projects planned at several of the Group's assets through 2021, including the pipeline and riser re-instatement at PM8/Seligi in the second half of the year.

Operating expenditures are expected to be approximately \$265 million and combined cash capital and abandonment expenditure is expected to be around \$120 million.

EnQuest has hedged a total of c.9.0 MMbbls for 2021 predominantly using costless collars, with an average floor price of c.\$59/bbl and an average ceiling price of c.\$68/bbl. As at the end of April, c.6.2 MMbbls of production has been hedged with an average floor price of c.\$63/bbl and an average ceiling price of c.\$72/bbl.

EnQuest expects to announce its 2021 half year results on 2 September 2021.

Ends

For further information please contact:

EnQuest PLC

Tel: +44 (0)20 7925 4900

Amjad Bseisu (Chief Executive)

Jonathan Swinney (Chief Financial Officer)

Ian Wood (Head of Communications & Investor Relations)

Jonathan Edwards (Senior Investor Relations & Communications Manager)

Tulchan Communications

Tel: +44 (0)20 7353 4200

Martin Robinson

Martin Pengelley

Harry Cameron

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.

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