



# EnQuest

## 2023 Full Year Results



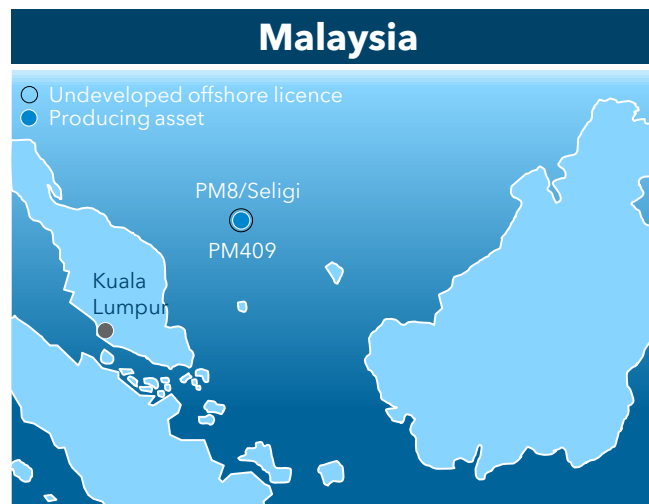
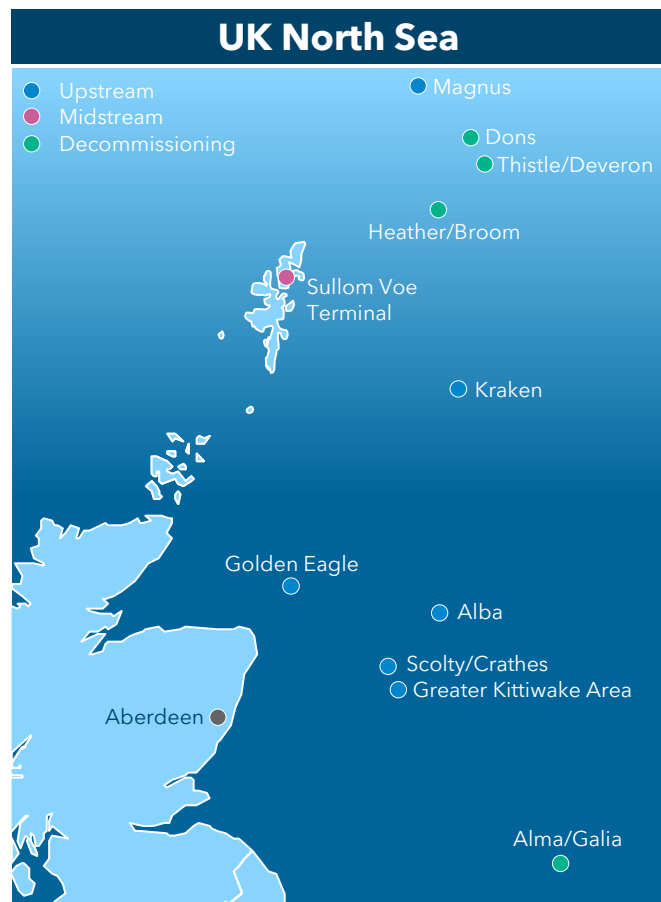
# Introduction

**Amjad Bseisu**  
Chief Executive Officer



# EnQuest Full Year Results 2023

## EnQuest at a glance



**175 MMboe**  
**2P Reserves**

**389 MMboe**  
**2C Resources**

**~95%**  
**Operated 2P**

**~84%**  
**UK North Sea 2P**

**\$1.2 billion**  
**2021-23 FCF<sup>1</sup>**

**~1.5x**  
**RRR<sup>2</sup> since IPO**



**4 UK production hubs**

Kraken, Magnus, The Greater Kittiwake Area and Golden Eagle



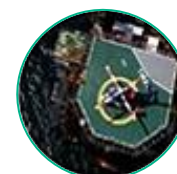
**1 Onshore processing terminal**

Sullom Voe Terminal



**1 Malaysian production hub**

PM8/Seligi



**4 UK decommissioning assets**

Thistle/Deveron, Heather/Broom, Alma/Galia and The Dons

- <sup>1</sup> EnQuest free cash flow
- <sup>2</sup> Reserves Replacement Ratio: calculated as Reserves Additions / Production

## Strong free cash flow driving debt reduction; providing platform for growth



### Deliver

**Production at 43,812 Boepd - in line with mid-point of guidance**

**Successful execution of well programme at Magnus; Kraken production efficiently reinstated**

**Record year of well P&A executed across Thistle and Heather (25 wells)**

**Commitment to return \$15 million to shareholders through 2024 share buyback programme**



### De-lever

**Free cash flow of \$300 million**

**Year end net debt of c.\$481 million, reduced by c.\$236 million in 2023**

**Term loan facility extends and aligns debt maturities in 2027**

**RBL drawn balance of \$140 million at year end; fully repaid during February 2024**



### Grow

**Stronger Balance Sheet provides ongoing capital allocation optionality**

**Low cost, quick payback opportunity set remains within core assets**

**Conditions are set for the Group to pursue value-led growth:**

**c.\$500 million of liquidity at the end of 2023; c.\$2.0 billion UK tax asset**

**Farm-down of Bressay and EnQuest Producer FPSO positive driver for project**

# Top quartile operator

**SAFE results**

**High uptime**

**Asset life extension**

**Wells/Drilling**

**Decommissioning leader**

**Cost discipline**

**0.52 LTIF<sup>1</sup>** (UK average 1.31)

Group production efficiency **87%**

Track record of adding **10+ years**

**Top quartile UK driller**; quick payback

Well P&A cost **42%** below NSTA<sup>2</sup> average

Track record of **reducing operating costs**

# Transformational growth

**Deliver organic growth**

**Transformative acquisitions**

**International diversification**

**Reduce emission intensity**

**Infill drilling** in core portfolio;  
**Convert 2C resources** at Bressay & Bentley

Prioritise North Sea transaction, **utilise tax asset**

**Extensive opportunity hopper** in SE Asia

Target **gas** and **lower-emission barrels**

<sup>1</sup>Lost Time Incident Frequency represents the number of incidents per million exposure hours worked (based on 12 hours for offshore and 8 hours for onshore)

<sup>2</sup>North Sea Transition Authority

## EnQuest Full Year Results 2023

# EnQuest roadmap to net zero

### Committed to reach net zero scope 1 and scope 2 emissions by 2040

- EnQuest has reduced its UK emissions by 41% since 2018
- Significantly ahead of North Sea Transition Deal milestones
  - 10% reduction by 2025; 25% reduction by 2027
- Launched Veri Energy to progress decarbonisation pathways
  - Capital-light approach

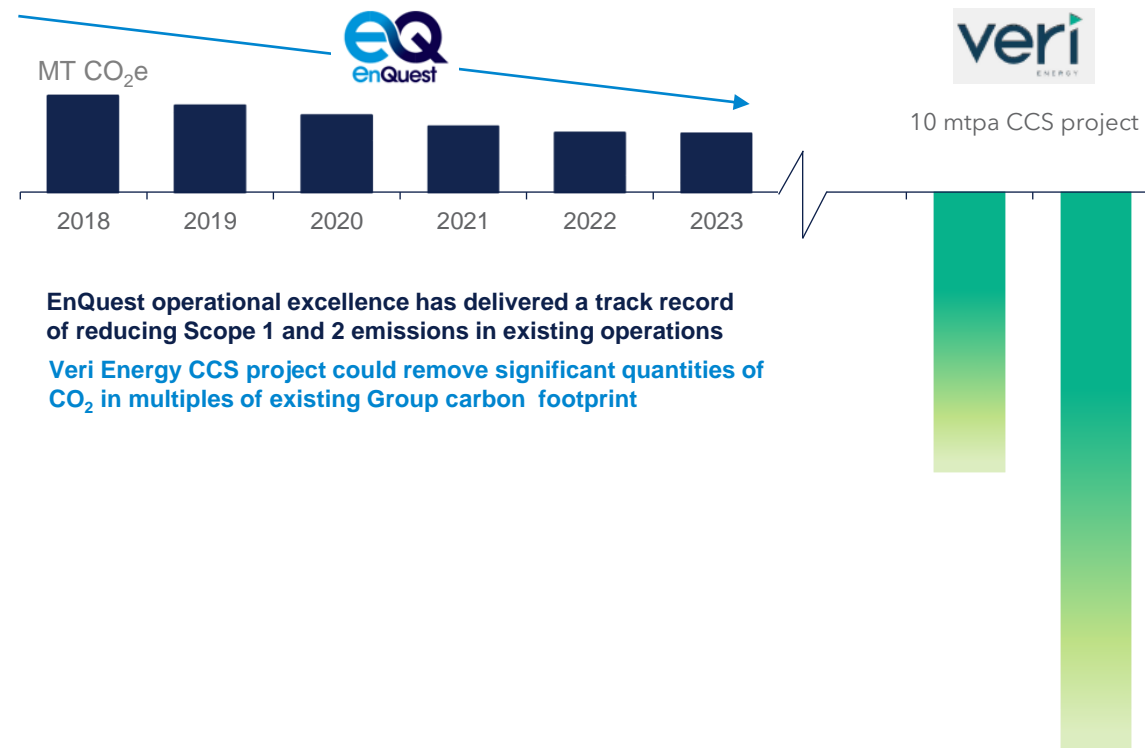
#### EnQuest will:

- Decarbonise its existing portfolio
- Ensure that cessation of production and decommissioning is managed well from an economic and emissions perspective

#### Veri Energy will:

- Pursue Carbon Capture and Storage at scale at SVT
- Consider renewable power from shore and hydrogen opportunities

Awarded B-rating in  **CDP Climate Change Survey**



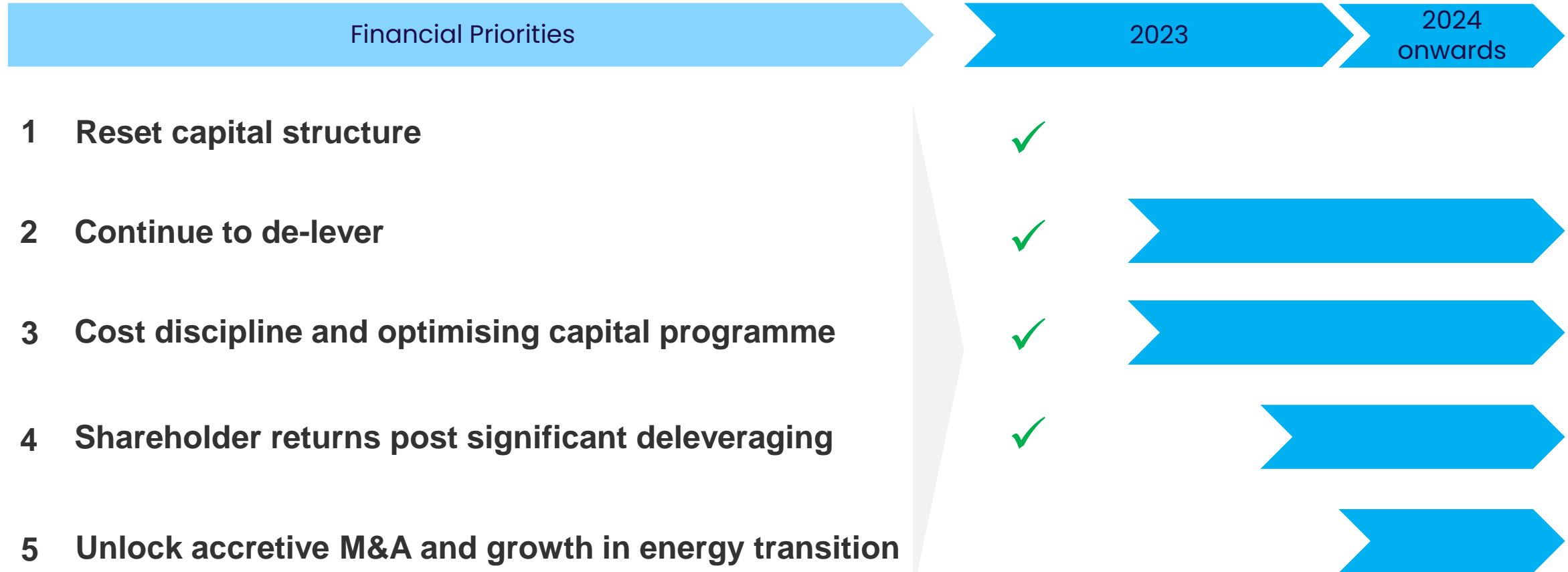
<sup>1</sup> Emissions management is presented for illustrative purposes only and is based on our expectation and plans, management's objectives, future performance and other trend information. Actual amounts may differ

# Finance

**Jonathan Copus**  
Chief Financial Officer



# Financial priorities - focused on deleveraging





## EnQuest Full Year Results 2023

# Income Statement

### Revenue \$1,487 million

- Realised hedging losses \$11.3 million (2022: \$203.7 million loss)

### Cost of sales \$947 million

- c. 83% of Group costs denominated in Sterling
- Unit opex \$21.9/Boe (2022: \$22.7/Boe)

### Adjusted EBITDA \$825 million

- Impairment \$117 million (2022: \$81 million)
- Finance costs \$231 million (2022: \$213 million)

### Tax charge \$263 million

- Group effective tax rate 113% (2022: 120%)

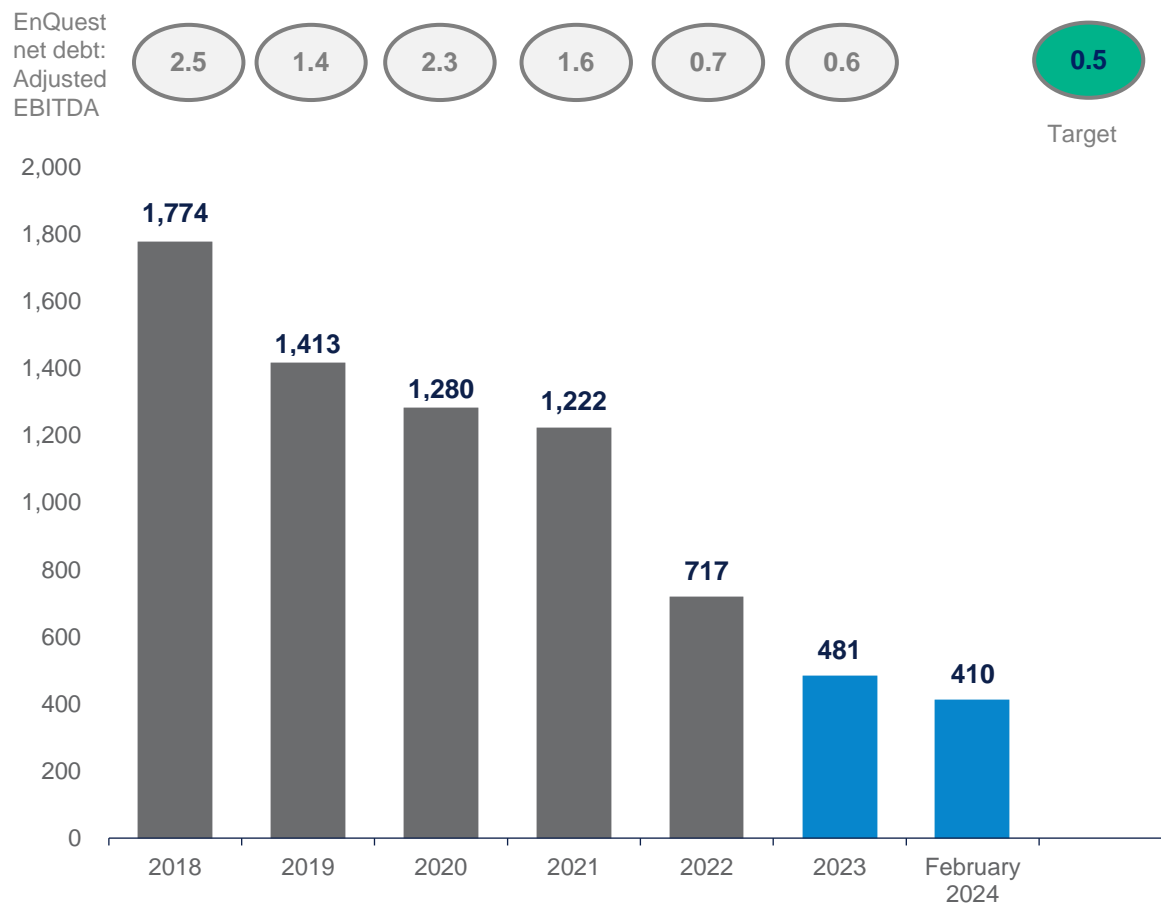
	2023	2022	Delta
Brent (av.\$/bbl)	82.5	100.8	-18.2%
UK gas (av.GBp/Therm)	98.9	203.5	-51.4%
Production (Boepd)	43,812	47,259	-7.3%
<b>Revenue</b>	<b>1,487</b>	<b>1,854</b>	-19.8%
Cost of sales	(947)	(1,201)	21.2%
<b>Gross Profit/(loss)</b>	<b>541</b>	<b>653</b>	-17.2%
Impairment	(117)	(81)	-44.8%
G&A and Other <sup>1</sup>	33	(160)	120.6%
Net financial	(224)	(209)	-7.6%
<b>Profit before tax</b>	<b>232</b>	<b>203</b>	14.1%
Tax	(263)	(244)	-7.4%
<b>Net Profit</b>	<b>(31)</b>	<b>(41)</b>	25.2%

<sup>1</sup> Includes hedging loss \$11.3 million (2022: \$203.7 million loss)

## EnQuest Full Year Results 2023

# Lower debt with extended maturities

### EnQuest net debt (\$ million)



### Debt maturities extended and aligned in 2027

- RBL amortisation completed by April 2027
- Term loan facility bullet repayment July 2027
- GBP 9% retail bond maturity October 2027
- USD 11.625% high yield bond maturity November 2027

### Debt repayments

- GBP 7% retail bond stub repaid at maturity in October 2023
- RBL drawn to \$140 million at end 2023; \$260 million repaid in year
- RBL fully repaid by end of February 2024

### Historic tax asset

- \$2.0 billion as at 31 December 2023

# Cash flow and Balance Sheet

## EnQuest cash flows

Net cash flows from ops \$754 million  
 EnQuest free cash flow \$300 million

## \$481 million net debt at 31 December 2023

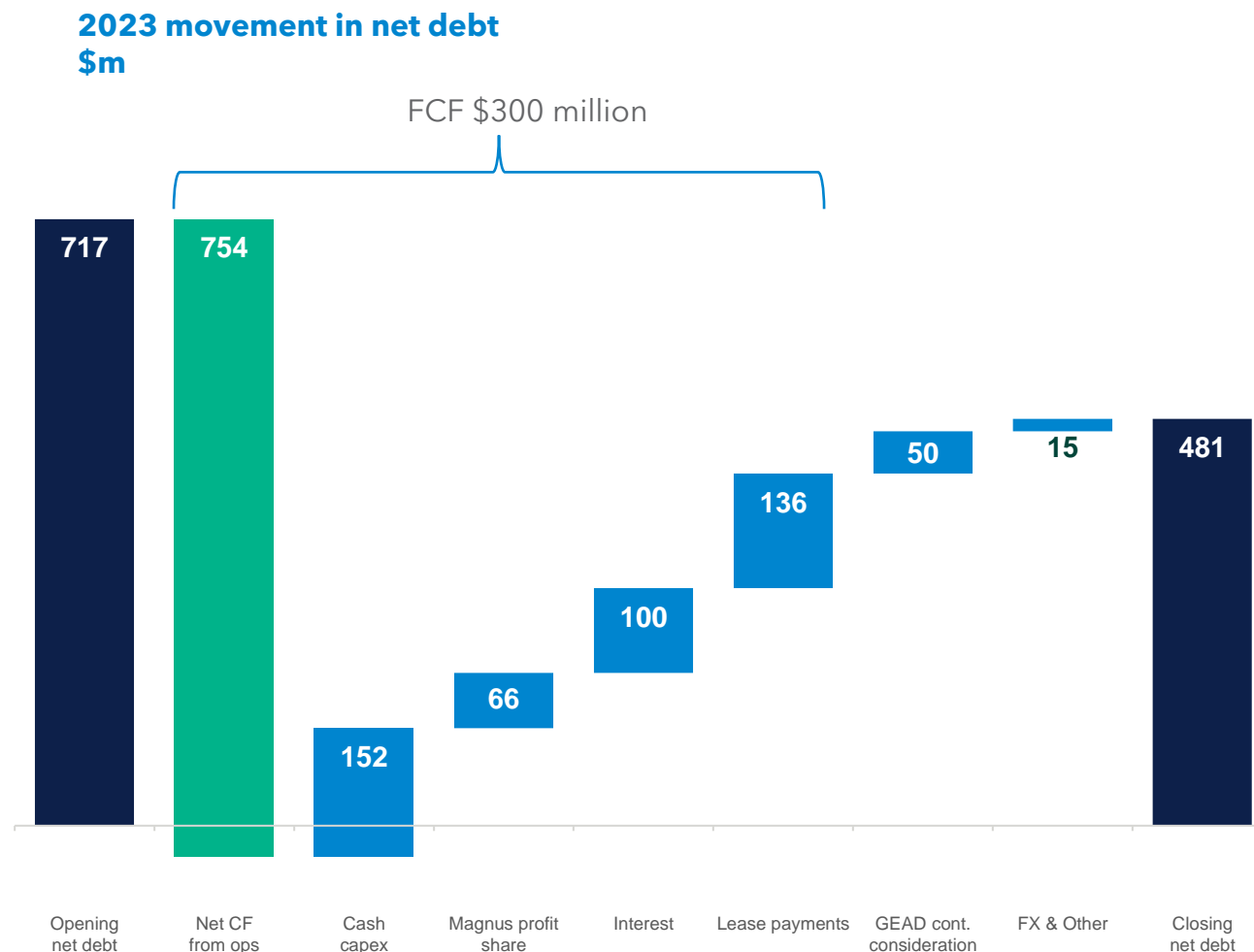
Gross debt \$795 million  
 Cash available \$314 million

## Bressay and EnQuest Producer FPSO farm-down net debt neutral at 31 December 2023

\$58 million net cash impact in 2024

## Group liquidity

**\$499 million**



## EnQuest Full Year Results 2023

# Capital priorities

	2024 Guidance		2025 Outlook
Production	41.0 - 45.0 kboed	Reflects focused drilling and maintenance programmes	Organic production growth
Operating Expenditure	c.\$415m	Maintain strong focus on costs in an inflationary environment	FPSO lease \$80 million lower
Capital & Decom Expenditure	c.\$200m  c.\$70m	- 2-well campaign at Magnus; platform campaign at Golden Eagle; investment in major right-sizing projects at SVT  - Continued well P&A at Heather and Thistle	Kraken drilling  Completion of live P&A projects
Shareholder Returns	\$15m share buyback	First shareholder return from position of balance sheet strength	Sustainable capital allocation framework

# Operations

## Steve Bowyer

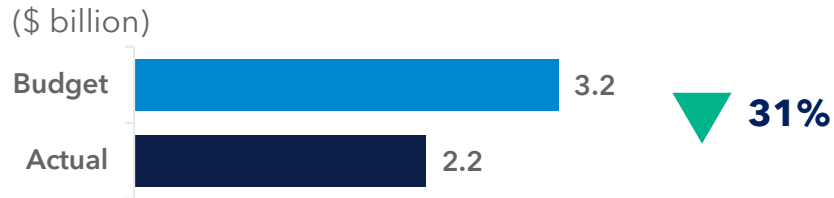
North Sea General Manager and  
Head of Business Development



# Kraken - Top quartile development & operating capability

## DEVELOPMENT OPERATOR CAPABILITY

- Complex development executed below budget and on schedule
- New-build FPSO, 600 kbbl/day capacity; 25 wells
- Kraken oil sold directly into marine fuel market - avoids refining



## OPERATIONS & PRODUCTION CAPABILITY

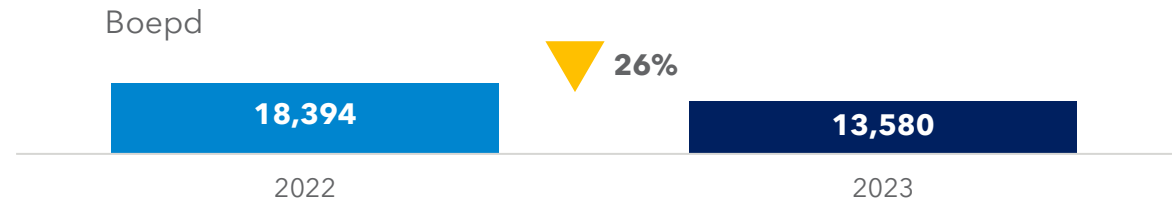
- Integrated a new UKCS dutyholder
- Consistent delivery of top quartile production efficiencies



<sup>1</sup> UKCS 2022 average for floating hubs per NSTA

## 2023 PERFORMANCE

- Efficient reinstatement of production after topside HSP transformer failures
  - Phased production returned within 30 days
  - Full production reinstated in c.60 days
  - Accelerated work from 3Q shutdown to minimise impact
- Production efficiency for final four months of 2023 of 98%



## 2024 - CONTINUED OPERATIONAL EXCELLENCE - DRILLING IN 2025

- February YTD production efficiency c.97%
- Preparation for return to drilling in 2025
- Progress Bressay Gas tie-back towards FDP
- Progress EOR studies

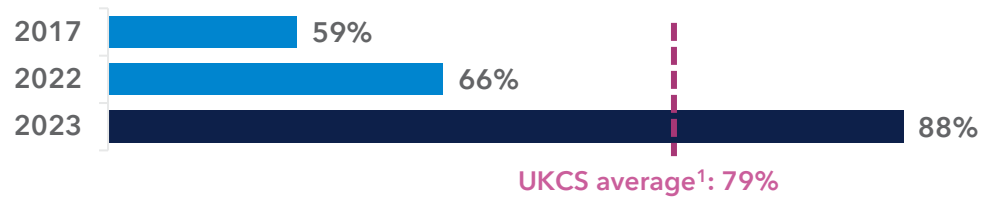
# Magnus - Transforming & extending the life of mature assets

## TRANSFORMATIVE LIFE EXTENSION

**Magnus field life extended 10+ years under EnQuest - unlocking over \$1 billion of incremental revenue to date**

EnQuest has delivered production enhancement through:

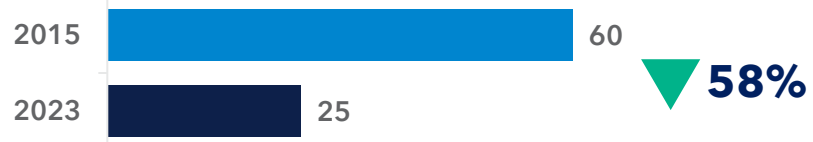
- Quick payback well interventions and drilling
- Investment in asset to transform production uptimes



## OPERATIONS & PRODUCTION CAPABILITY

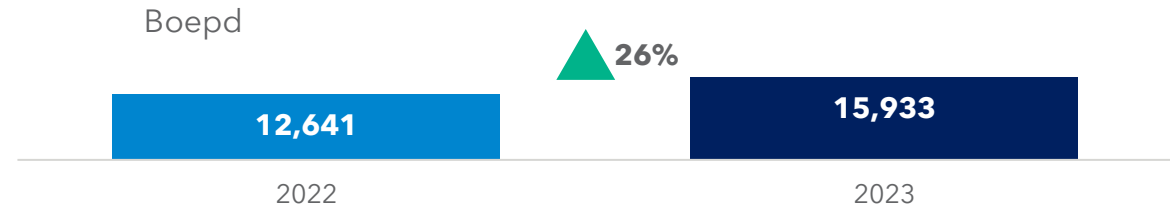
### Magnus unit operating costs

(\$/Boe)



## 2023 - FOCUSED INVESTMENT DRIVING UPTIME

- Significantly improved uptime of 88% (2022: 66%)
- Extensive well work programme completed
  - North West Magnus injector completed in May
  - Two further infill wells online in August and December



## 2024 - 5 YEAR RIG RECERT ENABLES CONTINUOUS WELL ACTIVITY

- February YTD production efficiency c.87%
- 5 yearly rig recertification nearing completion
- Focus on continuous well activity programme

<sup>1</sup> UKCS 2022 average for platforms per NSTA

# Malaysia - Replicating our business model internationally

## TRANSFORMATIVE LIFE EXTENSION

**PM8/Seligi field life extended by 10+ years under EnQuest - PSC was originally due to expire in 2023**

EnQuest has delivered production enhancement through:

- low-cost, quick payback well work
- execution of first successful horizontal well programme in Malaysia
- enhanced production uptime

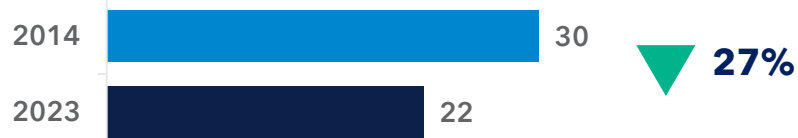
## OPERATIONS & PRODUCTION CAPABILITY

**Demonstrated cost management**



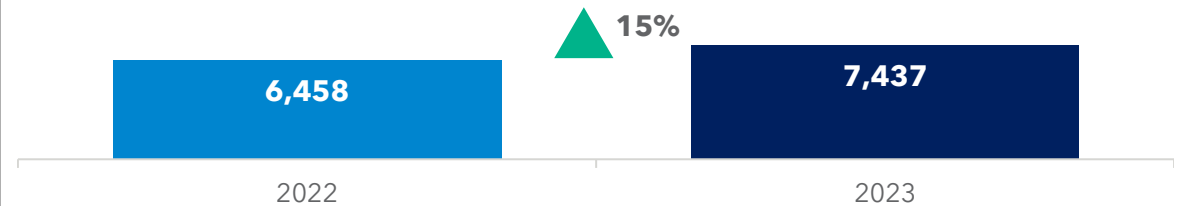
### PM8/Seligi unit operating costs

(\$/Boe)



## 2023 - DRIVING HIGH UPTIME; COST-EFFICIENT WELL PROGRAMME

- Production efficiency increased to 90% (2022: 86%)
- Multi-well workover campaign completed
- EnQuest is a **preferred operator** in Malaysia
- Now supplying Peninsular Malaysia with gas



## 2024 - MAINTAIN PERFORMANCE; DIVERSIFICATION POTENTIAL

- Three-well infill well drilling programme & three workovers planned
- Continue to assess expansion of Seligi gas opportunity
- Significant gas resource provides potential diversification



# Market-leading decommissioning capability

## SECTOR-LEADING PLATFORM WELL P&A PERFORMANCE

Capability & track record to provide top-quartile decom operator services

### 2023 - DELIVERED CONSISTENT TOP QUARTILE PERFORMANCE

- Record-breaking NNS P&A programme - 25 wells across Thistle and Heather
- Completed 49 wells over two years (dual string operations)
- P50 **well duration 27 days** vs. industry average **32 days**<sup>1</sup>
- P50 **cost of £2.6 million per well** vs industry average of **£4.3 million**<sup>1</sup>

### 2024 & FUTURE PLANS

- Conclusion of Heather and Thistle well P&A programmes in early 2025
- Down-man in 2025 in preparation for heavy lift removal of topsides facilities
- Other Operators recognise EnQuest award-winning Decom performance



### TOP QUARTILE DECOMMISSIONING PERFORMANCE:

- 1** - Reduce EnQuest direct costs
- 2** - Key enabler to acquiring late-life assets
- 3** - Demonstrates capability to provide operator service

<sup>1</sup> NSTA decommissioning benchmark data

## EnQuest Full Year Results 2023

# SVT - right-sizing to enable future new energies

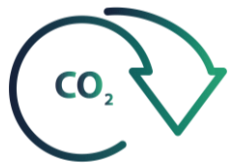
## 2023 - Awarded four licences in NSTA's first UK CCS Licence Round (Magnus, Thistle, Tern and Eider fields)

EnQuest owns and/or operates key project components

- 24-metre deep port, four deepwater jetties at SVT - can be repurposed to accept liquid carbon
- CO<sub>2</sub> can be transported offshore for storage via EnQuest owned and operated East of Shetland Pipeline System

## Veri Energy targeting storage of 10 million tonnes of CO<sub>2</sub> per year

4 carbon storage licences. 500 million tonne reservoir capacity



Carbon capture and storage

£1.75 million grant secured to progress hydrogen FEED study



Green hydrogen production

Assessing potential to electrify offshore assets, leveraging award-winning subsea projects expertise



Renewable Energy

## Strategic approach to critical infrastructure

Right-size Sullom Voe Terminal facilities:

- Ongoing projects expected to reduce carbon emissions by c.90%
- Associated reduction in operating costs



# Conclusion

**Amjad Bseisu**  
Chief Executive Officer



## Differentiated operator

### SAFE results

Top quartile performance

High production uptime

Drilling expertise

Financial discipline

Asset life extension

Decommissioning leader

## Transformational growth

Maximise value from existing assets

Leverage UK tax asset to deliver material FCF

International diversification

Reduce carbon intensity

Shareholder returns

Decommission, Repurpose and Decarbonise infrastructure as an energy transition leader

# Q&A



## EnQuest Full Year Results 2023

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