# Delivering energy, fuelling the transition









EnQuest is an oil and gas company with the energy transition at the heart of everything we do.

We are a leader in late-life energy asset management – optimising oil and gas fields, delivering sector-leading decommissioning, repurposing existing infrastructure and fuelling the energy transition through decarbonisation and renewable energy projects.

This is transition in action.

# Inside this report

# Strategic Report

- 04 Highlights
- 05 Key performance indicators
- 06 At a glance
- 08 Chairman's statement
- Market overview
- 12 Chief Executive's report
- Our strenaths
- Our strategy
- Operational review
- Oil and gas reserves and resources
- 33 Hydrocarbon assets
- Financial review
- Group non-financial and sustainability information statement
- 40 Environmental, Social and Governance 44 Environmental
- 48 Social
- 54 Governance: Risks and uncertainties
- Governance: Business conduct
- Climate-related Financial Disclosures
- 84 Governance: Stakeholder engagement

# **Corporate Governance**

- 88 Executive Committee
- 90 Board of Directors
- 94 Corporate governance statement
- 98 Governance and Nomination Committee report
- 101 Audit Committee report
- 107 Directors' Remuneration Report
- 118 Sustainability and Risk Committee report
- 120 Directors' report

# **Financial Statements**

- 125 Statement of Directors' responsibilities for the Group financial statements
- 126 Independent auditor's report to the members of EnQuest PLC
- 138 Group Income Statement
- 139 Group Balance Sheet
- 140 Group Statement of Changes in Equity
- 141 Group Statement of Cash Flows
- 142 Notes to the Group Financial Statements
- 181 Statement of Directors' Responsibilities for the Parent Company Financial Statements
- 182 Company Balance Sheet
- 183 Company Statement of Changes in Equity
- 184 Notes to the Financial Statements
- 189 Glossary Non-GAAP Measures
- 193 Company information

# See our transition in action stories



# Upstream

Late-life asset management expertise, extending asset lives.



Page 22



# Transition in action

# Decommissioning

Delivering sector-leading decommissioning performance - a key transition capability



Page 26



# Transition in action

# Midstream and Veri Energy

Right-sizing existing infrastructure and progressing scalable new energy and decarbonisation projects.



# An independent energy company, demonstrating expertise across the transition lifecycle

# Our purpose

Our purpose is to provide creative solutions through the energy transition.

# Our strategic vision

To be the partner of choice for the responsible management of existing energy assets, applying our core capabilities to create value through the transition.

# Our Values

**SAFE Results** 

Working Collaboratively

Respect & Openness

**Growth & Learning** 

Driving a Focused Business

# What we do

# Upstream



We responsibly extract existing oil and gas resources through established infrastructure while minimising emissions.

# **TOP QUARTILE PRODUCTION UPTIME**

Group operated production efficiency (%)

90

2023: 87



See more on Page 22

# Decommissioning



We are committed to delivering decommissioning programmes responsibly, minimising emissions and maximising the reuse of recovered materials.

# WELL PLUG AND ABANDONMENT

Thistle and Heather wells completed

22

2023: 25



→ See more on Page 26

# Midstream and Veri Energy



We are focused on safe and reliable operations while repurposing infrastructure to progress renewable energy and decarbonisation opportunities at scale.

# **CARBON STORAGE**

CO<sub>2</sub> storage potential (mtpa)

1C



→ See more on Page 28

# Our strategic focus



Managing assets to optimise and grow production while exercising cost control and capital discipline



Repurposing existing infrastructure to deliver new energy and decarbonisation opportunities at scale



Safely and efficiently executing decommissioning activities



Managing our Balance Sheet while pursuing selective, capability-led and value-accretive acquisitions



See more on Page 18

See more on Pages 16-19

EnQuest PLC Annual Report and Accounts 2024

02-03

685.9

854.7

1,026.1

D Cash generated from operations

# **Balance sheet** strength provides foundation for growth.

Strong operational performance and focused cost control and capital discipline underpinned further deleveraging during 2024. EnQuest net debt was reduced in the year from \$480.9 million to \$385.8 million, following another year of positive free cash flow generation and the repayment of a vendor loan provided to RockRose as part of the 2023 Bressay transaction. The Group also fully repaid its reserve based lending ('RBL') facility during the first quarter. In order to maximise available financial capacity to pursue value-accretive growth, the Group completed a successful tap of its existing high yield bond, with the proceeds used to repay and refinance the \$150.0 million term loan facility.

Production in the year decreased by 7.0% versus 2023, reflecting natural declines across the portfolio partially offset by top quartile production uptime and the efficient execution of well work activities at Magnus and PM8/Seligi.

The Group's adjusted EBITDA decreased 18.4% to \$672.6 million, reflecting the lower revenue associated with reduced production and lower commodity prices, as well as higher tariffs at SVT. Profit after tax was \$93.8 million, reflecting a lower tax charge in the period. The Group reported basic earnings per share of 5.0 cents (2023: loss per share of 1.6 cents), primarily reflecting a lower effective tax rate of 43.7% (2023: 113.3%) in the year.

The Group's robust balance sheet and transaction-ready liquidity position means EnQuest is well placed to pursue growth opportunities and return capital to shareholders, with a final 2024 dividend of 0.616 pence per share proposed (equivalent to c.\$15 million).

# Notes above

1 See reconciliation of alternative performance measures within the 'Glossary – Non-GAAP measures' starting on page 189

# Notes opposite

- 1 Lost Time Incident frequency represents the number of incidents per million exposure hours worked (based on 12 hours for offshore and eight hours for onshore)
- performance measures within the Glossary - Non-GAAP measures' starting

# **Commodity prices**

Average Brent oil price \$/bbl

-2.4%2023: 82.5 Average day-ahead gas price GBp/therm

-15.5% 2023: 98.9

# Alternative performance measures

Operating costs \$ million

382.8

+10.3% 2023: 347.2 Adjusted EBITDA \$ million

-18.4% 2023: 824.7

Read more in the Financial review see Page 34

Adjusted free cash flow \$ million

53.2

-82.3% 2023: 300.0

# **Statutory performance measures**

Revenue and other operating income \$ million

1,180.7

-20.6% 2023: 1,487.4

Basic earnings/(loss) per share

2023: (1.6)

Net assets/(liabilities)

\$ million

542.5

+18.8% 2023: 456.7 Profit/(loss) before tax

166.6

-28.1% 2023: 231.8

Net cash flows from operating activities

508.8

-32.5% 2023: 754.2



Read more in the Financial review see Page 34

# 1 3

**A** HSEA

1 3

Boepd

2024

2023

2022

C Unit opex<sup>2</sup>

\$/Boe

**B** Net production

The decrease in production was

primarily driven by natural declines

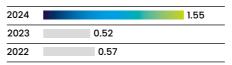
strong production efficiencies and

the efficient execution of well work

activities at Magnus and PM8/Seligi.

across the portfolio partially offset by

Group Lost Time Incident frequency rate<sup>1</sup>



2024 performance with respect to Lost Time Incident ('LTI') performance was disappointing and out of line with the Group's recent safety record. EnQuest aims to be in the upper quartile for safety performance and is working closely with contractors to ensure that everyone working at our sites is aligned with EnQuest's commitment to safety.



40,736

43,812

47,259

E Cash capital and decommissioning expense<sup>2</sup>

Cash generated from operations

reflected lower production and lower

\$ million

14

\$ million

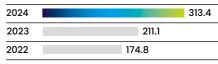
2023

2022

-19.7%

commodity prices.



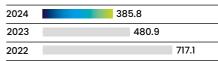


Increased cash capital and decommissioning expense reflected SVT major project costs and Magnus Flare Gas Recovery, the Magnus fiveyearly rig recertification, and well plug and abandonment decommissioning activities at Heather and Thistle.



F EnQuest net debt<sup>2</sup> \$ million

-19.8%



Adjusted free cash flow generation in 2024 and the repayment of a vendor loan provided to RockRose as part of the 2023 Bressay transaction, enabled the Group to pay down a further \$95.1 million of EnOuest net debt.



G Net 2P reserves MMboe

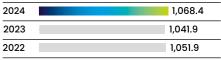


During 2024, the Group produced c.14 MMboe of its year-end 2023 2P reserves base, partially offset by the recognition of additional gas volumes in South East Asia.



H Scope 1 and 2 emissions tCO<sub>2</sub>e

+2.5%



EnQuest has reduced its operated Scope 1 and Scope 2 emissions by 22% against a 2020 baseline. 2024 saw a slight increase in year-on-year emissions, driven by increased flaring at SVT. Work is ongoing to decarbonise the terminal site by 90%. For more information, see Page 28.

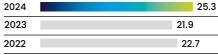
# Our strategic focus

Managing assets to optimise and grow production while exercising cost control and capital discipline

Repurposing existing infrastructure to deliver new energy and decarbonisation opportunities at scale

Safely and efficiently executing decommissioning activities

> Managing our Balance Sheet while pursuing selective, capability-led and valueaccretive acquisitions



Average unit operating costs were primarily impacted by SVT tariff costs and lower 2024 production volumes.

# **Group operations**

We focus on mature assets, responsibly optimising production to provide energy security. Where we can, we repurpose infrastructure to deliver renewable energy and decarbonisation projects before executing world-class decommissioning.



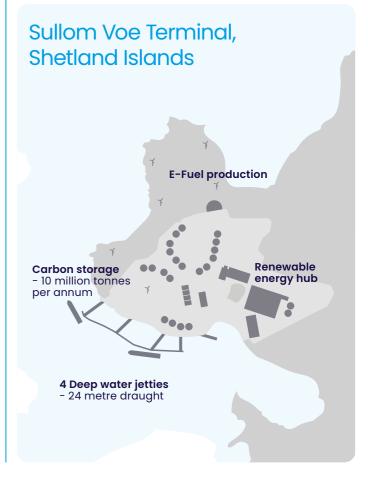
Reserves Replacement Ratio calculated as Reserves Additions/ Cumulative Production – effective 31 December 2024



# Renewable energy and Decarbonisation opportunities

mtpa CO<sub>2</sub> storage potential

The Sullom Voe Terminal provides the Group with the infrastructure from which to progress its renewable energy and decarbonisation ambitions, including carbon capture and storage, generation of renewable power and the production of e-fuels.



Chairman's statement Strategic Report Corporate Governance Financial Statements

# Delivering diversified growth

A responsible energy future requires balance, delivering reliable oil and gas today while driving towards the solutions of tomorrow.

Chairman

Gareth Penny



### Overview

The Group continues to demonstrate its differentiated operating capability across the portfolio, leveraging core capabilities to create value through the upstream asset life cycle. This operational excellence provides a strong foundation for the Group's growth ambitions in the UK and is fundamental as we look to deploy our expertise on several new projects in South East Asia. Having celebrated ten years of successful operations in Malaysia, EnQuest was proud to be named Malaysia Upstream Operator of the Year by PETRONAS, and our commitment to growth in the region has been reinforced by the award of the DEWA Production Sharing Contract and the expansion of the Seligi gas agreement. Our entry into Vietnam through the Block 12W acquisition provides further geographic and commodity diversification and demonstrates our commitment to deploy capital where we see the most favourable returns.

As the UK fiscal regime has continued to provide challenges for all North Sea operators, our long-standing commitment to cost management and a prudent approach to capital allocation have ensured that our financial performance has remained robust. Following continued fast payback capital allocation and our well-supported high yield bond tap process during 2024, we have delivered shareholder returns, further reduced debt levels and enhanced financial flexibility, with significant transaction-ready liquidity available to grow the business.

We are very clear that we are targeting transformational growth through acquisition in the UK. The UK Energy Profits Levy has impacted cash generation and investment across the UK energy sector, with the Group's significant tax asset creating a relative advantage versus full tax-paying peers. With the combination of our late-life asset management expertise and this differentiated tax position, value can be created from the transfer of assets into our ownership, and I believe that EnQuest represents a credible North Sea consolidator. As such, I am confident there will be further opportunities for EnQuest to add significant value-accretive production and cash flow to the portfolio as other operators continue to shift their focus from the UK.

# **Fuelling the Just Energy Transition**

As a responsible transition operator, EnQuest is very clear that the value generated by our Upstream business is of primary focus, both in terms of cash generation and retention of the key skills, knowledge and technical expertise which are vital to a successful transition. This focus extends to decommissioning, in which EnQuest continues to demonstrate sector-leading capability and has an established position as the most prolific well plug and abandonment exponent in the North Sea. Decommissioning is a key transition activity that is becoming an ever more

significant component of the competency mix for a North Sea operator, including as a key enabler in M&A discussions.

With significant decarbonisation projects underway across our production asset portfolio and at the Sullom Voe Terminal ('SVT'), the Group continues to demonstrate its commitment to internal and external emission reduction targets and to fulfilling the Board commitment to reach net zero Scope 1 and Scope 2 emissions by 2040. Under the management of Veri Energy, the Group's wholly owned subsidiary, considerable progress has been made in delivering credible and potentially material new energy and decarbonisation opportunities, primarily through repurposing existing infrastructure at SVT, a microcosm of the UK energy transition.

EnQuest is a truly just transition company, supporting net zero ambitions while continuing to meet society's energy needs. The reality is that oil and gas will remain essential for the foreseeable future, even as we implement low-carbon solutions. Our focus is on delivering that energy safely, efficiently, and with a reduced environmental footprint. A just transition is not just about technology; it is about people. The oil and gas sector supports around 200,000 jobs across the UK, and we are committed to ensuring that our workers have the skills and opportunities to thrive in the evolving energy landscape. Through targeted investment in training, reskilling, and our decarbonisation and new energy projects, we are preparing our workforce for the future while creating new opportunities in clean energy.

Furthermore, we continue to work closely with local communities, industry partners and government bodies to ensure that the transition delivers economic growth and equitable, long-term prosperity, particularly in regions historically reliant on oil and gas. The expertise that resides today within traditional oil and gas companies will deliver the energy transition, and we recognise that our skilled and dedicated workforce is our strength.

As we navigate the energy transition, we are committed to strategies that prioritise employee and community wellbeing, professional growth, and economic security. We have set ambitious, time-bound targets to reduce our emissions, consistently updating internal and external stakeholders on progress, and I was delighted to see our efforts recognised through a 'B' rating in the 2024 CDP Climate Change Survey, which places EnQuest among the sector leaders.

"At EnQuest, we are committed to a Just Energy Transition that supports energy security, sustainability, and economic growth."

### Leadership

Corporate governance is an essential part of EnQuest's operational and business framework, supporting both risk management and the Group's Core Values. We remain focused on Board and executive succession planning, with the evolution of the Group's strategy necessitating changes to align competencies more closely with its delivery. As part of the Board refresh and following shareholder approval at the 2024 Annual General Meeting ('AGM'), Jonathan Copus joined the EnQuest Board as an Executive Director, with Rosalind Kainyah MBE and Marianne Daryabegui joining the Board as Non-Executive Directors. As previously announced, Salman Malik, Rani Koya and Liv Monica Stubholt stepped down as Directors at the AGM.

With the additions of Jonathan as Chief Financial Officer and Steve Bowyer as North Sea General Manager, as well as Radzif Ahmed's expanded role in managing our growing South East Asian business, I am pleased to report Amjad is leading a strong and experienced management team, supported by a diverse and knowledgeable Board. Across the whole Group, I am impressed by the depth and breadth of our talent pool and collective focus on delivering on EnQuest's strategic aims.

# Looking ahead

As we look to deliver material value–accretive growth in the UK and continued diversified growth across South East Asia, we remain confident in the resilience and repeatability of our business model, the expertise of our people, and a commitment across the organisation to deliver long-term value for our shareholders. We recognise the imperative to adapt to changing market and socio-economic dynamics and embrace the opportunities created by our operational and financial advantages.

We continue to advocate on behalf of

our sector and the workers, families and communities dependent on oil and gas for their quality of life today and as part of a low-carbon future. Particularly in the UK, policymakers have the opportunity to embrace the reality that transitions take time and that, if managed in a just and orderly way, can yield significant opportunities to deliver economic growth, energy security and an effective and sustainable approach to innovation across our energy mix. EnQuest will remain at the forefront of efforts to enhance the investment climate and pursue sustainable growth, guided by our strategic vision to apply our core capabilities to create value through the transition.

# **Gareth Penny**

Chairman

Market overview

Strategic Report

Corporate Governance

# Global trends impacting our business

In shaping our strategy we consider a wide range of issues, assessing the potential opportunities and threats they pose to our business.

# Macroeconomic uncertainty

Global markets impacted by volatility of the geopolitical environment. Global conflicts and government policies affecting supply/demand dynamics.

# What does it mean for our industry?

Commodity prices remained within a lower but stable range during 2024, with the year largely defined by the wars in Ukraine and Gaza. 2024 also marked a significant milestone for global policy, with over 70 countries, representing more than half of the world's population, holding national elections. Energy policy emerged as one of the critical issues, with global voters assessing the success of their national energy strategies.

# How are we responding?

EnQuest hedges a significant amount of its production in order to protect against downside risk, while retaining the upside during periods of increased commodity prices.

# UK oil and gas fiscal regime

Further changes to the EPL have driven some operators to shift focus away from the UK North Sea, and towards more supportive geographies.

# What does it mean for our industry?

Fiscal regime volatility undermines confidence and negatively impacts the investment environment. The increase in UK Energy Profits Levy ('EPL') rate from 35% to 38% and its extension to 2030, announced in the Autumn Budget, represented the fifth amendment to UK sector taxation in the last three years. The EPL has resulted in a number of industry participants accelerating their shift in focus away from the UK North Sea, with some reducing investment and others looking to depart the UK entirely.

# How are we responding?

EnQuest remains committed to growing its UK business, underpinned by a differentiated operating capability and the Group's historic tax asset. These relative advantages provide the Group with a strong foundation from which to pursue valueaccretive growth through acquisition, as demonstrated by recent growth in South East Asia.

# Responsible and sustainable operation

Key stakeholders are increasingly demanding responsible and ethical working practices that drive positive impacts for society and manage risk.

# What does it mean for our industry?

The Environmental, Social and Governance ('ESG') landscape is evolving and oil and gas companies are expected to adopt principles of environmental stewardship, resource efficiency, social responsibility and community engagement, and safety and risk management. Above all, transparency and accountability are vital.

# How are we responding?

EnQuest maintains collaborative relationships with major shareholders, lenders and other key stakeholders, regularly seeking feedback on the Group's operational plans and ESG performance.

Demonstrating its commitment to responsible and sustainable operations, the Group was awarded a 'B' rating in the 2024 CDP Climate Change Survey.

# Climate change and carbon targets

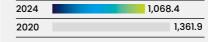
Governments, regulators and consumers are calling for the reduction of carbon-related emissions and net zero targets are coming under scrutiny.

# What does it mean for our industry?

Within the oil and gas sector, a credible transition plan is effectively the licence to operate. Companies will increasingly be asked to explain how targets will be met and emphasis will be applied to reporting against interim milestone targets.

Scope 1 and 2 emissions  $tCO_2e$ 

-22%



# How are we responding?

EnQuest has a Board-approved target to reach net zero in terms of Scope 1 and Scope 2 emissions by 2040. The Group is progressing its transition plans and continued to progress a credible transition plan during 2024. The decarbonisation and renewable energy opportunities at the Sullom Voe Terminal add significant credibility to the Group's net zero ambitions.

# The just energy transition ('JET')

The JET has risen to prominence, underscoring the shift from fossil fuels to renewables, prioritising equity and support for impacted people and communities.

# What does it mean for our industry?

The transition to just energy introduces both challenges and opportunities for the sector. Companies that adapt to changing market dynamics, diversify their portfolios, and embrace sustainable practices will be better positioned to thrive in a low-carbon future. Investors are increasingly considering ESG factors in their investment decisions and companies will face issues in attracting investment if they are perceived as being incompatible with sustainability goals.

# How are we responding?

The Group recognises the evolving energy landscape and is committed to leading a Just Energy Transition, ensuring that our workers, the communities we serve, and our stakeholders benefit in the process.

Read more in the
Financial review see Page 34

# **Delivering** operational excellence

Our growth strategy is underpinned by the belief that we can deploy our expertise to create value across the asset life cycle.

**Chief Executive** 

**Amjad Bseisu** 

Production Boepd

40,736

Group liquidity<sup>1</sup> at 31 December 2024 \$ million

4/4.5

Measures on Page 189

Cash and available facilities.

EnQuest PLC Annual Report and Accounts 2024

"We are value-led and committed to playing our part in a just and sustainable transition, with our people and our communities at its heart."

### Overview

EnQuest is an expert in managing assets in mature basins. We do this by improving operational uptime, lowering costs and extending asset life. At the end of an asset's economic life, we either safely decommission it or repurpose it for a low carbon future.

Across the UK North Sea and South East Asia, we operate c.96% of our 2P reserves. This means we have strong control over how we deploy our people and capital. Our focus is to invest in maintenance and low-cost, fast-payback opportunities that diversify production, help manage natural field declines, lower costs and reduce emissions. We have been careful to enter these assets with financial agreements that minimise our exposure to decommissioning costs.

Delivering diversified growth is central to our strategy. In the UK North Sea, we remain focused on utilising our core operational skills and advantaged tax position to deliver a deal that propels us into the top tier of producers. This will expand the Group's cash flow, enabling us to boost shareholder distributions and accelerate our growth in South East Asia.

Since ending 2024, we have grown our cash and available facilities to \$549.0 million as at 28 February 2025. This provides a strong foundation from which to transact, and we are focused on 2025 as a year of transformational delivery.

# **Market conditions**

In 2024, wars in Ukraine and Gaza intensified and over 70 countries, representing more than half of the world's population, held national elections.

Despite this complex geopolitical mix, oil prices were lower but relatively stable, with Brent averaging \$80.5/bbl.

In the UK, the Labour Party entered power following the General Election with a strong majority and a manifesto pledge to tighten fiscal conditions in the UK North Sea, despite the UK being the only country in the world to maintain a windfall tax on oil and gas producers in 2024. The new government used its first Budget Statement to increase the Energy Profits Levy ('EPL') rate to 38% and extended its duration to 31 March 2030. This was the fifth material amendment to UK sector taxation in the last two and a half years. Such volatility undermines North Sea investment and impacts jobs and equipment that are essential to delivering the UK's transition ambitions.

As more industry participants accelerate their shift in focus away from the UK North Sea, we retain the view that a significant proportion of UK production is transactable, and we are clear in our desire to be a sector consolidator. Our significant tax loss position and the impact of the EPL on marginal tax rates means that the transfer of assets to EnQuest ownership would increase their relative value to a multiple of that in the hands of existing owners. The combination of this relative tax advantage and our differentiated operating capability, including demonstrable decommissioning expertise, make EnQuest the right operator to maximise the value of mature assets in the North Sea.

EnQuest has a track record of demonstrating resilience, creativity, and adaptability, and can generate opportunities in such circumstances. Having consistently delivered against production, operational and cost targets, we have generated materialfree cash flows across recent years, even during periods of significantly reduced commodity prices.

This commitment to delivery, against the backdrop of a challenging UK fiscal environment, has seen us reduce EnQuest net debt by more than \$1.6 billion since its peak. With no outstanding debt maturities until 2027, now is the time for EnQuest to build on that strong foundation as we look to deliver material growth in the UK and accelerate the value of our significant UK tax asset.

# **Exceptional operating performance**

In 2024, EnQuest delivered production efficiency of c.90% across its operated portfolio, production averaging 40,736 Boepd (2023: 43,812 Boepd). 80% of this production originated from the UK North Sea and 88% of Group output was oil.

With 88% production efficiency, our North Sea assets again significantly exceeded the industry's average basin performance (c.77%). Given EnQuest's focus on late-life assets, this is a standout achievement.

The Kraken field continued to perform at the very top of the production efficiency for floating hubs, the FPSO's 95.5% production efficiency exceeding North Sea average efficiency by c.25%.

High levels of uptime at Magnus were offset by minor delays to the five-yearly rig recertification, which in turn delayed the start-up of several new wells. The field also suffered an outage on third-party infrastructure in the fourth quarter of 2024. To mitigate this, the Group designed and executed a well optimisation campaign that added over 1,000 Boepd of incremental production.

Production efficiency in Malaysia averaged 94% and production totalled 8,149 Boepd (10% up on 2023). This was underpinned by three new infill wells and strong domestic demand for associated Seligi 1a gas, for which EnQuest receives a handling and delivery fee.

EnQuest is successfully delivering against a key component of its strategy by delivering diversified growth, with successive South East Asian transactions, that provide geographic and commodity diversification within the portfolio. Our entry into Vietnam through the Block 12W acquisition and extending our Malaysian footprint with the expansion of our Seligi gas agreement and the DEWA PSC award are all underpinned by EnQuest's differentiated operating capability and our ability to deploy our expertise to create asset value. As EnQuest continues to work towards a transaction in the UK North Sea and further potential new country entries in South East Asia, these agreements underline our commitment to growth, a disciplined approach to M&A, and a strategy to deploy capital where we see the most favourable returns.

Chief Executive's report Continued Strategic Report Continued Financial Statements



EnQuest's Kraken FPSO

EnQuest net debt<sup>1</sup> at 31 December 2024 \$ million

385.8

2025 pro forma production guidance<sup>2</sup> Boepd

40,000 45,000

EnQuest PLC Annual Report and Accounts 2024

At the other end of the lifecycle of our asset portfolio, EnQuest plugged and abandoned ('P&A') another 22 wells, and the Group remains on track to complete well P&A work on both Heather and Thistle in 2025. Although we have delivered more than 35% of the total well P&A work in the North Sea over the last three years, our exposure to the cost of this work remains one of the lowest in the basin, as these costs have mostly been left behind with the original owners of the assets. We continue to deliver P&A activities at a per well cost that is significantly below the North Sea Transition Authority ('NSTA') industry benchmark, and in recognition of our decommissioning expertise, in 2024 Shell transferred to EnQuest its decommissioning management role of the Greater Kittiwake Area.

Having produced c.14 MMboe of hydrocarbons in 2024, we almost fully replaced these volumes through 2P reserve additions in South East Asia, with Group 2P reserves totalling 168.6 MMboe at 31 December 2024 (2023: 174.9 MMboe). 2C resources also remained robust, totalling c.354 MMboe, Bressay and Bentley each holding more than 100 MMboe of net resource.

Post the period end, EnQuest added a further 7.5 MMboe of 2P and reserves and 4.9 MMboe of 2C resource through the acquisition of Harbour's Vietnam operations.

# Financial performance

The Group's continued solid financial and operating performance in the period drove further strengthening of EnQuest's balance sheet and enabled the focus of the business to pivot to shareholder distributions and growth.

We reduced our EnQuest net debt by a further \$95.1 million, to \$385.8 million (31 December 2023: \$480.9 million) and we were delighted to execute our first shareholder return programme, repurchasing \$9.0 million of capital via a share buyback.

Lower commodity prices, production and the Magnus crossover gas component reduced Group revenue to \$1,180.7 million (2023: \$1,487.4 million). The Magnus crossover gas also drove a reduction in cost of sales, with production costs flat year-on-year. Adjusted EBITDA fell by 18.5%, to \$672.6 million (2023: \$824.7 million) but EnQuest's effective tax rate fell to 43.7% (2023: 113.3%) due to the recognition of additional carried forward tax losses. As a result, the Group reported a post-tax profit of \$93.8 million (2023: \$30.8 million loss).

Capital expenditure in the period rose to \$252.9 million, primarily relating to the Magnus five-yearly rig recertification, Golden Eagle drilling, decarbonisation projects at SVT, and the emission-reducing Magnus Flare Gas Recovery project (2023: \$152.2 million). Decommissioning expenditure totalled \$60.5 million (2023: \$58.9 million). In the period, we also received repayment of a vendor loan that was provided to RockRose as part of the 2023 Bressay farm-down.

We used our financial strength to make \$130.6 million of net repayments on our loans and borrowings (2023: \$237.1 million), repaying our RBL facility in full (\$140.0 million) in Q1 2024 and, in Q4 2024, repaying the entire \$150.0 million term loan facility through a \$160.0 million tap of EnQuest's high yield bond, which has simplified transaction-ready access to our RBL.

Following the RBL redetermination process at the end of 2024 and with no further drawdowns in the first quarter of 2025, \$237.1 million of the RBL facility remains available to EnQuest for future drawdown.

We understand the importance of distributions to our shareholders and, having ended 2024 with a strong financial position, EnQuest is pleased to propose its maiden dividend, which for 2025 will be 0.616 pence per share, equivalent to c.\$15 million.

# Environmental, Social and Governance

Against the 2018 baseline established by the NSTA's North Sea Transition Deal, we have reduced our absolute UK Scope 1 and Scope 2 emissions by over 40%, providing a strong foundation for our commitment to reach net zero in Scope 1 and Scope 2 emissions by 2040.

Work continues to decarbonise existing portfolio infrastructure. Examples of these initiatives include the Magnus Flare Gas Recovery project, which was sanctioned in 2024, and development of the Bressay gas cap, for which we target regulatory approval later this year. At the Sullom Voe Terminal ('SVT') on Shetland, we are progressing two significant projects: the New Stabilisation Facility ('NSF') and the long-term power solution, which together will reduce SVT's carbon footprint by c.90%.

Under the management of Veri Energy, a wholly owned subsidiary of EnQuest, we are also supporting the UK's transition ambitions by progressing several scalable renewable energy and decarbonisation projects.

"Our top quartile operating capability and differentiated tax position make EnQuest the right operator to maximise the value of mature assets in the North Sea and beyond."

The health, safety and wellbeing of our employees remains our top priority. In 2024, our Lost Time Incident ('LTI') performance fell short of our expectations and was out of line with the Group's recent safety record. EnQuest aims to be in the upper quartile for safety performance and is working closely with all contractors to ensure that everyone working at our sites is aligned with EnQuest's commitment to SAFE Results.

2024 saw a number of changes to the EnQuest Board, with Jonathan Copus, our Chief Financial Officer, formalising his Board position and Rosalind Kainyah MBE and Marianne Daryabegui joining the Board as Non-Executive Directors. With Salman Malik, Rani Koya and Liv Monica Stubholt stepping down as Directors at the Annual General Meeting ('AGM'), I would like to thank them for their diligent contributions to EnQuest over the years. I look forward to working with the refreshed Board as we execute our growth strategy.

# 2025 performance and outlook

In 2025, our focus is to maximise the value of our existing assets, while using our operating expertise and advantaged UK tax position to grow our business through acquisition. Success in these goals is expected to deliver a stepchange in our operations, which will expand cash flow and enable us to boost shareholder distributions and accelerate our growth in South East Asia.

Group production to the end of February from the current portfolio, excluding Vietnam, was 43,037 Boepd. At the same date, following the Group's year-end RBL redetermination, cash and available facilities had risen to \$549.0 million.

Our full-year 2025 net production guidance of between 40,000 and 45,000 Boepd includes pro forma volumes from our Vietnam acquisition (due to complete during the second quarter of 2025) and the expected impact of drilling and well work at Magnus and PM8/Seligi.

Pro forma operating costs are expected to be c.\$450.0 million, while capital expenditures are expected to be c.\$190.0 million. Decommissioning expenditures are expected to total c.\$60.0 million.

In 2025, we are working to advance several important projects toward Final Investment Decisions ('FID'). Development of Bressay's gas cap will lower Kraken costs and emissions, whilst de-risking the pathway to development of significant oil volumes on the Bressay and Bentley fields (together c.250 MMboe of the Group's 2C Resources).

Following encouraging testing, we also aim to progress the Kraken Enhanced Oil Recovery ('EOR') project to a FID within the next 12 months. Initial estimates suggest that this has potential to unlock 30 to 60 MMbbls gross of additional recoverable oil.

Our position as a top quartile operator, alongside our advantaged UK tax position, enhances our M&A credentials as a responsible owner and operator of existing assets and infrastructure as we transition to a lower-carbon energy system, offering our people long-term opportunities. We also believe that our core capabilities and top quartile operating performance can be replicated and deployed across other geographies as we continue to grow and diversify internationally.

Reflecting on 2024, I am proud of the resilience, adaptability, and commitment that have defined our performance. Despite a dynamic and volatile global energy landscape, EnQuest has delivered diversified growth, demonstrated operational excellence, and returned capital to our shareholders. Our employees remain the cornerstone of our success and, together, we recognise the responsibility we share in shaping the future of energy.

As we look to execute a transformative transaction in the UK, and further diversification of our portfolio, we will continue to be guided by a commitment to generating value for our shareholders.

Amjad Bseisu Chief Executive



EnQuest operates the Sullom Voe Terminal on Shetland, which is the focus of the Group's decarbonisation and renewable energy projects.

14-15

<sup>1</sup> See Glossary – Non-GAAP Measures on Page 189 2 This includes pro formal Vietnam volumes

# Our strengths How we are differentiated

# EnQuest is a top quartile operator, primed for growth

EnQuest is a top quartile operator through the life cycle of maturing hydrocarbon assets, and its compelling decarbonisation and renewable energy strategy is anchored in its unique infrastructure position and strong engineering and subsurface capability.

# Distinct skills and capabilities

Top quartile performance across developments, wells, operations, decommissioning and technical support functions

Transferable capabilities that can be deployed across all aspects of the portfolio, different geographies and decarbonisation and renewable energy opportunities

Highly skilled, dedicated teams with strong technical credentials

Average asset production uptime during 2024

90%

Industry-leading sustainability credentials, with focus on safety

Board-supported commitment to reach net zero with regard to Scope 1 and Scope 2 emissions by 2040; ten years ahead of UK national target

UK Scope 1 and Scope 2 emissions reduction of 40% versus 2018 baseline. EnQuest performance tracking significantly ahead of North Sea Transition Deal targets

Lost time incident frequency of 1.55 in 2024. UK average is 1.63

Reduction in UK Scope 1 and Scope 2 emissions versus 2018 baseline

40%

Uniquely positioned to capitalise on transition projects

EnQuest has an exclusive right to develop renewable energy and decarbonisation projects at Sullom Voe Terminal

Veri Energy, a wholly owned EnQuest subsidiary, provides dedicated management of projects

EnQuest will provide support in a capital-light manner, while enabling Veri Energy to leverage support from financial and strategic partnerships

Total anticipated annual carbon storage potential from CCS project

10mtpa

Differentiated UK tax positioning

EnQuest holds significant recognised UK tax loss position of c.\$2.1 billion as at 31 December 2024

The UK Energy Profits Levy enhances EnQuest's relative tax advantage versus full tax-paying peers

EnQuest plans to accelerate tax loss benefit through acquisition of value-accretive assets, with immediate M&A focus in the UK

Track record of delivering accretive acquisitions

Since inception, EnQuest has extended the economic lives of all nine operated assets

Asset acquisitions have typically achieved payback within 12-18 months

Entrepreneurial, innovative approach taken to structure past deals with limited upfront consideration and focus on value

Comparative cash flow
due to tax advantage<sup>1</sup>

Life extension
at Magnus

2.8x

Based on a full UK taxpayer retaining 22% post-tax income vs EnQuest retaining 62% post-tax income given CT/SCT tax loss position

Life extension achieved at Magnus, PM8/Seligi and Dons following acquisition

10+yrs

Read more in the Operating
Review on Page 20 and the
Financial review on Page 34

**Our strategy** Strategic Report Corporate Governance Financial Statements

# Key updates for 2024



# **Upstream**



Managing assets to optimise and grow production while exercising cost control and capital discipline



Read more in the Operational review see Page 20

# Progress in 2024

- Production of 40,736 Boepd
- Top quartile production efficiency delivered across operated portfolio
- Delivery of diversified growth through expansion of Seligi gas agreement and award of DEWA Production Sharing Contract award in Malaysia

# Objectives for 2025

- Production guidance of 40,000 to 45,000 Boepd, including pro forma Vietnam volumes
- Multi-well drilling and wellwork programmes at Magnus and at PM8/Seligi
- Progress Kraken Enhanced Oil Recovery project to final investment decision within 12 months



# Midstream and Veri Energy



Repurposing existing infrastructure to deliver new energy and decarbonisation opportunities at scale



Read more in the Operational review see Page 20

# Progress in 2024

- Midstream team progressing two major infrastructure projects at SVT. Together, these projects are expected to reduce terminal emissions by 90%
- Veri Energy supporting the UK Government's Clean Power 2030 Action Plan and delivering against the Scottish Government's Energy Strategy and Just Transition Plan
- Received grant funding from UK Government's Net Zero Hydrogen Fund to support e-fuels study work

# Objectives for 2025

- Complete New Stabilisation Facility right-sizing project
- Progress onshore wind project to Final Investment Decision



# Decommissioning



Safely and efficiently executing decommissioning activities



Read more in the Operational review see Page 20

# Progress in 2024

- Plug and abandonment ('P&A') of 22 wells completed across Heather and Thistle projects
- Per North Sea Transition Authority review data, EnQuest probabilistic average cost per well P&A is £2.8 million significantly lowering sector average
- Validation of decommissioning credentials with Shell transferring its Greater Kittiwake Area decommissioning management role to EnQuest

# Objectives for 2025

- · Complete well P&A campaigns at both Heather and Thistle
- Continue planning work ahead of heavy lifts during 2026 and 2027



# **Financial**



Continuing to reduce debt while pursuing selective, capability-led and valueaccretive acquisitions



Read more in the Financial review see Page 34

# Progress in 2024

- Full repayment of reserve based lending facility ('RBL')
- Executed successful \$160.0 million tap of high yield bond; process over-subscribed and priced above par at 101.0%
- Repaid \$150.0 million term loan facility, simplifying access to transaction-ready liquidity
- Group liquidity at 28 February 2025 of c.\$550 million

# Objectives for 2025

- · Focus on executing transformative UK transaction, following delivery of diversified growth in South East Asia
- · Continue to de-leverage the Group's balance sheet through disciplined capital allocation
- Execute shareholder return programme

# **Update on operations**

We continue to demonstrate differentiated, top quartile operating capability across the transition asset life cycle.

General Manager, North Sea **Steve Bowyer** 

2024 saw the Group deliver 90% production efficiency across its operated portfolio. EnQuest is proud of its differentiated operating capability, with its foundation in late-life asset management expertise and expansion to include sector-leading decommissioning performance.

The Group is committed to optimising all of the assets we operate and has a strong track record in extending the life of mature oil and gas fields. We do this by applying focus to maintenance, key production equipment and through the high-quality execution of drilling and well intervention work.

We are also focused on the decarbonisation of our portfolio and have several projects in flight at Magnus, Kraken and the Sullom Voe Terminal ('SVT'), aimed at significantly reducing the Group's carbon footprint and delivering an improved long-term operating cost base. These components are key to ensuring our operations continue to thrive in an evolving regulatory environment.

All the skills outlined above are transferable across our business and can be deployed as we grow, in both the UK and in South East Asia, and as we right-size and repurpose existing infrastructure to create a decarbonisation and renewable energy hub at SVT.

2024 Group Production

40,736

-7%

2023: 43,812





# Transition in action

Late-life asset management expertise

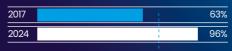
Group operated production efficiency

90%





# Kraken production efficiency



2023 UKCS floating hub average: 77%



See more on Page 22

In delivering production uptime of 90% across its operated portfolio during 2024, EnQuest achieved a level of performance which sits at the very top end of the UK North Sea sector.

The latest available benchmarked data from the North Sea Transition Authority ('NSTA') shows that production efficiency across the UKCS is 77%. EnQuest's UK operated asset uptime was 88%.

Further, the NSTA UKCS production efficiency for floating hubs is 71%. At 95.5% production efficiency, EnQuest's Kraken FPSO beats that by almost 25%.

This exemplary uptime performance extends to the Group's South East Asia business, with 94% uptime at PM8/Seligi.

# **UK Upstream**

UK upstream operations continue to deliver top-quartile production efficiency performance across the portfolio.

Director, Upstream Assets

Fergus Kulasinghe

UK Upstream operations<sup>1</sup>
Daily average net production
Roepd

32,587

-10%

2023: 36,375

1 Includes Magnus, Kraken, Golden Eagle, the Greater Kittiwake Area including Scolty/Crathes and Alba

UK operated production efficiency

88%

2023: 86%



Production of 32,587 Boepd across EnQuest's UK upstream assets was underpinned by strong production efficiencies across the portfolio and the Group's investment in low-cost, quick-payback well work and production optimisation, partially offsetting the impact of natural field declines.

# Kraken

2024 performance summary

The Kraken Floating, Production, Storage and Offloading ('FPSO') facility delivered an exceptional production efficiency of 96% (2023: 86%) and water injection efficiency of 95.5% (2023: 85%) for the year, resulting in average 2024 net production of 12,759 Boepd (2023: 13,580 Boepd). This is a testament to the focus and collaboration between the EnQuest and Bumi Armada operational teams, delivering production efficiency performance that is 24.5% above the industry average benchmark for floating hubs (as measured against the latest North Sea Transition Authority data).

The Kraken maintenance shutdown was completed in ten days (six days full shutdown and four days on single train operations). This work included the five-yearly FPSO swivel inspection.

The Group continues to optimise Kraken cargo sales through the shipping fuel market. Kraken oil is a key component of International Maritime Organization ('IMO') 2020 compliant low-sulphur fuel oil and, avoiding refining-related emissions.

# 2025 outlook

The asset team is focused on maintaining best-in-class FPSO production efficiency through focused investment in maintenance and reliability activities. Work is ongoing to mature the Kraken Enhanced Oil Recovery ('EOR') project to a Final Investment Decision ('FID') within the next 12 months. EOR represents a material upside to Kraken's value, with base case incremental recoverable oil estimates of 30 to 60 MMbbls gross.

The EnQuest team is advancing a gas import project that involves the subsea tie-back of a Bressay gas well to the Kraken FPSO. By establishing an alternative fuel supply to the diesel currently used to power Kraken operations, this project has the potential to drive a step change reduction in FPSO emissions and operating costs. It is anticipated that the Bressay gas well can be drilled as part of an expanded well programme, alongside the resumption of drilling at Kraken and a subsea well plugging and abandonment programme.

With c.33 MMboe of 2C resources, the Group remains well positioned to pursue infill drilling opportunities in the main Kraken field reservoir. Plans for these activities will be advanced in parallel with the EOR project. In 2025, Kraken production will be subject to natural field decline and the impact of a 15-day maintenance shutdown planned in the third quarter of the year.

# Magnus

2024 performance summary

In 2024, Magnus celebrated 40 years of operations. Asset production efficiency was 83% (2023: 88%) and the annual maintenance shutdown was completed in 18 days (versus the original 21-day plan) with all major scopes executed. The shutdown involved 10,000 man-hours of work being completed with zero lost-time incidents.

Production of 14,173 Boepd was 11% lower than 2023 (15,933 Boepd), due to a break in the infill drilling programme to accommodate the five-yearly rig recertification scope which was undertaken in the first half of the year, and incurred minor delays. Some of the planned well intervention also required rig remediation, which resulted in wells being offline for longer than originally planned. The Magnus team partially offset these losses through a successful gas lift optimisation campaign (which added incremental production of 1,000 Boepd) and through improving water injection sweep (which delivered a 2% reduction in overall Magnus field water cut through the year). In the fourth quarter, an unplanned outage of the Magnus subsea isolation valve within third-party-operated export infrastructure shut in all system users, including Magnus production. Production was reinstated within seven days following a collaborative response by all users with EnQuest operating the repair activities.

EnQuest remains focused on the efficient management of key Magnus topside infrastructure and targeted investment to optimise equipment reliability, reduce obsolescence and continue to deliver top quartile operational uptimes.

# 2025 outlook

The Group plans to execute an infill drilling programme and productionenhancing well intervention campaign at Magnus. The asset team is also focused on enhancing water injection and reservoir sweep, including progressing the conversion of a high water cut production well to water injection. This is expected to increase reservoir pressure and boost production. Looking beyond this programme of work, Magnus 2C resources of c.28 MMboe offer additional significant low-cost, quick-payback drilling and well intervention opportunities.

The Group plans a two-day production outage in the third quarter of 2025, aligned to a planned maintenance shutdown in third-party operated export infrastructure. The asset team is also progressing the Ninian bypass project towards FID in 2025. This involves the subsea bypass of the Ninian Central Platform which is planned for cessation of production in 2027. Alongside ongoing work at the Sullom Voe Terminal on the New Stabilisation Facility, this project will secure a long-term export pathway for Magnus oil.

Following the initiation of the Magnus Flare Gas Recovery project in Q4 2024, engineering work will continue in 2025. This project demonstrates EnQuest's commitment to the decarbonisation of its portfolio.

# **Greater Kittiwake Area**

2024 performance summary

At the Greater Kittiwake Area ('GKA'), 2024 production averaged 2,009 Boepd (2023: 2,412 Boepd), largely in line with expectations. Solid operational performance in the year was underpinned by production efficiency of 77% (2023: 83%) and included the efficient completion of the planned maintenance shutdown.

### 2025 outlook

EnQuest and its partners are focused on extending field life and executing an efficient glide path to decommissioning, including plans for early plugging and abandonment of platform wells prior to cessation of production. This process will be managed in full by EnQuest, with Shell transferring its decommissioning operator role to EnQuest during 2024. A 14-day maintenance shutdown is planned at GKA during Q3 2025.

# Non-operated North Sea assets

2024 performance summary

2024 production across the Group's non-operated UK interests averaged 3,646 Boepd (2023: 4,450 Boepd). The 2023/24 platform drilling programme at Golden Eagle concluded in August 2024. Two of the three planned producers were successfully brought online alongside the planned water injector, although overall production rates were below expectations.

At Alba, performance continued in line with the Group's expectations.

# 2025 outlook

At Golden Eagle, a 15-day shutdown is planned during the third quarter. The operator also plans to execute well intervention work in the form of mud acid stimulations in June.

At Alba, a more extensive shutdown of 28 days is planned.

# Kraken EOR

The Kraken asset has established a track record of exemplary production efficiency performance over several years, and EnQuest is focused on optimising the next phase of Kraken production operations. In doing so, the EnQuest team is progressing a proof-of-concept workstream for an Enhanced Oil Recovery ('EOR') project, consisting of a polymer flooding programme with the aim of proving the technology and increasing oil production rates.

EOR has the potential to deliver a material upside to the existing Kraken base reservoir performance, with initial estimates of 30 to 60 MMbbls gross of additional recoverable oil.

A critical component of the project is the selection of the polymer for injection into the reservoir; the compound selected must be compatible with the entire production system, from reservoir to topsides. A focused in-house project team is progressing a rigorous testing and analysis programme to ensure that the correct polymer and target injection location are selected for Phase 1 of the EOR project.

The project team is undertaking a holistic process review of Kraken topside separation, water treatment, injection and production systems to identify and mitigate process risks. This review will inform the design, engineering and assurance of a suitable deployment programme. Injection modelling has also been completed to optimise the initial execution phase, comparing deployment into a single well or full drill centre.

It is anticipated that the polymer specification and deployment strategy for the initial phase will be determined during 2025. This will enable the project team to focus on the engineering and planning activities ahead of a final investment decision and initial polymer deployment in late 2025 or early 2026.

Corporate Governance

# **South East Asia**

# **EnQuest celebrated** ten years of successful operations in Malaysia with another strong production operations performance.

General Manager, South East Asia

# Radzif Ahmed

# Malaysia operations<sup>1</sup>

Daily average net production Boepd



# PM8/Seligi, Malaysia

# 2024 performance summary

In 2024, EnQuest was awarded two accolades at the Malaysia Upstream Awards, including Operator of the Year and Excellence in HSE. To be recognised in this way by PETRONAS was extremely gratifying and is testament to the work undertaken across the EnQuest Malaysia team.

Malaysian production averaged 8,149 Boepd, 10% higher than 2023. This increase was driven by continued operational excellence and production efficiency of 94% (2023: 90%), benefitting from the availability of all compression units throughout the year. 2024 volumes include 1,978 Boepd associated with Seligi 1a gas, to which Petronas holds the entitlement, and EnQuest receives a gas handling and delivery fee.

The team successfully executed a threewell infill drilling programme during 2024, with realised production rates in line with expectations. Three well workovers were also completed, and the Group continued work on the PM8/Seligi idle well restoration programme. Six wells were plugged and abandoned in accordance with the planned decommissioning programme. The 2024 shutdown was completed during the third quarter of 2024, with all critical integrity and maintenance works, including a turbine control panel upgrade, delivered on schedule.

EnQuest continued its excellent HSE performance in Malaysia during 2024, reaching the milestones of two years and 4.9 million man-hours worked without a lost time incident.

# 2025 outlook

The Group plans to drill four infill wells during 2025, targeting undrained oil in step-out areas of the main reservoir and undeveloped minor reservoirs. The asset team is also targeting delivery of a well workover, with eight wells to be plugged and abandoned. The drilling rig and workover unit will mobilise during the first quarter of the year.

A two-week shutdown at PM8/Seligi to undertake asset integrity and maintenance activities is planned for the summer, which will help to improve reliability and efficiency at the field.

EnQuest has significant 2P reserves and 2C resources of c.36 MMboe and c.28 MMboe, respectively, with future multi-well annual drilling programmes planned. The Group continues to work with the regulator to assess the opportunity to develop the additional gas resource at PM8/Seligi to meet forecast Peninsular Malaysia demand.

# Malaysia growth

interest of 42.0%.

Building on a decade of successful operations in Malaysia, EnQuest was awarded the DEWA Production Sharing Contract ('PSC') and will be the operator of the block with the largest participating

The DEWA PSC consists of 12 discovered fields in an area c.50 kilometres off the coast of Sarawak, in water depths of 40 to 50 metres. The block is in a proven hydrocarbon area containing

undeveloped discoveries, providing lowcost development options to provide gas supply into the Sarawak gas system.

Within the initial two-year pre-development term of the PSC, EnQuest and its partners will complete a resource assessment and submit a Field Development and Abandonment Plan for the cluster of fields, which could hold up to 500 Bscf of gas in place, with the potential to deliver production of c.100 mmscf per day (c.18 Kboed).

In addition, the Group was awarded an expansion to its Seligi gas agreement, with the award to develop an additional 155 Bscf (c.27 million barrels of oil equivalent) of non-associated Seligi field gas resources.

The agreement enables EnQuest and its partners to develop and commercialise the non-associated gas resources in the PM8E PSC contract area and, in line

with expected demand, supply around 70 mmscf per day of sales gas. With a 50% equity share, this represents c.35 mmscf per day net to EnQuest, which equates to c.6,000 Boepd.

EnQuest will produce the additional gas by modifying its existing infrastructure, with low levels of development capex required to deliver new volumes into the Peninsular Malaysia gas system, helping the nation meet its increasing energy needs. With first gas from the project expected in 2026, these volumes will increase the gas component of EnQuest's production, which aligns to the Group's strategic aim to reduce its overall carbon intensity.

# Delivering diversified growth -Vietnam new country entry

In January 2025, EnQuest signed a Sale and Purchase Agreement to acquire Harbour Energy's business in Vietnam, which includes the 53.125% equity interest in the Chim Sáo and Dua production fields. This transaction aligns with the Group's strategic aim to grow its international operating footprint by investing in fast-payback assets, with low capex and reduced carbon intensity.

The transaction has an effective date of 1 January 2024 and is scheduled to complete during the second quarter of 2025. The headline value of the transaction is \$84 million and, net of interim period cash flows, the consideration to be paid by EnQuest on completion is expected to equal c.\$35 million. This fully staffed new country entry expands the Group's South East Asian footprint beyond Malaysia, where EnQuest recently celebrated ten years of successful operations.

EnQuest will operate the Chim Sáo and Dua fields ('Block 12W') from completion, deploying its proven late-life and FPSO asset management expertise to maximise value and progress discovered resources into reserves.

Block 12W is made up of three producing oil and gas fields; Chim Sáo, Chim Sáo North West and Dua, located in the Nam Con Son Basin, approximately 400km south west of Vung Tau, Vietnam. As at 1 January 2025, net 2P reserves and 2C resources across the fields total 7.5 million Boe and 4.9 million Boe, respectively. Block 12W production has responded positively to the drilling of three infill wells during 2023 and a series of well interventions undertaken in 2023-2024, with the combined impact of these scopes contributing c.3.0 MMboe to 2P reserves at 1 January 2025.

Net production in 2025 is forecast to average c.5.3 kboepd, with further significant upside potential relating to well intervention performance. Oil (c. 73% of output) is high quality and has historically realised a c.10% premium to Brent. Gas is commercialised via an Field volumes are produced at a life of field asset breakeven of c.\$40 per Boe, with minimal capital requirements is covered via a PSC fund. The resulting free cash flow underpins Chim Sáo and Dua's value, making them strong anchor assets for EnQuest's entry into Vietnam.



The Block 12W Production Sharing with an opportunity to extend the contract. Additional Block 12W prospectivity is spread across gas discoveries and several additional targets; potential upside that EnQuest intends to investigate

As a country, Vietnam has significant potential for oil and gas development beyond its established 4.4 billion exploration in the hydrocarbon-rich South China Sea driving projects which seek to replace the production from mature offshore fields. In addition, there is significant opportunity for late-life asset managers, such as EnQuest, to acquire producing assets as established operators have PSCs nearing their end dates.

# **Decommissioning**

2024 saw EnQuest further cement its capability as a leading North Sea decommissioning operator; applying our learning to deliver performance well ahead of industry benchmarks.

Decommissioning Director

John Allan

Heather: successfully abandoned

11

wells; while Thistle executed

11

wells, with partial completion of a further well by year end



# **Performance summary**

For EnQuest's dedicated decommissioning team, 2024 represented another year of sector-leading delivery; further enhancing the Group's strong track record of executing multi-asset abandonment campaigns. With the majority of well plug and abandonment ('P&A') activity completed significantly faster and cheaper than sector averages, the Thistle and Heather project teams are focused on the culmination of the respective projects. Work is underway ahead of the 2025 preparation and removals programmes at these two major North Sea platforms.

Recognising EnQuest's ability to deliver SAFE Results, exemplary decommissioning performance and cost and schedule efficiencies, the Greater Kittiwake Area ('GKA') joint venture has appointed EnQuest as operator for the full GKA decommissioning scope, with Shell transferring its decommissioning management role to EnQuest. The GKA infrastructure is expected to continue production into the late 2020s, with EnQuest proactively planning for well P&A activity to be completed alongside asset production. This approach will result in a managed glidepath for the asset and will help EnQuest to optimise the post-cessation of production decommissioning programme.

# Well decommissioning

At both the Heather and Thistle fields, the extensive programme of well P&A continued at pace throughout the year. The Thistle team successfully abandoned 11 wells during 2024, with a further well nearing completion at year end. At Heather, 11 wells were completed by year end, resulting in the completion of all abandonment work to Phase 2 and the commencement of the final well decommissioning scope, Phase 3 conductor recovery.

In addition to the completion of 22 well abandonments across the two platform rigs, the Thistle project team continued to implement a third activity string, in the form of a conductor pulling unit ('CPU') to execute the recovery of conductors on available wells. This resulted in a further 17 wells being abandoned to the final stage of the well P&A process, taking Thistle to a total of 24 wells fully abandoned.

Both the Thistle and Heather project teams are targeting completion of their well P&A campaigns during 2025.

The Heather team aims to permanently disembark the platform in the second quarter of 2025, while Thistle is scheduled for disembarkation early in 2026. Both projects remain in line with the respective removals contract dates, with Heather topside removals commencing during 2025 and Thistle topside removals scheduled in 2026.

Throughout 2024, EnQuest has also progressed planning and engineering work on the subsea wells at Alma Galia, Dons and Broom, while continuing to discuss the future work programmes with the North Sea Transition Authority.

# **Preparation for removal**

Alongside the completion of Phase 1 and Phase 2 abandonment work, the Heather project team successfully completed the flushing of the gas import and oil export pipelines, the cutting and laydown of the five Broom flexible risers and, through close collaboration with Allseas, ensured the safe execution of all platform preparatory works on Heather. This primarily involved the welding of necessary lifting points underdeck and separation of topsides pipework from the jacket to support future topsides removal.

The Heather team is fully focused on safe disembarkation of the asset, with the key scope being the completion of the topsides cleaning and utility rundown. This will be followed by the necessary leg-cutting works before the arrival of the Pioneering Spirit heavy lift vessel during the summer of 2025 to lift and remove the topsides and transport to Denmark for safe disposal.

At Thistle, the project team continued to demonstrate its capability to deliver multiple key scopes simultaneously. EnQuest and Saipem teams have worked closely together, progressing engineering and planning for the nine-month predisembarkation preparation phase in 2025 and the future topside and jacket heavy lift campaigns. An extensive module void inspection campaign was successfully completed which involved accessing, inspecting and clearing 43 void spaces. Subsea campaigns were also completed covering essential inspection, repair and maintenance activities and preparatory work for future conductor removal activities using bespoke tooling developed with the subsea contractor.



# Excellence in decommissioning

Thistle Well A33 – A unique abandonment challenge

Thistle well A33 abandonment presented significant challenges for the Thistle decommissioning team in 2024. The well was previously suspended in 2012, due to the poor condition of the production tubing, utilising a product called 'Sandaband' which is an unconsolidated plugging material that, when pumped into the wellbore becomes a gas tight deformable solid. The well's structural integrity was additionally compromised by a severely corroded 30" conductor, placing an urgency on the team to complete the well abandonment prior to the upcoming winter storms.

The main challenge was the removal of the significant volume of Sandaband and recovery of the production tubing so the well could be permanently abandoned. The solution involved using a range of tools and techniques

normally reserved for coil tubing workover operations but in this case deployed from the Thistle drilling package and utilising the rig's own well control equipment. This approach, which was the first such Sandaband cleanout in the UKCS, required diligent engineering, planning and fabrication of new equipment to ensure a safe and efficient operation that was commended internally within EnQuest but also externally by our JV Partners.

Despite taking longer than the original estimated duration, 59 days of operations leading to a successful Phase II abandonment, this was considered a major success given the significant issues encountered by the Team. Subsequent operations to recover the 20" surface casing and the compromised 30" conductor were completed by the Thistle Conductor Pulling Unit and A33 was fully decommissioned in June 2024.

Underdeck scaffold removal and key topside modifications were all completed efficiently and on schedule.

2025 marks the final full year on the platform, with disembarkation planned for early 2026. Key milestones for the year focus on completion of the main rig and conductor pulling units campaigns, completion of topside steam cleaning and pipeline flushing activities, and commencing and completing the removal preparations prior to disembarkation.

# **Asset removals**

With significant Engineering, Preparation, Removal and Disposal ('EPRD') contracts in place for both Heather and Thistle, planning, engineering and preparatory works have been executed at pace during 2024.

2025 will see the culmination of significant work through the removal of the Heather topsides from field by Allseas and their Pioneering Spirit heavy lift vessel. The Heather jacket is scheduled for removal in 2027, which aligns with our agreed contractual execution windows.

# **Midstream**

# EnQuest is committed to the decarbonisation of the Sullom Voe Terminal as part of a just transition.

Midstream Director

Dave Marshall

SVT right-sizing
Planned reduction in SVT
carbon footprint

c.90%



# Safe, stable operations

Throughout 2024, the Group continued to deliver safe, stable and effective operations for both East of Shetland and West of Shetland oil and gas, delivering 100% uptime for both oil streams, and 100% uptime for West of Shetland gas. In addition, the SVT power station achieved 100% power delivery throughout the period. The terminal continued to deliver strong HSE performance, effectively managing the increase in project personnel on-site throughout the year. During 2024, the milestones of five years, and five million work hours Lost Time Incident ('LTI') free were reached, underlining EnQuest's commitment to safety. A subsequent LTI at the terminal enabled the team to review the circumstance and to ensure that mitigations and lessons learned were incorporated into reinforcing the HSE Management System.

# Decarbonisation

The Group is focused on right-sizing SVT for future operations. During 2024, EnQuest successfully commenced Engineering, Procurement and Construction on two strategic projects: to connect the terminal to the UK's electricity grid and the construction of New Stabilisation Facilities ('NSF'). Completion of the NSF is expected to enable the Group to meet the North Sea Transition Authority ('NSTA') target of zero routine flaring obligations by 2030, while the aggregated impact of these two projects is expected to transform the carbon footprint and overall emissions from SVT and the EQUANS-operated Sullom Voe power station. The delivery of these scopes will reduce the Terminal's operating costs and provide resilience for long-term operations through the replacement of obsolete equipment. Together, these projects provide the opportunity to extend production at both East of Shetland and West of Shetland assets.

In 2024, EnQuest commenced the phased, partial decommissioning of redundant processing and storage facilities at SVT. This scope has reduced the risk potential at the site, along with reducing ongoing operating costs. Furthermore, the removal of the facilities creates the opportunity to repurpose areas of SVT for third-party use, including renewable energy projects.

2024 emissions at SVT were elevated due to issues encountered with the site's gas compression system, which resulted in flaring above the routine baseline levels. In September, an engineering solution was deployed effectively, restoring the compression system to full operations. This has resulted in a return to lower process flaring and emissions.

# **Decarbonising SVT**

EnQuest's suite of projects underway at Sullom Voe perfectly encapsulates the transition of old energy to new as it embarks on a journey to decarbonise the Sullom Voe Terminal ('SVT'). This asset will continue to be a critical component in protecting the UK's security of energy supply, whilst playing a major role in delivering the net zero goals agreed as part of the North Sea Transition Deal.

SVT will continue to service oil and gas operators from the East and West of Shetland for years to come through a terminal that is being right-sized for current rates of production, which have declined from their peak in 1984. In 2024 EnQuest progressed the construction of a New Stabilisation Facility ('NSF'), which will provide a low-emission and costeffective solution, maximising energy efficiency and minimising greenhouse gas emissions, whilst supporting continuing oil and gas production from fields around Shetland. The modernisation of the processing system in turn enables an 80% reduction of the terminal's power demand.

With the development of the Shetland Interconnector and the Viking Wind Farm, combined with the terminal's reduced power demand, EnQuest has taken the opportunity to further decarbonise SVT by receiving power directly from the electricity grid. The Grid Power Connection Project will permit the gas-fired power station on site to be retired from service, removing a significant source of greenhouse gas emissions from the terminal.



Taken together, the NSF and the Grid Power Connection projects will deliver a 90% reduction in  $CO_2$  emissions from the terminal, removing 190kTe of  $CO_2$  per year, the equivalent of taking 80,000 cars off the road. This will have a material impact on the Shetland environment which, at 14.4 tonnes of  $CO_2$  emitted per person, is three-times the average Scottish rate of 4.8 tonnes.

Furthermore, EnQuest will deploy flare gas recovery technology as part of the NSF project to eliminate CO2 emissions associated with routine flaring. This important step ensures that SVT will be compliant with the World Bank's Zero Routine Flaring by 2030 initiative, whilst maximising the value of the produced hydrocarbon gas.

Delivering these projects on time and on budget requires collaborative work with multiple stakeholders including co-owners and contractors at SVT.

The challenges and complexities in executing these projects safely and efficiently should not be underestimated and EnQuest is bringing its experience of successful site management, gained over the past six years, to bear on these projects. EnQuest has also worked with established contractors and fostered new relationships with specialists to achieve our goals.

EnQuest is progressing at pace with the engineering and construction phases of these transformative projects and is looking forward to realising the decarbonisation benefits of the new facilities when they are brought into service across 2025 and 2026.

# People and community

EnQuest continues to build its community investment on Shetland with contributions to local charities and sports groups, and through its workforce development programmes.

The Group has a well-established apprentice programme at SVT, with three apprentices successfully graduating in 2024. The Group also continued with its graduate programme in 2024, with one graduate recruited into SVT.

SVT supported a range of cultural and sporting events on Shetland in 2024, including Shetland Rugby's mid-summer event for children, women and men's matches, the Shetland Junior Golf Open and sponsorship of local table tennis events.

EnQuest also sponsored a Sail Training Shetland event for 70 young people from Shetland to Bergen and provided support to the Shetland Folk Festival.

Seven educational awards for the academic year 2023-2024 were made by the Trustees of the Sullom Voe Terminal Participants' Tenth Anniversary Fund. Now in its 36th year, the Trust was established to promote and encourage the education of Shetland residents who will be studying a discipline likely to contribute to the social or economic

development of Shetland. This year, students are engaged in disciplines as wide-ranging as medicine, primary education, folk and traditional music, geography and sustainable development. As terminal operator, EnQuest also offers a scholarship to a student studying in a technical or commercial discipline that is relevant to SVT, where they take part in a work placement at the terminal during the summer break.

# Veri Energy

We recognise the evolving energy landscape and are committed to leading a Just Energy Transition, ensuring that our workers, the communities we serve, and our stakeholders benefit in the process.

CEO, Veri Energy
Gavin Templeton

CCS project storage Up to (mtpa)

10

Total storage potential In excess of (mt)

200

Veri Energy is a wholly owned subsidiary of EnQuest, focused on transforming skills and infrastructure to deliver economic decarbonisation solutions, initially at the Sullom Voe Terminal ('SVT') on Shetland. Veri Energy is supporting the UK Government's Clean Power 2030 Action Plan and delivering against the Scottish Government's Energy Strategy and Just Transition Plan.



Veri Energy is fuelling the UK's energy transition

Using the SVT site as a base, Veri Energy is looking to support further industrial decarbonisation and future growth in the energy transition through the execution of phased renewable energy developments.

# Carbon capture and storage ('CCS')

Veri Energy continues to develop a flexible, merchant-market carbon storage solution that can transport and permanently store up to 10mtpa of  $\mathrm{CO}_2$  from isolated emitters in the UK and Europe.  $\mathrm{CO}_2$  captured by emitters will be transported via ship to SVT from where it will be transported, via repurposed pipeline infrastructure, for permanent geological storage in depleted oil and gas reservoirs.

In August 2023, EnQuest successfully secured four carbon storage licences as part of the first round of UK carbon sequestration licences issued by the North Sea Transition Authority ('NSTA'). Following work to assess the licences, EnQuest took the decision to relinquish the Tern and Eider licences, effective 1 March 2025. The remaining licence areas, CS013 and CS014, are some 99 miles northeast of Shetland and incorporate fields currently operated by EnQuest, the Magnus and Thistle fields. These sites are large, well-characterised deep storage formations connected by significant existing infrastructure to the Sullom Voe Terminal on Shetland.

During 2024, work included significant engagement with the NSTA to progress the licences through the early risk assessment phase, engaging with strategic partners and refining the project development plan. Veri Energy continues to be encouraged by the project's potential to be a low-cost merchant-market solution for CO<sub>2</sub> emitters to permanently sequester carbon beginning in the late 2020s/early 2030s.

# Electrification/Onshore wind

Financial Statements

During 2024, Veri Energy identified an opportunity to develop an onshore wind power project to assist in decarbonising and reducing costs at the Sullom Voe Terminal, harnessing Shetland's natural advantage of one of the world's highest wind capacity factors and existing terminal infrastructure. The project underwent technical analysis, environmental impact assessment, and feasibility studies during 2024, and is expected to enter front-end engineering and design during 2025.

# E-Fue

Veri Energy continues to evaluate a multistage green hydrogen and derivatives project at Sullom Voe. During 2024, Veri received an award of £1.74 million in grant funding from the UK government's Net Zero Hydrogen Fund ('NZHF') to support a front-end engineering and design study for the project. The company continues to evaluate scenarios for end products, scale, partnerships and technology integration for the project.

The favourable conditions for development of net-zero e-fuels at SVT, via the combination of green hydrogen and biogenic CO<sub>2</sub>, place Veri Energy at the forefront of plans to produce e-diesel that can displace demand for fossil fuels from the local marine and power industry. Powered by a skilled local workforce and supported by the advantaged conditions at the terminal site, there is the potential to scale this business for e-fuel export.



Oil and gas reserves and resources **Hydrocarbon assets** Strategic Report Corporate Governance Financial Statements

# Oil and gas reserves and resources

# EnQuest oil and gas reserves and resources

	North Sea		South East Asia			Total			
	Oil and NGLs MMbbls	Gas Bcf	Total MMboe	Oil and NGLs MMbbls	Gas Bcf	Total MMboe	Oil and NGLs MMbbls	Gas Bcf	Total MMboe
2P reserves (working interest) <sup>1,2,3,5,6</sup>									
1 January 2024	135.2	65.5	146.5	25.4	16.9	28.4	160.7	82.3	174.9
Revisions <sup>4</sup>	(1.0)	(7.1)	(2.2)	(3.4)	77.5	10.0	(4.3)	70.4	7.8
Production	(11.0)	(5.2)	(11.9)	(2.0)	(0.6)	(2.1)	(13.0)	(5.8)	(14.0)
31 December 2024	123.3	53.1	132.4	20.1	93.8	36.3	143.3	146.9	168.6
2C resources (working interest) <sup>1,2,7,8</sup>									
1 January 2024	305.1	18.1	308.2	31.1	287	80.6	336.2	305.1	388.8
Revisions, additions and relinquishments	0.0	0.0	0.0	(13.3)	(126.8)	(35.2)	(13.3)	(126.8)	(35.2)
31 December 2024	305.1	18.1	308.2	17.8	160.2	45.4	322.9	178.3	353.6

- 1 Reserves and resources are quoted on a working interest basis
- 2 2P reserves and 2C resources have been assessed by the Group's internal reservoir engineers, utilising geological, geophysical, engineering and financial data
- 3 The Group's 2P reserves have been audited by a recognised Competent Person in accordance with the definitions set out under the 2018 Petroleum Resources Management System and supporting guidelines issued by the Society of Petroleum Engineers
- 4 Includes expansion of Seligi gas agreement in Malaysia
  5 The above proven and probable reserves include volumes that will be consumed as fuel gas, including c.6.4 MMboe at Magnus, c.0.7 MMboe at Kraken, c.0.2 MMboe at Golden
- 6 The above 2P reserves at 31 December 2024 on an entitlement basis is 157 MMboe (North Sea 132 MMboe and South East Asia 25 MMboe)
  7 Contingent resources are quoted on a working interest basis and relate to technically recoverable hydrocarbons for which commerciality has not yet been determined and are
- stated on a best technical case or 2C basis

  2C contingent resources at 31 December 2024 include the volumes associated with the Group's PSC award at DEWA in Malaysia, as well as the relinquishment of the PM409
- 9 Rounding may apply

# Hydrocarbon assets

# EnQuest asset base as at 31 December 2024

Licence	Block(s)	Working interest (%)	Name	Decommissioning obligation (%)
UK North Sea Upstrea	m production and development	:		
P193	211/7a, 211/12a	100.01	Magnus	30.0 <sup>2</sup>
P1077	9/2b	70.5	Kraken & Kraken North	As per working interests
P1107/P1617	21/8a, 21/12c, 21/13a	50.0	Scolty/Crathes	As per working interests
P238	21/18a, 21/19a, 21/19b	50.0	Kittiwake	25.0
		50.0	Mallard	30.9
		50.0	Grouse & Gadwall	As per working interests
P073	21/12a	50.0	Goosander	As per working interests
P213 <sup>3</sup>	16/26a	8.0	Alba	As per working interests
P234/P493/P920/P977	3/28a, 3/28b, 3/27b, 9/2a, 9/3a	85.0	Bressay	
P1078	9/3b	100.0	Bentley	
P300/P928 <sup>3</sup>	14/26a, 20/1a	26.69	Golden Eagle	
P26327 <sup>5</sup>	9/1, 9/2c	100.0	West of Kraken	
UK North Sea Decomn	nissioning			
P242	2/5a	n/a	Heather	37.5
P242/P902	2/5a, 2/4a	n/a	Broom	63.0
P475	211/19s	n/a	Thistle	6.l <sup>4</sup>
P236	211/18a	n/a	Thistle/Deveron	6.1 <sup>4</sup>
P236	211/18c	n/a	Don SW & Conrie	60.0
P236/P1200	211/18b, 211/13b	n/a	West Don	78.6
P2137	211/18e, 211/19c	n/a	Ythan	60.0
P1765/P1825	30/24c, 30/25c, 30/24b	n/a	Alma/Galia	65.0
Other UK North Sea lic	ences			
P90 <sup>3</sup>	9/15a	33.3		n/a
Malaysia production	and development6			
PM8/Seligi <sup>7</sup>	PM8 Extension	50.0	Seligi, North & South Raya, Lawang, Langat, Yong & Serudon	50.0
DEWA Complex Cluster SFA PSC <sup>7</sup>	DEWA PSC	42.0	D30, D30W, Danau, Daya, Daya North, D41, D41W, Dafnah West, Dana, Darma, West Acis, and Spaoh	42.0

- 1 bp has a security over the Magnus asset (and related infrastructure assets) and is entitled to 37.5% of free cash flow from the assets subject to the terms of the transaction
- documents between bp and EnQuest

  2 bp has retained the decommissioning liability in respect of the existing Magnus wells and infrastructure. EnQuest will pay bp additional deferred consideration by reference to 30% of bp's actual decommissioning costs on an after-tax basis, which EnQuest estimates will result in a payment equivalent to approximately 9% of the gross estimated decommissioning costs. The additional consideration payable is capped at the amount of cumulative positive cash flows received by EnQuest from Magnus, SVT and the associated infrastructure assets
- 3 Non-operated
- 4 EnQuest is liable for the decommissioning costs associated with investment since it assumed operatorship, with the balance remaining with the former owners. Following the exercise of the Thistle decommissioning options in January and October 2018, EnQuest will undertake the management of the physical decommissioning of Thistle and Deveron and is liable to make payments to bp by reference to 7.5% of bp's decommissioning costs of Thistle and Deveron, which equates to 6.1% of the gross decommissioning costs
- 5 UK 33rd licence round award 6 EnQuest relinquished the PM409 PSC licence on 2 June 2024
- 7 Official reference PM-8 Extension PSC, commonly referred to elsewhere as PM8/Seligi 8 DEWA Complex Cluster SFA PSC was officially awarded on 21 October 2024

Financial review Strategic Report Corporate Governance Financial Statements

# Primed for growth.

Chief Financial Officer

Jonathan Copus

Reduction in EnQuest net debt \$ million

95

Post-tax profit \$ million

94



### Introduction

EnQuest delivered significant progress against each of its financial priorities in 2024, and this momentum has continued into 2025. The Group has optimised its capital structure and maximised available financial capacity for value-accretive growth, by successfully tapping its high yield bond and the repayment in full of both the reserve based lending ('RBL') and term loan facilities.

EnQuest net debt was reduced by \$95.1 million, to \$385.8 million. This reflects robust free cash flow generation, cash received from the farm-down of Bressay and returns to shareholders through the share buy-back programme.

EnQuest maintained a strong focus on disciplined and efficient capital expenditure and cost control. The investment in the future decarbonisation of Magnus through the installation of a flare gas recovery system reflects our focus on fast payback projects, while the re-certification of the Magnus platform drilling rig underpins ongoing low-cost drilling and well intervention work. As anticipated, EnQuest's increased share of throughput at the Sullom Voe Terminal ('SVT') led to higher tariff costs in the period, noting future cost and emission reductions are expected on completion of the ongoing decarbonisation projects

In line with the Group's growth strategy, EnQuest signed several agreements in South East Asia: entering Vietnam through the acquisition of Block 12W; extending the Group's Malaysian footprint with the expansion of the Seligi gas agreement; and award of the DEWA PSC. These transactions provide geographic and commodity diversification, adding production and reserves.

The Group reported an IFRS post-tax profit of \$93.8 million for the year to 31 December 2024 (2023: IFRS post-tax loss of \$30.8 million). This was primarily driven by a lower tax charge in the period (reflecting fast payback investment and the recognition of an additional deferred tax asset associated with ring-fence expenditure supplement in the UK) offset by lower profit before tax (production was lower year-on-year and tariffs were higher).

EnQuest's year-end RBL redetermination expanded the leverageable capacity of the Group's assets, and at 28 February 2025 total cash and available facilities totalled \$549.0 million (31 December 2023: \$498.8 million). With the UK Autumn Budget Statement (30 October 2024) bringing clarity on the fiscal landscape of the UK North Sea, EnQuest's strategic UK tax advantage and financial capacity mean the Group remains well placed to pursue further growth opportunities in the North Sea and internationally. EnQuest's Board is also proposing a final dividend of 0.616 pence per share, equivalent to c.\$15 million.

### Income statement

### Revenue

Group production averaged 40,736 Boepd (7.0% lower than in 2023, 43,812 Boepd), with strong uptime performance of c.90% across the operated portfolio and investment in low-cost, quick-payback well work and production optimisation partially offsetting the impact of natural field declines. Oil accounted for 87.2% of this output (2023: 90.0%).

Brent crude oil prices declined 2.4% year-on-year to average \$80.5/bbl (2023: \$82.5/bbl) while the average day-ahead UK gas price decreased by 15.5% to 83.6 GBp/therm (2023: 98.9 GBp/therm). Excluding the impact of hedging, EnQuest realised an average oil price of \$81.3/bbl (2023: \$82.2/bbl). Post-hedging, the realised oil price was \$80.2/bbl (1.5% lower than in 2023, \$81.4/bbl).

Reflecting the above price and volume drivers, Group revenue in the period totalled \$1,180.7 million, a 20.6% reduction year-on-year (2023: \$1,487.4 million). Oil contributed \$1,020.3 million (9.5% lower year-on-year, 2023: \$1,127.4 million) and condensate and gas revenue contributed \$164.6 million (51.4% lower year-on-year, 2023: \$339.0 million). Gas revenue mainly relates to the onward sale of gas purchases from third-party West of Shetland fields under the terms of the Magnus acquisition. The contribution of these volumes to revenue is therefore offset through an equal and opposite charge to cost of sales.

Tariffs and other income generated \$2.6 million (2023: \$1.3 million), which includes income associated with the transportation of Seligi gas. Realised losses on commodity hedges totalled \$12.9 million, primarily reflecting the cost of historic put options (2023: \$11.3 million). Unrealised gains on open commodity contracts (from mark-to-market movements) totalled \$3.1 million (2023: \$28.5 million).

Note: For the reconciliation of realised oil prices see 'Glossary – Non–GAAP measures' starting on page 189  $\,$ 

# Cost of sales

Cost of sales was \$787.4 million, which was 16.8% lower than in 2023 (\$946.8 million).

Production costs were broadly flat, totalling \$307.6 million (\$20.6/Boe) but operating costs increased by \$35.6 million to \$382.8 million. This rise was as expected and reflected an increase to EnQuest's share of throughput at SVT. Costs and emissions at the terminal are forecast to reduce on completion of the current decarbonisation projects on site. With the combination of higher tariffs and lower production volumes, unit operating costs (excluding hedging losses) increased by 15.5% to \$25.3/Boe (2023: \$21.9/Boe).

	2024 \$ million	2023 \$ million
Production costs	307.6	308.3
Tariff and transportation expenses Realised loss/(gain) on derivatives	70.5	41.7
related to operating costs	4.7	(2.8)
Operating costs <sup>1</sup>	382.8	347.2
Charge/(credit) relating to the Group's lifting position and inventory	2.2	(4.2)
Other cost of operations	136.3	305.9
Depletion of oil and gas assets	263.3	292.2
Other cost of sales	2.8	5.7
Cost of sales	787.4	946.8
Unit operating cost <sup>2,3</sup>	\$/Boe	\$/Boe
- Production costs	20.6	19.3
– Tariff and transportation expenses	4.7	2.6
Average unit operating cost	25.3	21.9

# Notes:

- 1 See reconciliation of alternative performance measures within the 'Glossary -Non-GAAP measures' starting on page 189
- Calculated using production on a working interest basis including Seligi
   Associated Gas
- 3 Excludes realised loss/(gain) on derivatives related to operating costs

The charge relating to the Group's lifting position and hydrocarbon inventory for the year ended 31 December 2024 was \$2.2 million (2023: credit of \$4.2 million), with the Group in a net neutral lifting position across its asset base at 31 December 2024 (2023: net underlift position \$3.5 million).

The cost of Magnus third-party gas purchases that are sold on is reported within 'other cost of operations'. These costs fell significantly to \$125.7 million (2023: \$294.0 million), due to reduced third-party volumes and lower gas prices.

Depletion expense (\$263.3 million) was 9.9% lower than 2023 (\$292.2 million), mainly reflecting lower production.

### Impairment

In the year, the Group recognised a non-cash net impairment charge of \$71.4 million (2023: \$117.4 million). This charge reflected changes to the UK Energy Profits Levy confirmed by the UK Government in its Autumn Budget (including the planned two-year extension to 31 March 2030), lower short-term oil price assumptions and changes to the production profile of the non-operated Golden Eagle field, partially offset by production profile changes at the GKA hub and a lower discount rate of 10.0% (2023: 11.0%).

# Other income and expenses

The Group has recognised net other expense in the period of \$4.7 million (2023: net other expense of \$19.6 million). The impact of both the unwind of discount and other changes in fair value of Magnus contingent consideration have been combined in other income and expenses following a review of market practice. This required a \$58.9 million charge for 2023 being reclassed from finance costs. As such, 2024 incurred a net \$15.9 million non-cash charge driven by: the unwinding of discounting offset by changes in the near-term oil price assumptions and production and cost profiles (2023: \$10.8 million non-cash income, driven by an increase in the discount rate applied offset by the unwinding of discounting). Other items of other income and expense include: \$14.6 million charge relating to the termination of a drilling rig contract following the Kraken joint venture's decision to defer near-term infill drilling; a non-cash charge of \$7.1 million due to a net increase in the decommissioning provision of fully impaired non-producing assets (2023: non-cash charge of \$32.8 million); a foreign exchange gain of \$10.0 million, reflecting a favourable movement in the Sterling to US Dollar exchange rate (2023: \$11.8 million foreign exchange losses); and lease income of \$16.5 million (2023: \$12.1 million).

Other expenses also include costs associated with Veri Energy, which totalled \$1.7 million in the year (2023: \$1.6 million).

# Adjusted EBITDA

Adjusted EBITDA for the year totalled \$672.6 million, down 18.4% compared to the same period in 2023 (\$824.7 million). This reduction reflects the lower revenue associated with reduced production, as well as higher tariffs at SVT (see detail above).

EnQuest's net debt to last 12-month adjusted EBITDA ratio at 31 December 2024 equalled 0.6x. This was in line with the prior year (31 December 2023: 0.6x).

Adjusted EBITDA	2024 \$ million	2023 \$ million
Profit/(loss) from operations before tax and finance income/(costs)	311.5	397.4
Unrealised commodity hedge gain	(3.1)	(28.5)
Depletion and depreciation	269.3	298.3
Impairment charge	71.4	117.4
Net other expenses	36.2	25.1
Foreign exchange and UKA forward purchase losses	2.8	3.8
Change in well inventories	(5.5)	(0.6)
Net foreign exchange (gain)/loss	(10.0)	11.8
Adjusted EBITDA <sup>1</sup>	672.6	824.7

# Note:

 See reconciliation of Adjusted EBITDA within the 'Glossary – Non-GAAP measures' starting on page 189

34-35

Financial review Continued Strategic Report Corporate Governance Financial Statements

### Finance costs

EnQuest's overall net finance costs fell by 12.5%, to \$144.9 million (2023: \$165.6 million). This reflected a significantly lower level of outstanding loans and borrowings, resulting in a lower overall interest charge of \$73.5 million (2023: \$89.7 million). Partially offsetting this were higher refinancing fees (2024: \$19.3 million), including the accelerated amortisation of remaining initial term loan fees of \$2.9 million and the early redemption fee of \$4.7 million paid following the repayment in full of the term loan in October 2024 (2023: \$7.9 million).

Finance charges included the unwinding of discounting on decommissioning and other provisions (2024: \$31.2 million; 2023: \$25.4 million). Lease liability interest costs totalled \$27.7 million (2023: \$43.8 million), and there were other interest and financial expenses of \$7.8 million (2023: \$5.3 million), which primarily are the cost for surety bonds that provide security for decommissioning liabilities.

Finance income increased to \$14.5 million reflecting additional cash on deposit and accrued interest on the RockRose vendor loan (2023: \$6.5 million).

# Profit/loss before tax

Reflecting the movements above, the Group's profit before tax was \$166.6 million (2023: profit of \$231.8 million).

### **Taxation**

The 2024 tax charge of \$72.8 million includes a current tax charge of \$12.1 million (2023: \$262.6 million, inclusive of a current tax charge of \$185.6 million).

In the Autumn Statement on 30 October 2024, the UK government confirmed that from 1 November 2024 the rate of the Energy Profits Levy ('EPL') would be increased from 35% to 38%. It was also announced that EPL Investment Allowances would be abolished from 1 November 2024 and that decarbonisation relief would be retained, but the rate of relief would be reduced from 80% to 66%. These changes increase the current year tax charge and deferred tax for EPL by \$42.2 million. The announcement to extend the EPL period to 31 March 2030 was however not substantively enacted until March 2025, which resulted in there being no impact on the 31 December 2024 balance sheet. Had the extension been enacted, the Group estimates an additional deferred tax liability of \$115.9 million would have been recognised (see note 6 for further information).

The Group's effective tax rate for the period was a charge of 43.7% (2023: 113.3%).

EnQuest's strategic UK North Sea tax asset was estimated at \$2,066.4 (gross) million at 31 December 2024 (31 December 2023: \$2,007.9 million (gross)). The increase reflects the recognition of additional carried forward losses associated with the ring-fenced expenditure supplement, partially offset by utilisation against the Group's profits before tax.

Due to this tax position, no significant corporation tax or supplementary charge is expected to be paid on UK operational activities for the foreseeable future. The Group expects to continue to make EPL payments for the duration of the levy, and EnQuest also pays cash corporate income tax on its Malaysian assets.

# Profit/loss for the period

EnQuest's total profit after tax was \$93.8 million, which compares to a 2023 loss of \$30.8 million.

# Earnings per share

The Group's reported basic earnings per share was 5.0 cents (2023 loss per share: 1.6 cents) and reported diluted earnings per share was 4.9 cents (2023 loss per share: 1.6 cents).

# Cash flow, EnQuest net debt and liquidity

Driven by continued adjusted free cash flow generation in 2024 and the repayment of a vendor loan provided to RockRose related to the 2023 Bressay transaction, EnQuest net debt at 31 December 2024 totalled \$385.8 million. This was \$95.1 million lower than the position reported at 31 December 2023 (\$480.9 million).

The movement in EnQuest net debt was as follows:

	\$ million
EnQuest net debt 1 January 2024	(480.9)
Net cash flows from operating activities	508.8
Cash capital expenditure	(252.9)
Magnus profit share payments	(48.5)
Net interest and finance costs paid	(73.1)
Finance lease payments	(130.1)
Repayment of vendor loan provided to RockRose	107.5
Share buyback	(9.0)
Term loan early termination fee	(4.7)
Other movements, primarily net foreign exchange	
on cash and debt	(2.9)
EnQuest net debt 31 December 2024 <sup>1</sup>	(385.8)

### Note:

Reported net cash flows from operating activities for the year were \$508.8 million. This was 32.5% below the comparative period of 2023 (\$754.2 million). This reduction reflects: higher cash tax payments totalling \$97.3 million (2023: \$41.0 million, including a tax refund of \$37.4 million); \$17.7 million unwind of the joint venture advance cash call received in 2023 (\$39.5 million); one-off payments relating to the rig cancellation (\$14.6 million) and \$8.5 million of funds released from escrow pending resolution of the final arbitration decision in relation to a dispute with a third party supplier in Malaysia; and lower gross profit, reflecting lower revenues and higher operating costs. Clean of one-off impacts of the tax refund, joint venture advance cash call movements, rig cancellation and contractor dispute payments, year-on-year cash flow from operating activities was 18.9% lower.

Reported net cash flows used in investing activities decreased year-on-year by \$79.1 million, to \$183.6 million (2023: \$262.7 million). This principally reflects: higher capital expenditures (\$252.9 million – primarily related to the Magnus five-yearly rig recertification work scope, Golden Eagle well campaign, decarbonisation projects at SVT, and the emissions reducing flare gas recovery project on Magnus (2023: \$152.2 million)); offset by repayment of a vendor loan provided to RockRose (\$107.5 million; 2023: net nil cash flow impact reflecting farm-down proceeds being offset by the vendor financing facilities from EnQuest to RockRose (see note 18)); the final Golden Eagle acquisition costs paid in 2023 (\$50.0 million); and lower Magnus profit share payments (2024: \$48.5 million; 2023: \$65.5 million).

Cash outflow on capital expenditure is set out in the table below:

Capital expenditure	2024 \$ million	2023 \$ million
North Sea	230.4	124.2
Malaysia	19.0	21.0
Exploration and evaluation	3.5	7.0
	252.9	152.2

The Group utilised \$352.9 million of cash in financing activities (2023: \$478.6 million). This included further net repayments of the Group's loans and borrowings totalling \$130.6 million (2023: \$237.1 million), with EnQuest repaying its RBL facility in full (\$140.0 million) in the first quarter and, in the fourth quarter, the entire \$150.0 million term loan facility following the successful conclusion of a \$160.0 million tap of its high yield bond in October. Following the RBL redetermination process at the end of 2024 and no further drawdowns in the first quarter of 2025, \$237.1 million of the RBL facility remains available to EnQuest for future drawdown.

Interest costs on the Group's borrowings totalled \$83.2 million (2023: \$105.9 million) and an additional \$130.1 million was paid in relation to finance leases (2023: \$135.7 million).

EnQuest also repurchased \$9.0 million of shares as part of its share buyback programme.

In aggregate, the Group's cash and cash equivalents decreased by \$33.4 million in 2024. This decrease was primarily driven by the repayment in full of the Group's RBL facility and share repurchases made under EnQuest's share buyback programme offset by the net cash inflow from the farm-down of Bressay and adjusted free cash flow generation. Adjusted free cash flow generation in 2024 was lower than in 2023, reflecting lower revenues, higher capital expenditure, partial unwind of the joint venture advance cash call received in 2023 and one-off costs associated with the drilling rig cancellation and the dispute with a third party supplier in Malaysia, partially offset by lower finance charges.

EnQuest net debt	31 December 2024 \$ million	31 December 2023 \$ million
Bonds	632.1	474.7
Senior secured debt facility ('RBL')	-	140.0
Term loan	-	150.0
SVT Working Capital Facility	33.9	29.8
Cash and cash equivalents	(280.2)	(313.6)
EnQuest net debt <sup>1</sup>	385.8	480.9

# Note

The Group ended the year with \$280.2 million of cash and cash equivalents (31 December 2023: \$313.6 million) and cash and available undrawn facilities of \$474.5 million (31 December 2023: \$498.8 million). Subsequently, following the most recent RBL redetermination process, EnQuest's cash and available facilities have increased to \$549.0 million at 28 February 2025.

# **Balance sheet**

EnQuest's robust liquidity position enables the Group to continue delivering its capital-efficient programmes of capital investment and pursue transformational North Sea and International production acquisitions.

# Assets

Total assets reduced by 5.4% to \$3,562.6 million (31 December 2023: \$3,765.8 million). Driving this were: repayment of a vendor loan provided to RockRose (\$107.5 million); a reduction of \$33.6 million in the Group's deferred tax asset; and lower cash and cash equivalents of \$33.3 million.

# Liabilities

Total liabilities reduced by 8.7% to \$3,020.1 million (31 December 2023: \$3,309.0 million) reflecting continuing material debt repayments and optimisation of the capital structure (the full outstanding principals of \$140.0 million on the RBL and \$150.0 million for the term loan facility were repaid in the year, offset by an additional \$160.0 million tap of the high yield bond); lower tax liabilities, reflecting fiscally efficient investments and cash tax payments in the period, and a reduction in lease liabilities of \$86.9 million. Deferred tax liabilities increased by \$27.1 million.

Contingent consideration payments in the period (related to the acquisition of Magnus) totalled \$48.5 million (2023: Magnus and Golden Eagle: \$115.5 million). When combined with the net change in the fair value estimate, this payment drove a lower outstanding contingent consideration estimate of \$473.3 million (31 December 2023: \$507.8 million).

# Financial risk management

The Group's activities expose it to various financial risks, particularly those associated with fluctuations in oil price, foreign currency risk, liquidity risk and credit risk. The disclosures in relation to financial risk management objectives and policies, including the policy for hedging, and the disclosures in relation to exposure to oil price, foreign currency and credit and liquidity risk, are included in note 27 of the Group's 2024 Annual Report.

# Going concern disclosure

In recent years, EnQuest has focused on deleveraging and optimising its capital structure, to simplify its balance sheet and maximise available financial transactional capacity.

In 2024, the Group deleveraged further, reducing net debt by \$95.1 million, to \$385.8 million at 31 December 2024. This was driven by robust adjusted free cash flow generation and repayment of the first of two vendor loans that was provided to RockRose as part of the 2023 Bressay farm-down. In the period EnQuest fully repaid its Reserve Based Lending ('RBL') facility (from \$140.0 million) and completed a \$160.0 million tap of its high yield bonds. By using this tap to repay a \$150.0 million term loan facility, additional RBL capacity was opened. At 31 December 2024, EnQuest's net debt to adjusted EBITDA ratio was 0.6x. The Group ended 2024 with a positive RBL redetermination, which expanded RBL capacity by 34%. Cash and available facilities at 28 February 2025 totalled \$549.0 million.

Against this robust backdrop, EnQuest continues to closely monitor and manage its funding position and liquidity requirements throughout the year, including monitoring forecast covenant results. Cash forecasts are regularly produced and sensitivities considered for, but not limited to, changes in crude oil prices (adjusted for hedging undertaken by the Group), production rates and costs. These forecasts and sensitivity analyses allow management to mitigate liquidity or covenant compliance risks in a timely manner.

The Group's latest approved business plan underpins management's base case ('Base Case'). It is in line with EnQuest's production guidance (including the acquisition and contribution of the Block 12W in Vietnam – completion expected in the second quarter of 2025) and an oil price assumption of \$75.0/bbl is used for 2025 and 2026.

A reverse stress test has been performed on the Base Case. This indicates that an oil price of c.\$40.0/bbl is required to maintain covenant compliance over the going concern period. The low level of this required price reflects the Group's strong liquidity position.

The Base Case has also been subjected to further testing through a scenario that explores the impact of the following plausible downside risks (the 'Downside Case'):

- 10.0% discount to Base Case prices resulting in Downside Case prices of \$67.50/bbl for 2025 and 2026;
- Production risking of 5.0%; and
- 2.5% increase in operating costs.

The Base Case and Downside Case indicate that the Group is able to operate as a going concern and remain covenant compliant for 12 months from the date of publication of its full-year results.

After making appropriate enquiries and assessing the progress against the forecast, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

<sup>1</sup> See reconciliation of alternative performance measures within the 'Glossary – Non-GAAP measures' starting on page 189

<sup>1</sup> See reconciliation of EnQuest net debt within the 'Glossary - Non-GAAP measures' starting on page 189

# **Viability statement**

The Directors have assessed the viability of the Group over a three-year period to March 2028. The viability assumptions are consistent with the going concern assessment, with the extension of an oil price of \$75.0/bbl for 2027 and 2028 in the Base Case. Consistent plausible downside risks have also been applied in a Downside Case. This assessment has taken into account the Group's financial position as at 26 March 2025, its future projections – including the impacts of the Block 12W acquisition in Vietnam; the Seligi 1b gas agreement; the Group's debt maturities, which occur towards the end of the viability period; and the Group's principal risks and uncertainties. The Directors' approach to risk management, their assessment of the Group's principal risks and uncertainties, and the actions management are taking to mitigate these risks, are outlined on pages 54 to 71. These risks and uncertainties include potential impacts from climate change concerns and related regulatory developments. The period of three years is deemed appropriate as it is the time horizon across which management constructs a detailed plan against which business performance is measured, and, given the Group's focus on short-cycle, quick payback capital expenditures on its existing portfolio, is a time horizon over which the Group can undertake any necessary mitigation activities.

Under the Group's Base Case projections, the Directors have a reasonable expectation that the Group can continue in operation and meet its liabilities as they fall due over the period to March 2028.

For the current assessment, the Directors also draw attention to the specific principal risks and uncertainties (and mitigants) identified below, which, individually or collectively, could have a material impact on the Group's viability during the period of review. In forming this view, it is recognised that such future assessments are subject to a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty. The impact of these risks and uncertainties has been reviewed on both an individual and combined basis by the Directors, while considering the effectiveness and achievability of potential mitigating actions.

# Oil price volatility

A decline in oil prices would adversely affect the Group's operations and financial condition. To mitigate oil price volatility, the Directors have hedged a total of 3.1 MMbbls from 1st April 2025 for the next 12 months with an average floor price of \$69.6/bbl and a further 1.3 MMbbls in the subsequent 12-month period with an average floor price of \$68.3/bbl, in each case predominantly utilising swaps. The Directors, in line with Group policy and the terms of its RBL facility, will continue to pursue hedging at the appropriate time and price.

# Fiscal risk and government take

Unanticipated changes in the regulatory or fiscal environment, such as the UK EPL in recent years, can affect the Group's ability to access funding and liquidity. The Group will continue to communicate to Government and Treasury the importance of fiscal stability, whilst also monitoring developments and any potential related impacts.

### Access to funding

Prolonged low oil prices, cost increases, production delays or outages and changes to the fiscal environment could threaten the Group's liquidity and access to funding.

The Directors recognise the importance of ensuring medium-term liquidity. The Group has evidenced its continued management of funding, prioritisation of debt reduction and optimisation of its capital structure by fully repaying its RBL and Term Loan along with obtaining additional unsecured funds through a successful high yield bond tap in 2024. The increase in available funds under the RBL following the recent redetermination and the long-dated maturity profile of the Group's debt provide a material level of funding for the majority of the viability period. Refinancing of the Group's current debt structure (see note 17) is assumed towards the end of the viability period but would likely occur well ahead of the 2027 bond maturities, providing funding beyond the viability period.

In assessing viability, the Directors recognise that in a Downside Case additional liquidity would be required towards the end of the viability period, which may necessitate limited mitigations, such as working capital management, amendments to capital work programmes, asset farm-downs or other financing options, including vendor financing or prepayments. Given the extended duration of the viability period, the Directors believe such measures can be executed successfully in the necessary timeframe to maintain liquidity.

Notwithstanding the principal risks and uncertainties described above, after making enquiries and assessing the progress against the forecast, projections and the status of the mitigating actions referred to above, the Directors have a reasonable expectation that the Group can continue in operation and meet its commitments as they fall due over the viability period ending March 2028. Accordingly, the Directors therefore support this viability statement.

# Group non-financial and sustainability information statement

The following information is prepared in accordance with Section 414CB(1) of the Companies Act 2006. Further information on each of the areas set out below, including the Group's policies where relevant, can be found in the following pages of this section of the report. The Group's business model can be found on page 2, while its key performance indicators can be found on page 5. The Group's principal risks can be found on page 54 and include HSE, Human Resources and Reputation.

# Environmental (see Pages 40 to 47, and 72 to 86)

- At the core of EnQuest's Values is SAFE Results with no harm to people and respect for the environment
- EnQuest's Environmental Management System ('EMS') ensures
  the Group's activities are undertaken in such a way that it
  manages and mitigates its impact on the environment. The EMS
  meets both the requirements of OSPAR and the International
  Organization for Standardization's environmental management
  system standard ISO 14001. Environmental performance is
  regularly reviewed by senior management and the Board, with
  no Health and Safety Executive ('HSE') Improvement Notices
  received in 2024
- Having progressed three significant renewable energy and decarbonisation opportunities at Sullom Voe Terminal, the Group launched Veri, with responsibility for delivering the Group's short- and medium-term emission reduction objectives and advancing longer-term renewable energy and decarbonisation opportunities
- During 2023, EnQuest's Board approved a commitment to reach net zero in respect of Scope 1 and Scope 2 emissions by 2040
- The Group continues to make good progress in reducing its absolute Scope 1 and 2 emissions. Since 2018, UK emissions have reduced by 40%, which is significantly ahead of the UK Government's North Sea Transition Deal target of achieving a 10% reduction in Scope 1 and 2 CO<sub>2</sub> equivalent emissions by 2025
- In 2024, the Group expanded its Scope 3 emissions reporting to include Category 6 'Business travel', category 7 'Employee commuting' and, most materially, Category 11 'Use of sold products'. These reporting categories are in addition to Category 5 'Waste generated in operations', which formed part of the Group's SECR in the UK in 2023
- EnQuest has reported on all the emission sources within its operational control required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013
- The Group continues to evolve its disclosures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures
- EnQuest maintained a 'B' rating for its 2024 CDP Climate Change submission (2023: B)

# Our people (see Pages 51 to 53)

- EnQuest is committed to providing an inclusive culture that recognises and celebrates difference and sees a diverse culture as an enabler of creativity and performance improvement
- The Group-wide diversity and inclusion strategy was updated in 2024 to a Diversity, Equity and Inclusion strategy, with an associated policy and plan published on the Group's website
- DE&I statistics are monitored and reported to senior management on a monthly basis
- The mental and physical welfare of all employees continues to be a major focus across the business
- A broad programme of job-specific training was undertaken to ensure high levels of skill, competence and safety are maintained across our operations
- The UK's EnQlusion workforce group promoted a number of initiatives during 2024 and EnQuest became a member of the OEUK (D&I) Special Interest Group

# Community (see Pages 50 to 51)

Strategic Report

 Management consider that no formal policy is required given the key impacts on the community of environmental performance and our people. However, EnQuest is fully committed to active community engagement programmes, encouraging and supporting charitable donations in the areas of improving health, education and welfare within the communities in which it works

Corporate Governance

Financial Statements

- In Aberdeen, EnQuest was able to donate to a range of charities including its two core charities in the North Sea, CLAN Cancer Support and the Archie Foundation
- There was continued support for a range of cultural events, charitable donations and educational awards in Shetland throughout the year
- In Malaysia, EnQuest maintained its support of the Sungai Pergam Orang Asli Primary School in Terengganu, by contributing to student bursaries students through the MyKasih 'Love My School' programme, alongside a university scholarship programme

# Business conduct (see Page 72)

- The Group's Code of Conduct sets out the behaviour which the organisation expects of its Directors, managers and employees, and of our suppliers, contractors, agents and partners
- This code addresses several areas, including the importance of health and safety and environmental protection, compliance with applicable law, anti-corruption, anti-facilitation of tax evasion, anti-slavery, addressing conflicts of interest, ensuring equal opportunities, combatting bullying and harassment and the protection of privacy
- All employees in the Group undertake Anti-Bribery and Corruption and anti-facilitation of tax evasion training annually, with participation statistics reported to the Board
- The Group is committed to ensuring that it respects (and never participates in the violation of) international human rights. It does this through strict adherence to the Code of Conduct, its Modern Slavery Statement and the EnQuest Values (see page 72)
- The highest potential risk of modern slavery would be in the supply chain, and is covered by the supply chain policy. As such, risk-based due diligence may be conducted on suppliers before allowing them to become a preferred/pre-qualified supplier, with on-site audits undertaken where appropriate. EnQuest also conducts training for its procurement teams so that they understand the signs of modern slavery and how to raise any concerns they may have
- EnQuest is not aware of any slavery or human trafficking within its business or supply chains and no issue in relation to modern slavery has been raised



EnQuest's Kraken FPSO

# Our quest for better continues

# Our sustainability highlights for 2024

Reduction in Group Scope 1 and Scope 2 emissions vs 2020 baseline

Reduction in UK Scope 1 and 2 emissions vs 2018 NSTD baseline

22%

40%

LTIF<sup>1</sup> performance

1.55

Female representation at Board level

43%





# Social

Our culture defines how we approach safety and ensures that our people, EnQuest's most important asset, return home from work safe and well.

Committed to contributing positively to the

Focused on absolute Scope 1 and Scope 2 emission reductions with rolling Group

Implementation of Scope 3 disclosure

Growth and diversification ambition

centred on reduced carbon intensity

See more on Page 44

drive towards net zero

targets linked to reward

Committed to operating with a strong culture and Values, in line with the Group's purpose

Delivering SAFE Results with no harm to our people

Committed to improving workforce diversity, equity and inclusion

Committed to positively impact the communities in which we operate



See more on **Page 48** 



# Governance

We are committed to operating within a robust Risk Management Framework.

Committed to operating with the highest standards of integrity, in line with the Group's Code of Conduct

Apply the Group's established Risk Management Framework and operate within the Board-approved statement of risk appetite

Reward is linked to ESG performance



See more on **Page 54** 

1 Lost Time Incident Frequency represents the number of incidents per million hours worked (based on 12 hours for offshore and eight hours for onshore)

# Our ESG journey keeps evolving

# **Environmental** See more in Environmental on Page 44

Objectives

drive to net zero

- Reduce absolute Group Scope 1 and Scope 2 emission reductions by 10% across three-year period

· Contribute positively towards the

 Consolidate sector leadership within CDP Climate Change survey rating

# 2024 performance

- 22% reduction in Scope 1 and Scope 2 Group emissions versus 2020 baseline
- Exceeded 5% target and reduced upstream flare emissions by 18%
- Expanded Group Scope 3 disclosures to incorporate material value chain emissions
- Completed a Group-wide Double Materiality Assessment
- Achieved sector-leading B rating for the 2024 CDP Climate Change survey (2023: B)

# 2025 ambitions

Three-year emission reduction target vs 2022 baseline

# Long-term goals

Deliver net zero Scope 1 and Scope 2 emissions by



Target 12.2 – By 2030, achieve the sustainable management and efficient use of natural resources

# Social





- Committed to operating with a strong culture and Values, in line with the Group's purpose, alongside delivering SAFE Results with no harm to our people
- · Committed to improving workforce diversity, equity and inclusion
- · Aim to impact positively the communities in which we operate, prioritising respect for the environment

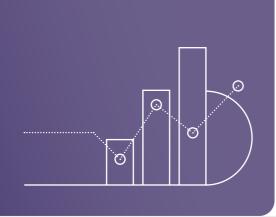
- · Group lost time incident frequency was 1.55 (2023: 0.52). UK average was 1.63
- Celebrated ten years of Malaysian operations with HSE Excellence award
- Group Diversity, Equity and Inclusion policy published in 2024

# Deliver LTIF performance ahead of industry benchmarks

 Our skilled and dedicated workforce is our strength. As we navigate the energy transition, we are committed to strategies that prioritise their wellbeing, professional growth and economic security

# Governance





- Committed to operating with high standards of integrity in line with the Group's Code of Conduct
- Apply the Group's established Risk Management Framework and operate within the Board-approved statement of risk appetite
- · Reward is linked to ESG performance

- Board composition compliant with FTSE Women Leaders Review and Listing Rule 6.6.6R(9) which targets at least 40% of Board members to be women
- Rosalind Kainyah and Marianne Daryabegui appointed as Non-Executive Directors
- Board remains ahead of the Parker Review requirement with respect to ethnic minority representation

# Female Board-level representation

 Committed to operating with high ethical standards, overseen by a diverse and knowledgeable Board

# **Environmental**

# Decarbonising operations whilst developing opportunities within the wider energy transition

Reduction in Group Scope 1 and 2 emissions

22%

vs 2020 baseline

Reduction in UK Scope 1 and 2 emissions

40%

vs 2018 NSTD¹baseline

A responsible oil and gas operator with a credible transition roadmap

EnQuest recognises that industry, alongside other key stakeholders such as governments, regulators, and consumers, must contribute to reducing atmospheric emissions to mitigate and slow climate change. EnQuest is committed to delivering against national emission reduction targets, and has in place a Board-approved commitment to reduce Group operated Scope 1 and Scope 2 emissions to net zero by 2040.

At the core of EnQuest's Values is SAFE Results with no harm to people and respect for the environment. As an oil and gas company operating across the energy transition life cycle, safely improving the operating, financial and environmental performance of mature and late-life assets remains a key business focus. Alongside the decarbonisation of existing Group operations, EnQuest's wholly owned subsidiary, Veri Energy, is developing and delivering scalable decarbonisation and renewable energy opportunities within the Group's transition roadmap, including opportunities such as carbon storage, electrification and the production of e-fuels.

Reducing Scope 1 and 2 CO<sub>2</sub>e

Within EnQuest's core Upstream and Decommissioning businesses, the Board is focused on a strategy that recognises hydrocarbons will remain a key element of the global energy mix for decades to come, and through which the Group can pursue a business model that helps fulfil energy demand, while reducing Scope 1 and Scope 2 emissions from its own business operations.

EnQuest has committed to reducing its absolute Scope 1 and Scope 2 CO<sub>2</sub>e to net zero by 2040. At the end of 2024, the Group's CO<sub>2</sub>e emissions have reduced by 22% versus the 2020 baseline, reflecting operational and facilities improvements and lower flaring and diesel usage.

Since 2018, EnQuest's UK emissions have reduced by 40%, including the impact of the decisions to cease production at several of the Group's assets. EnQuest's emission reduction performance is tracking significantly ahead of the UK Government's North Sea Transition Deal target of achieving a 10% reduction in Scope 1 and Scope 2 CO<sub>2</sub> equivalent emissions by 2025.

In addition to reducing upstream emissions, the Group has continued to optimise sales of Kraken cargoes directly to the shipping fuel market, thereby avoiding the significant emissions related to refining – estimated to be c.32–36 kgCO<sub>2</sub>e/bbl<sup>2,3</sup> for typical North Sea crude, and helping to reduce sulphur emissions in accordance with the International Maritime Organization ('IMO') 2020 regulations.

"We have a credible plan to progress our business towards net zero, transforming the carbon footprint of our existing portfolio and developing scalable decarbonisation projects at SVT."

Amjad Bseisu Chief Executive Officer

# Decarbonisation progress in 2024 – Upstream

At Magnus, the Group is investing in the asset's future by sanctioning a flare gas recovery project, which will help meet the NSTA's emission reduction requirements, and the World Bank's target of zero routine flaring by 2030.

Decarbonisation efforts at Kraken include boiler control upgrades to maximise the use of produced gas as fuel for the boilers or main power generators rather than be diverted to flare. The upgrades have been implemented across three boilers at Kraken, with the full emission reduction benefit expected in 2025.

Decarbonisation initiatives at the Greater Kittiwake Area include a study on the feasibility to revert a diesel turbine back into gas, with the potential to displace diesel consumption by utilising fuel gas at a much lower carbon intensity.

In Malaysia, the Group has delivered a 35% emission reduction at PM8/Seligi, against a 2020 baseline. This reduction has been achieved through upgrades to the compression system, resulting in improved compression uptime and reduced flaring.

# Midstream

At the Sullom Voe Terminal ('SVT'), two major infrastructure projects are ongoing which, when taken together, are expected to reduce terminal emissions by over 90%. The New Stabilisation Facility ('NSF') will right-size terminal operations to align to current throughput, while the Grid Power Connection project will see the on-site gas-fired power station to be retired from service. These projects will transform the carbon footprint and operating cost at SVT and serve as a high-profile exemplar of the UK's transition in action.

# Looking ahead – decarbonisation and diversification

In line with internal Group targets and those set within the regulatory environment, EnQuest is committed to a transition plan which has asset decarbonisation at its heart. Accordingly, the Group continues to identify and assess opportunities to lower the carbon footprint of existing infrastructure, as well as that of prospective acquisition targets.

In South East Asia, EnQuest continues to voluntarily limit emissions in support of Malaysia's Nationally Determined Contributions ('NDC') as per the Paris Agreement.

### Upstream

The Group maintains and assesses a hopper of emission reduction opportunities, focused on delivering an increasingly efficient product across the portfolio.

The EnQuest team continues to advance the Bressay gas import project as a subsea tie-back to Kraken with a Bressay Field Development Plan and Kraken FDPA in draft form and a final investment decision planned in 2025. This activity is expected to displace the majority of the diesel currently used to power Kraken operations; driving a material reduction in FPSO emissions and significantly reducing asset operating costs.

At Magnus, a significant proportion of emissions are associated with fuel gas usage. For 2024, fuel gas emissions represented 79% of Magnus's emissions. EnQuest has identified a decarbonisation and efficiency solution by replacing Magnus' three 5-Frame gas turbines with a refurbished LM2500+G4 gas turbine. The pre-existing turbines are oversized for current and forecasted energy demand and therefore right sizing turbines will significantly reduce fuel consumption and emissions associated with production.

# **Decommissioning**

EnQuest's UK Decommissioning directorate oversees the safe and efficient execution of decommissioning work programmes and is committed to delivering them in a responsible manner. This includes minimising emissions and maximising the recycle and reuse of recovered materials. In 2024, EnQuest has continued to demonstrate sector-leading performance within decommissioning, executing the plug and abandonment ('P&A') of 22 wells and doing so at a cost which is lower than the sector benchmark.

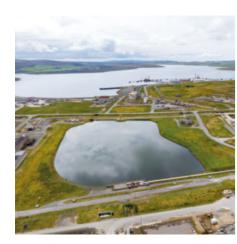
Well P&A work is progressing well at both Heather and Thistle, with anticipated disembarkation dates in Q2 2025 and early 2026, respectively. Decommissioning planning work is ongoing at the Greater Kittiwake asset, where the Group is proactively planning to complete well P&A activity alongside continued production.

# Notes above:

- North Sea Transition Deal
- 2 kgCO<sub>2</sub>e/bbl = kilograms of CO<sub>2</sub> equivalent per produced barrel
- Refinery Life Cycle Model ('PRELIM') recognised by California Air Resources Board, US Energy Technologies Laboratory, US DOE Office of Energy Efficiency and Renewable Energy, Carnegie Endowment for International Peace and the US Environmental Protection Agency

"EnQuest is committed to a Just Energy Transition, working to meet the UK's oil and gas demand while delivering the cleanest energy available."

Steve Bowyer General Manager, North Sea



Sullom Voe Terminal, Shetland Islands

Reduction in PM8/Seligi Scope 1 and Scope 2 emissions

35%

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# **Veri Energy**

EnQuest continues to mature renewable energy opportunities at SVT, including electrification, e-fuel production and carbon capture and storage ('CCS').

Veri Energy's electrification plans offer an opportunity for low carbon offshore production in the West of Shetland into the 2050s. The production of green hydrogen and synthetic diesel through harnessing the advantaged natural wind resource around Shetland could provide a low-carbon alternative fuel, supporting decarbonisation of several industries.

In 2023, EnQuest was awarded four CCS licences by the North Sea Transition Authority ('NSTA'). Following work to evaluate the licences, EnQuest took the decision to relinquish the Tern and Eider licences, effective 1 March 2025. The remaining licence areas, CS013 and CS014, incorporate the EnQuest-operated Magnus and Thistle fields, which together establish an estimated capacity of 200 million tonnes of CO<sub>2</sub> storage. Veri Energy's CCS initiatives could see the Group's operational carbon footprint become net negative by 2030. Due to exceptional reservoir sequestration potential, EnQuest estimates that c.10 million tonnes of carbon per annum could be processed through existing SVT infrastructure supporting individual and wider industry emission sequestration.

# **Sustainability disclosures**

EnQuest recognises that sustainability is more than just regulatory requirements, and is poised to align with the increasingly stringent ESG reporting requirements in the UK, with the view that structured reporting disclosures provide an opportunity to transparently report EnQuest's robust and credible net zero strategy, strong governance pathways, and ambition to continuously strive for improvements.

EnQuest's approach to sustainability has been recognised within CDP's new 2024 scoring methodology and has been awarded an A to A- within 10/16 scoring categories, achieving an overall score of B for 2024.

# Scope 3

EnQuest recognises the complexity and scope of its value chain and has carefully considered how to approach the disclosure of Scope 3 emissions. In 2024, resources were focused on expanding EnQuest's Scope 3 reporting capacity, with activities including an EnQuest-led emissions workshop with the Group's

third-party travel booking agent, and the development of an in-house commuting emissions app. Scope 3 development was undertaken as part of EnQuest's Continuous Improvement Plan ('CIP') and has enabled the progression of EnQuest's Scope 3 reporting category to include Category 5 'Waste', Category 6 'Business Travel', Category 7 'Commuting Emissions' and Category 11 'Sold Product'. For more information on the Group's Scope 3 reporting, please see page 123 of the Directors' Report.

### SECR

In 2022, the North Sea Transition Authority requested companies operating in the UK North Sea to consider disclosing certain quantitative metrics in their annual reports. The following disclosure has been made for 2024 in accordance with this request:

# North Sea Transition Authority – UK short-term quantitative metrics

short-term quantitative metri	CS
Scope 1 and 2 Emissions (MTCO <sub>2</sub> e)	784,051
Fugitive Emissions as % of Marketed Gas	0.025%
Carbon Intensity Total UK (MTCO <sub>2</sub> e/Boe)	0.046
Water Pollution Risks (million m³)	10.77
Waste Management & Disposal (MT)	21,336
Flaring & Venting (MTCO <sub>2</sub> e/Boe)	0.018
Regulatory Fines	0
Lost Time Injury Frequency Rate	2.3
Recordable Injury Frequency Rate	5.63
Restricted Workday Case	5
Medical Treatment Case	8
Lost Work Day Case	9

# Emission reduction incentivisation Emission reduction goals are included

within EnQuest's annual KPIs, and also within EnQuest's medium-term Performance Share Plan ('PSP'). The scheme runs across a three-year period with a minimum reduction threshold of 10% against a rolling baseline.

In 2024, EnQuest delivered an 8.2% reduction against 2021 baseline emissions. For 2025, the PSP three-year incentive scheme will be reviewed against a 2022 emission baseline.

# **Materiality Assessment**



# **Environmental management**

EnQuest's Environment Management System ('EMS') represents a group of reporting procedures that outline the process to manage and mitigate environmental impact, and how the Group will assess and select emission reduction opportunities. The EMS meets the requirements of the OSPAR recommendations 2003/2005 and is aligned with the requirements of International Organization for Standardization's environmental management system standard – ISO 14001 and ISO 50001.

# **Materiality assessment**

In 2024, EnQuest undertook a materiality assessment with reference to Global Reporting Initiative ('GRI') and International Association of Oil & Gas Producers ('IOGP') material sustainability topics for the oil and gas industry. This process was supported by Wood Mackenzie. The assessment enabled EnQuest to identify and understand the relative importance of specific sustainability-related subjects to EnQuest's operations, and to ensure they were appropriately addressed within the Group's Risk Management Framework ('RMF').

EnQuest will continue to review the outputs of this assessment as regulatory requirements continue to evolve.

# Sustainability matrix

The chart above shows the impact of key sustainability issues on EnQuest's business on the x-axis and the stakeholder's view of the effectiveness of EnQuest's response to these issues on the y-axis. The size of the bubble represents the importance to stakeholders. The scores on the y-axis were gathered through an online survey and face-to-face interviews with external stakeholders. The y-axis scores were averaged for online respondents and interviewees separately. The final score represents a weighted average of the two groups surveyed.

# Interpretation of the materiality assessment results

Scores gathered through one-on-one interviews were weighted at 70%, given their more in-depth, higher-quality input.

The stakeholders scored the effectiveness of EnQuest's response for each sustainability issue in the range between 6.5–8.5, given a scale of 1–10, with 1 representing an ineffective response and 10 representing an exceptionally effective response.

- Most of the issues identified as 'Negligible' or 'Minor' by EnQuest were also low in importance for stakeholders;
- Ten issues shown in the table above (1, 2, 7, 8, 9, 10, 14, 17, 18 and 19) were assessed by EnQuest as having a potentially 'Severe' or 'Major' impact on the Company;
- Stakeholder responses demonstrated strong alignment with the ten issues marked as 'High' importance;
- In general, the effectiveness of EnQuest's response was scored highly. Issue 7 (Decommissioning) was scored highly across all stakeholder groups.



# Our culture defines how we approach safety and ensures that our people, our most important asset, go home safe and well.

"Our culture defines how we approach safety and ensures that our people, our most important asset, go home safe and well."

Ian McKimmie
Director of HSE and Wells

# **Health and safety**

Underpinning the Group's licence to operate is its health and safety performance. The Group focuses on the delivery of SAFE Results while realising its business objectives. To achieve this, the business is managed in accordance with the Board-approved Group-wide Health, Safety, Environment and Assurance ('HSEA') Policy, which can be found on the Group's website, www.enquest.com, under Environmental, Social and Governance.

# Culture

Safety is at the heart of EnQuest's Values. The Group undertakes continuous improvement activities to ensure that its health and safety culture continues to develop. These have a focus on the prevention of personal injuries, dangerous occurrences and hydrocarbon releases and, in support of the delivery of SAFE Behaviours, are aligned to four key pillars of:

- Standards following rules and procedures;
- Awareness understanding the hazards and controls;
- Fairness adopting the correct behaviours; and
- Engagement communicating effectively.

Several improvements were made in people, plant and process safety, including:

- Shutdowns undertaken across the Group's operated asset base continued to focus on driving improved asset integrity and reliability;
- Risk-based approach applied to global audit and assurance plans and activities, to focus efforts on key areas of the business;

- Maturation of the process safety barrier model improving the visibility of integrity status to prioritise allocation of resources based upon risk; and
- Updates to key processes; Control of Work, Safe Isolation and Reinstatement of Plant and Investigation Management were made to improve ease of use and understanding and to incorporate learnings from previous events.

EnQuest Malaysia's continuous focus on a safe working environment delivered zero lost time injuries in 2024 and saw the Group recognised for HSE Excellence at the Malaysia Upstream Awards.

The Group's health and safety performance has continued to be strong from a leading indicator perspective, while lagging indicators of Lost Time Incidents ('LTIs') and hydrocarbon releases were more challenged. There has been further development of the continuous improvement culture with several activities undertaken in 2024 including:

- Independent audit of the Investigation Management Process with improvement plans identified;
- Exceeding the target for site safetyleadership visits, a leading safety indicator of engagement;
- Continuing to reduce high-risk safety and environmental critical element repair orders, which has lowered the risk profile across the Group; and
- Contributing positively to the industry organisations Offshore Energies UK and Step Change in Safety initiatives and campaigns.

No Health and Safety Executive ('HSE') Improvement Notices were issued in 2024.

### Health

EnQuest recognises the benefits of promoting positive health and wellbeing within the workplace. As such, the Group operates a Mental Health Policy to underpin a commitment to protecting and maintaining the health, safety and wellbeing of its workforce. The employeeled Wellbeing Committee implemented a number of activities such as Step Challenges, Menopause Awareness events and participation in the Corporate Games.

### Personal safety

Management of late-life assets through production operations, drilling and decommissioning activities requires constant vigilance and attention to detail. During the year, nine LTIs were reported across the Group, resulting in a Group LTI frequency of 1.55 (2023: 0.52) against a backdrop of 5,815,350 man hours worked.

The LTIs in 2024 were all related to contractor personnel and primarily occurred during routine activities. In response, management emphasised the need for increased leadership and accountability, continued focus on hazards and controls and dynamic risk assessment for all personnel at EnQuest sites.

Various notable milestones were achieved across the Group's asset base:

- The asset team at Kittiwake recorded 19 years LTI free;
- SVT achieved two significant milestones in 2024: reaching five years and five million manhours LTI free; and
- The PM8E/Seligi team achieved the milestone of two years LTI free in August with over four million manhours performed on production operations, drilling, well operations and shutdown activities.

# **Process safety**

Process safety continued to be a focus in 2024. In conjunction with the 2023 asset integrity review, there has been progress achieved in risk review processes, such as the maturation of the major accident hazard barrier model which enables the extraction of real-time inspection and maintenance data.

This has enabled the monthly asset Process Safety Review and Improvement Boards to generate open and transparent discussions about key threats and control arrangements:

- For those assets in a decommissioning phase and not processing hydrocarbons, asset integrity is being assured to deliver safe decommissioning activities, while the management of safety-critical maintenance is tailored to reflect the specific circumstances of each asset;
- HSEA systems have continued to be reviewed and the use of data visualisation tools is better informing HSEA performance and ensuring that any response to changing HSEA processes is supported by reliable data sources from automated systems;
- In both Malaysia and the UK, regulator interaction continues in an open and transparent manner, allowing for collaboration on key issues; and
- 2024 included one reportable hydrocarbon release across UK-operated assets (2023: two; 2022: three; 2021: one), while Malaysia incurred a single hydrocarbon release (2023: one; 2022: zero; 2021: one). Hydrocarbon release prevention also remained a focus area in 2024 and further programmes are planned for 2025 in the areas of operational procedures and integrity management.

# LTI frequency<sup>1</sup> performance

1.55

Tier 1 hydrocarbon releases across the Group<sup>2</sup>

2

- Lost Time Incident frequency represents the number of incidents per million exposure hours worked (based on 12 hours for offshore and eight hours for onshore)
- 2 Tier 1 Hydrocarbon release, 10kg gas or 100kg oil

"We are committed to achieving SAFE Results through comprehensive HSE processes and resources, personal responsibility, and the right to stop the job."

Ian McKimmie
Director of HSE and Wells

# Community

EnQuest has an established culture of supporting the communities in which we operate.

Charitable donations in 2024 (\$000)

c.181

EnQuest celebrated ten years of successful operations in Malaysia during 2024



EnQuest's Board of Directors visited Aberdeen for a series of employee events



# UK

EnQuest made a series of charitable donations throughout the year:

- Offshore and at SVT, our charitable donation scheme is directly linked to positive health and safety performance on our assets. Through these schemes EnQuest was able to donate to a wide range of charities including Scottish hospices, local cancer support groups as well as Men United, which aims to promote and protect the mental health and wellbeing of men, and AberNecessities which provides disadvantaged families with essential and basic necessities that no child should go without;
- SVT also supported a range of cultural and sporting events in Shetland in 2024, including Sail Training Shetland and event which supports 70 young people travelling from Shetland to Bergen. In addition, EnQuest also sponsored Shetland Rugby's mid-summer event for children, women's and men's matches and the Shetland Junior Golf Open;
- Seven educational awards for the academic year 2023-2024 were made by the Trustees of the Sullom Voe Terminal Participants' Tenth Anniversary Fund. Now in its 36th year, the Trust was established to promote and encourage the education of Shetland residents who will be studying a discipline likely to contribute to the social or economic development of Shetland. This year, students are engaged in disciplines as wide ranging as medicine, primary education, marine and fresh water biology and electrical and mechanical engineering. As operator, EnQuest also offers a scholarship opportunity to a student studying in a technical or commercial discipline that is relevant to SVT, where they take part in a work placement at the terminal during the summer break:
- In Aberdeen, EnQuest was able to donate to a range of charities including our two core charities in the North Sea, CLAN Cancer Support and the Archie Foundation. EnQuest also donated to Befriend a Child, a charity that supports disadvantaged children in Aberdeen City and Shire, the Camphill School which cares for children and young people with learning disabilities and complex additional support needs in Aberdeen, as well as matching employee funding for a range of charities from the First Scottish Women's Junior Cycle team to Duchenne UK, a muscular dystrophy disease that targets young boys aged between three and six years; and

"At EnQuest, our people will always be our most important asset."

Amjad Bseisu Chief Executive Officer

• EnQuest also offered 11 internship placements in the summer to a diverse group of postgraduates and undergraduates working across the business divisions from Upstream to Decommissioning, HR, as well as its Wells and Veri Energy business. Since September 2023, EnQuest has committed to sponsor a Mechanical Engineering student from Aberdeen University for the duration of their five-year degree course. This funding goes towards educational materials and subsistence for the student. This student will be invited to participate in our intern programme during their studies. Throughout 2024 EnQuest has also been supporting a Foundation Apprenticeship student. A Foundation Apprenticeship is a qualification for school pupils which combines collegebased learning and work-based learning. EnQuest will continue to expand its commitment to develop new talent in the industry and has already committed to a further graduate and intern programme for 2025.

# Malaysia

In Malaysia, EnQuest continued to support a very active programme of local community initiatives, charitable donations, and educational sponsorship, including:

- EnQuest Malaysia continued to support the Orang Asli primary school, Sekolah Kebangsaan Sungai Pergam, in Terengganu by contributing RM43,200 to student bursaries for 45 students through MyKasih 'Love My School' cashless programme. The bursaries enabled students to make cashless purchases of daily canteen meals and classroom necessities at school;
- EnQuest Malaysia has supported the school since June 2019, with the school being one of only two Orang Asli primary schools in the state. Having funded the refurbishment of the school canteen in 2019, EnQuest committed to paying RM60,550 for upgrades to classrooms and the school's roof. This included refurbishing a classroom for afterschool sessions to ensure no child is left behind in their studies;
- In 2024, 14 local university students were selected for internship placements in a variety of disciplines;
- EnQuest Malaysia has a total of six graduates of our scholarship awards, a joint sponsorship between EnQuest and The Amjad and Suha Bseisu Foundation. Disciplines include geology as well as chemical, mechanical, and petroleum engineering at courses offered at the Universiti Malaya, Universiti Teknologi Malaysia and Universiti Teknologi Petronas. Currently, we have four active scholarship recipients under the joint programme; and
- EnQuest Malaysia collaborated with the Global Peace Foundation Malaysia to enhance living circumstances for two indigenous communities in Pahang, helping more than 50 families.

# Our people

At EnQuest, we recognise people are critical to our success and we are committed to ensuring EnQuest remains a great place to work. We have a strong set of Values that underpin our way of working and provide a rewarding work environment, with opportunities for growth and learning while contributing to the delivery of our strategy.

# An inclusive workforce

We remain committed to providing an inclusive culture that recognises and celebrates difference and sees a diverse culture as an enabler of creativity and performance improvement. Established in 2021, the Group-wide diversity and inclusion ('D&I') strategy, was updated in 2024 to become a Diversity, Equity and Inclusion ('DE&I') strategy. EnQuest continues to focus on embedding the DE&I values into Company culture and making continuous efforts to fostering an environment that supports employee engagement and demonstrates our values across the Company. The DE&I policy and plan can be found on the Group's website (www.enquest.com), outlining our eight key commitments to:

- Understand the diversity of our workforce;
- Challenge personal bias, microaggressions and discrimination;
- Engage and educate our workforce on DE&I;
- Recruit on merit and consider diverse talent;
- Ensure that diverse talent is well represented;
- Reinforce meritocracy in performance evaluation and career advancement;
- Be influential and make real impact on society; and
- · Learn and continuously improve.

The UK's EnQlusion workforce group promoted a number of initiatives during 2024, including continued support for the Association for Black and Minority Ethnic Engineers and International Women's Day, as well as engaging in a variety of cultural celebration events through the year. EnQuest also worked with SPE International to deliver DE&I training to all of the onshore and offshore workforce. In 2024 EnQuest has also become a member of the OEUK D&I Special Interest Group.

### Recruitment

Our people and organisational strategy is to ensure that we have the right people, in the right roles, driving performance and delivering efficiencies as we pursue our strategy. We ensure that our processes are open and transparent, providing equal opportunities for all. We will continue with this approach, recruiting individuals based on merit and their suitability for the role.

We remain committed to fair treatment of people with disabilities in relation to job applications. Full and fair consideration is given to applications from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. In 2024 EnQuest became a Disability Confident Committed employer, formally recognising our commitment to increase our understanding of disabilities in the workplace and supporting disabled people to fulfil their potential.

During January 2025, EnQuest was an exhibitor at a SmartSTEM event at the University of Aberdeen. The event welcomed over 280 pupils from schools across Aberdeen City and Shire from socio-economically challenged areas, with the aim to inspire young students to study and pursue careers in science, technology, engineering and mathematics ('STEM') disciplines.

In addition, EnQuest employees exhibited at a careers fair in Lerwick, on Shetland, which was open to all secondary school students on the island. The event was attended by over 1,500 visitors and provided an opportunity for EnQuest to share information on operations at SVT and across the energy industry.

# Ways of working and engagement

We have a strong set of Values and high standards of business conduct which we expect our employees and everyone we work with to demonstrate and adhere to. Throughout 2024, we continued to celebrate and recognise those who had demonstrably lived our Values through Values awards presented at our Global Town Hall events.

EnQuest's Chairman, Gareth Penny, was the Company's formally designated Non-Executive Director for workforce engagement for most of 2024. Rosalind Kainyah, Non-Executive Director, took over the role in October 2024. The Forum functions as a useful interface between employees and management for constructive two-way dialogue. Areas discussed and reviewed during the year included:

- Board Member changes in 2024;
- HSE Focus / LTIs;
- · Veri Energy inception and strategy;
- Fiscal challenges and political landscape; and
- Acquisitions and opportunities for EnQuest growth.

In addition, during 2024, EnQuest Non-Executive Directors maintained a broad approach for employee engagement, such as through face-to-face meetings in specifically arranged, small group sessions. Further details of how the Company engages with its workforce can be found in the Corporate governance statement on page 95.

# Our commitment to wellbeing

The mental and physical welfare of all employees continues to be a major focus across the business. During 2023, a Mental Health and Wellbeing policy was developed and launched with the aim of protecting and maintaining the health, safety and welfare of employees by promoting positive health and wellbeing in the workplace. In 2024 we have continued this focus a provided online and face to face mental health training for managers. Managers are often the first line of defence when spotting an employee who may be suffering with poor mental health. Equipping managers with the knowledge and understanding of how best to support their teams has been recognised as the best start to improving workplace wellbeing.

We have a well-established Wellbeing Committee, consisting of an active membership from across the business. The Committee is pivotal in developing initiatives covering all aspects of individual wellbeing such as Mental Health Awareness week and introducing dignity baskets in female bathrooms, as well as social events such as our annual children's Christmas party. In 2024, EnQuest participated in the Aberdeen Corporate Games and saw excellent involvement from colleagues across the organisation in a variety of sporting events. We also use our internal social media channel to promote these initiatives and others, such as those targeted at physical health, including pilates, nutrition, along with the annual 'rig-run' and 'step count' challenges throughout the year

# Continued growth and learning In line with UK legislation, EnQuest continues

to contribute to the UK Apprenticeship Levy each year. Contributions to the levy can be reclaimed for specific training initiatives and EnQuest has partnered with SDC-Learn since 2023 to provide a Vocational Leadership Programme. For 2024-25, EnQuest has specifically targeted employees who aspire to and demonstrate a high potential to grow into a leadership or more senior leadership role in the future. With three cohorts commencing at different levels during this period, the programme will deliver a Vocational Qualification in Management and a Modern Apprenticeship Certificate upon completion. In Malaysia, the development of offshore competencies has remained a key focus during 2024 with a multi-phase training programme implemented with partner Institut Teknologi Petroleum PETRONAS (INSTEP). Officebased employees are provided with the opportunity to undertake an assignment at EnQuest's London and Aberdeen offices. In doing so they gain an understanding of global business expectations and enhance their technical and professional skills. There are currently two individuals from Malaysia on secondment in the UK. E-Learning remains a key tool in delivering training to employees in Malaysia with greater flexibility to meet their individual training needs.

Identifying succession plans for our business-critical roles continued in 2024 to ensure we retain and develop highpotential employees. We conduct regular reviews to ensure the direction, focus and development of employees identified remain relevant and on track. In 2024 a new development process was designed and launched to managers to support the



Breakfast with the Board enabled employees to discuss EnQuest culture with Directors

new framework. This included the introduction of a new digital Talent Profile for employees to build and maintain within our HR Information System ('HRIS'). As part of our management training on this, we also provided guidance on how to engage and discuss career development with their direct reports more effectively.

We communicated the new offering to employees via an HR roadshow at the end of June 2024. Simultaneously, we also launched LinkedIn Learning to all employees to better support and enable self-driven bite-size learning that employees can access on demand and in line with their own individual learning needs.

To reinforce the above action, we revisited our Mid-Year Review approach in order to utilise this process to further encourage employees to complete their talent profiles and drive career talks with line managers. As we have digitalised these through our HRIS, we can now access a detailed overview of the training needs that exist across the organisation, which in turn is helping to drive more data-driven decision-making around training.

In addition to this key focus on learning needs and training, we are continuing to work on our new career progression framework. Our aim now is to enhance the visibility of career paths that employees can have at EnOuest.

# Gender pay gap

When EnQuest published its first report on the gender pay gap in 2017, it highlighted a noticeable gap between what our male and female employees were being paid. Since then, the Company has worked hard on addressing and reducing the gap from a mean difference of men being paid 38.7% more in 2017 down to 22.8% in 2024.

The Group's mean gender pay gap has unfortunately increased from 21% in 2023 to 22.8% in 2024. Analysis suggests that this increase in gender pay gap has been driven by fewer female workers in the upper quartile pay segment compared to 2023. Also, the number of women in the lower quartile pay segment increased while the number of men decreased.

Looking forward, we are committed to improving our gender pay gap in 2025 and beyond. We will do this through continued focus on diversity and inclusion in all aspects of our business, fair and balanced recruitment and promotion processes and regular assessment of skills and capability to ensure we have the right people in the right roles regardless of gender, ethnicity or socio-economic background. For a breakdown of our Director and workforce gender, please see page 99.



EnQuest was an exhibitor at a SmartSTEM event at the University of Aberdeen

# Governance

The Board confirms that the Group complies with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Robust Risk Management Framework Risks and uncertainties

# Management of risks and uncertainties

Consistent with the Group's purpose, the Board has articulated EnQuest's strategic vision to be the partner of choice for responsible management of existing energy assets, applying our core capabilities to create value through the transition.

EnQuest seeks to balance its risk position between investing in activities that can achieve its near-term targets, including those associated with reducing emissions, and those which can drive future growth with appropriate returns, including capitalising on any opportunities that may present themselves, and the continuing need to remain financially disciplined. This combination drives cost efficiency and cash flow generation, facilitating continued reduction in the Group's debt.

In pursuit of its strategy, EnQuest has to manage a variety of risks. Accordingly, the Board has established a Risk Management Framework ('RMF') to enhance effective risk management within the following Board-approved overarching statements of risk appetite:

- The Group makes investments and manages the asset portfolio against agreed key performance indicators consistent with the strategic objectives of enhancing net cash flow, reducing leverage, reducing emissions, managing costs, diversifying its asset base and pursuing new energy and decarbonisation opportunities;
- The Group seeks to embed a culture of risk management within the organisation corresponding to the risk appetite which is articulated for each of its principal risks;
- The Group seeks to avoid reputational risk by ensuring that its operational and HSEA processes, policies and practices reduce the potential for error and harm to the greatest extent practicable by means of a variety of controls to prevent or mitigate occurrence; and
- The Group sets clear tolerances for all material operational risks to minimise overall operational losses, with zero tolerance for criminal conduct.

The Board reviews the Group's risk appetite annually in light of changing market conditions and the Group's performance and strategic focus. Senior management periodically reviews and updates the Group Risk Register based on the individual risk registers of the business. The Board also periodically reviews (with senior management) the Group Risk Register, an assurance map and controls review, a Risk Report (focused on identifying and mitigating the most critical

and emerging risks through a systematic analysis of the Group's business, its industry and the global risk environment), and a Continuous Improvement Plan ('CIP') to ensure that key issues are being adequately identified and actively managed. In addition, the Group's Audit Committee oversees the effectiveness of the RMF while the Sustainability and Risk Committee provides a forum for the Board to review selected individual risk areas in greater depth (for further information, please see the Audit Committee report on pages 101 to 106 and the Sustainability and Risk Committee report on pages 118 to 119).

As part of its strategic, business planning and risk processes, the Group considers how a number of macroeconomic themes may influence its principal risks. These are factors which the Group should be cognisant of when developing its strategy. They include, for example, long-term supply and demand trends for oil and gas and renewable energy, the evolution of the fiscal regime, developments in technology, demographics, the financial, physical and transition risks associated with climate change and other ESG trends, and how markets and the regulatory environment may respond, and the decommissioning of infrastructure in the UK North Sea and other mature basins. These themes are relevant to the Group's assessments across a number of its principal risks. The Group will continue to monitor these themes and the relevant developing policy environment at an international and national level. adapting its strategy accordingly.

For example, the Group has made further progress in the development and execution of its energy transition and decarbonisation strategy through the sanction of major decarbonisation projects across its existing infrastructure, as well as a suite of scalable renewable energy and decarbonisation projects under the management of Veri Energy, a wholly owned subsidiary of the Group.

The Group is also conscious that, as an operator of mature producing assets with limited appetite for exploration, it has only slight exposure to investments that do not deliver near-term returns and is therefore in a position to adapt and calibrate its exposure to new investments according to developments in relevant markets. This flexibility also ensures the Group can mitigate against the potential impact of 'stranded assets' (being those assets that are no longer able to earn an economic return as a result of changes associated with the transition to a low-carbon economy).

Within the Group's RMF, the Sustainability and Risk Committee has categorised all risk areas faced by the Group into a 'Risk Library' of 19 overarching risks. For each risk area, 'Risk Bowties' are used to identify risk causes and impacts, with these mapped against preventative and containment controls used to manage the risks to acceptable levels (see diagram on following page). These Risk Bowties are periodically reviewed to ensure they remain fit for purpose.

The Board, cognisant of the changes to the UK Corporate Governance Code during 2024 (and Provision 29 for future financial years), supported by the Audit Committee and the Sustainability and Risk Committee, has reviewed the Group's system of risk management and internal control for the period from 1 January 2024 to the date of this report and carried out a robust assessment of the Group's emerging and principal risks and the procedures in place to identify and mitigate these risks. A RMF Performance report is produced and reviewed at each Sustainability and Risk Committee meeting in support of this review. The Group will report on the updated UK Corporate Governance Code 2024 changes as appropriate.

# Our strategic focus

- Managing assets to optimise and grow production while exercising cost control and capital discipline
- 2 Repurposing existing infrastructure to deliver new energy and decarbonisation opportunities at scale
- 3 Safely and efficiently executing decommissioning activities
- Managing our Balance Sheet while pursuing selective, capability-led and value-accretive acquisitions
- See more in Our strategy Page 18

# Key Performance Indicators ('KPIs'):

- A HSEA (LTI)
- B Production (Boepd)
- C Unit opex (\$/Boe)
- Cash generated by operations (\$ million)
- E Cash capital and abandonment expense (\$ million)
- F EnQuest net debt (\$ million)
- G Net 2P reserves (MMboe)
- H Emissions (tCO₂e)
- See more in Our strategy Page 18

# ENQUEST RISK MANAGEMENT FRAMEWORK

# WHAT WE MONITOR

Governance

# Enterprise risk register

A summary of the Group's key risks; prepared by combining key risks identified from the asset and functional risk registers with Group-level risks.

# Asset and functional risk registers

A compilation of risks (including threats and opportunities) and mitigating controls being managed at an operational/functional level on a day-to-day basis.

# Quarterly RMF performance report

Reviewed by leadership teams before being presented to the Sustainability and Risk Committee and uploaded to the Board portal.

# **Continuous Improvement Plan**

A summary of the key actions planned for continual improvement of the RMF.

# Risk landscape inputs/considerations Comprises:

- (a) long-term macro factors such as political risk; supply and demand trends; climate change-related financial, physical and transition risks; and the decommissioning of infrastructure; and
- (b) near-term, emerging and principal risks. These are considered holistically on a backward and forwardlooking basis, alongside outputs from relevant strategic reviews, and summarised in an annual Risk Report presented to the Sustainability and Risk Committee.

### Assessment

Risk causes; likelihood and impact; gross impact; mitigating controls (preventative and containment); net impact; risk appetite; improvement actions; and risk owner.

### Identified risks

14 principal risks mapped from a 'Risk Library' of 19 overarching risks.

# **HOW WE MONITOR**

# Board of Directors (pages 90 to 91)

Responsible for providing oversight of the Group's control and risk management systems, reviewing key risks and mitigating controls periodically. Approves the Group's risk appetite annually and approves the Group's going concern and viability statements.



# Audit Committee (pages 101 to 106)

- Reviews the effectiveness of the Group's internal financial and IT-related controls;
- Reviews the internal audit assurance programme; and
- Reviews and recommends for approval by the Board the Group's going concern and viability statements.

Supported by the Group's Internal Audit function.

# Sustainability and Risk Committee (pages 118 to 119)

- Supports the implementation and progression of the Group's RMF;
- Monitors the adequacy of containment and mitigating controls, and progression of mitigation of risks;
- Undertakes in-depth analysis of specific risks and considers existing and potential new controls;
- Conducts detailed reviews of key non-financial risks not reviewed within the Audit Committee; and
- · Reviews HSE, technical and reserves matters.



# Business leadership teams

- Regularly reviews operating performance against stretching targets and agreed KPIs; and
- Regularly reviews asset risk registers and considers the results of assurance audits over operational controls.

# **Executive Committee**

- Frequently reviews Group performance, including financial, operating and HSE performance; and
- Periodically reviews the Enterprise Risk Register and RMF performance report.

# **HSEA Directorate**

- Regularly reviews the Group's HSE performance against stretching targets, agreed KPIs and industry benchmarks; and
- Regularly reviews the HSE risk register and considers the results of assurance audits over HSE controls.

# Near-term and emerging risks

As outlined previously, the Group's RMF is embedded at all levels of the organisation with asset risk registers, regional and functional risk registers and ultimately an enterprise-level 'Risk Library'. This integration enables the Group to identify quickly, escalate and appropriately manage emerging risks, and how these ultimately impact on the enterprise-level risk and their associated 'Risk Bowties'. In turn, this ensures that the preventative and containment controls in place for a given risk are reviewed and remain robust based upon the identified risk profile. It also drives the required prioritisation of in-depth reviews to be undertaken by the Sustainability and Risk Committee, which are now integrated into the Group's internal audit programme for review. During the year, six Risk Bowties were reviewed, ensuring that all 19 of the Group's identified risks have been reviewed within the targeted three-year cycle.

# **ONGOING GEOPOLITICAL SITUATION**

The Group has continued to assess its commercial and IT security arrangements and does not consider it has a material adverse exposure to the geopolitical situation with respect to the conflicts in Western Europe or the Middle East, although recognises that the situations have caused oil price volatility. The Group continues to monitor its position to ensure it remains compliant with any sanctions in place.

# Climate change risks

While not considered an emerging risk, given the focus on climate-related risks for energy companies, EnQuest has provided further detail below on its assessment of this risk within the Group's Risk Library. Additional information can be found in the Group's Task Force on Climate-related Financial Disclosures, starting on page 74.

# CLIMATE CHANGE

### **RISK**

The Group recognises that climate change concerns and related regulatory developments could impact a number of the Group's principal risks, such as oil and gas price, financial, reputational and fiscal risk and government take, which are disclosed later in this report.

# APPETIT

EnQuest recognises that the oil and gas industry, alongside other key stakeholders such as governments, regulators and consumers, must all play a part in reducing the impact of carbon-related emissions on climate change, and is committed to contributing positively towards the drive to net zero through the energy transition through reducing Scope 1 and Scope 2 emissions from existing operations. A decarbonisation strategy is being pursued through EnQuest's wholly owned subsidiary, Veri Energy, which was established to drive decarbonisation and renewable energy business opportunities.

The Group's risk appetite for climate change risk is reported against the Group's impacted principal risks, while a discrete disclosure against the Task Force on Climate-related Financial Disclosures can be found on pages 74 to 83.

# **MITIGATION**

Mitigations against the Group's principal risks potentially impacted by climate change are reported later in this report.

The Group has an emissions management strategy and is committed to a 10% reduction in Scope 1 and 2 emissions over three years against a rolling year-end baseline. These targets are directly linked to organisation-wide remuneration via the Group Performance Share Plan. The first three-year period of emission reduction targets covered the 2023 out-turn versus a 2020 baseline, and in this period the Group achieved a reduction of 23% through improvements in operational performance, minimising flaring and venting where possible, and the application of appropriate and economic improvement initiatives.

For 2024, the rolling emission reduction strategy shifted to a new baseline of verified 2021 emissions and, when measured against this, the Group's year-end 2024 emissions achieved an 8.2% reduction against a year-end 2021 baseline, falling short of the 10% emission reduction target. Exceptional decarbonisation efforts in 2021 reduced baseline emissions by 16% compared to 2020, far surpassing the targeted 3% year-on-year reduction.

Looking ahead, EnQuest has initiated significant decarbonisation workstreams across its existing portfolio, including a Flare Gas Recovery Project at Magnus, the New Stabilisation Facility and long-term power solution at the Sullom Voe Terminal ('SVT'), and the potential for a Bressay gas line to power Kraken operations.

Following the establishment of Veri Energy during 2023, the Group's business model incorporates a focus on repurposing existing infrastructure to support its renewable energy and decarbonisation ambitions, centred around SVT.

EnQuest has reported on all of the greenhouse gas emission sources within its operational control required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (see pages 122 to 124 for more information).

The Group's focus on short-cycle investments drives an inherent mitigation against the potential impact of 'stranded assets'.

# Key business risk

The Group's principal risks (identified from the 'Risk Library') are those which could prevent the business from executing its strategy and creating value for shareholders or lead to a significant loss of reputation. The Board has carried out a robust assessment of the principal and emerging risks facing the Group at its February meeting, including those that would threaten its business model, future performance, solvency or liquidity. Further to this assessment, the Board has committed to reviewing its principal risks and uncertainties during 2025 as part of its preparation for reporting against the 2024 changes to provision 29 of the Code.

Cognisant of the Group's purpose and strategy, the Board is satisfied that the Group's risk management system works effectively in assessing and managing the Group's risk appetite and has supported a robust assessment by the Directors of the principal risks facing the Group.

Set out on the following pages are:

- · The principal risks and mitigations;
- An estimate of the potential impact and likelihood of occurrence after the mitigation actions, along with how these have changed in the past year and which of the Group's KPIs could be impacted by this risk (see page 5 for an explanation of the KPI symbols); and
- An articulation of the Group's risk appetite for each of these principal risks.

Among these, the key risks the Group currently faces are materially lower oil prices for an extended period (see 'Oil and gas prices' risk on page 59), and/or a materially lower than expected production performance for a prolonged period (see 'Production' risk on page 60 and 'Reserves estimation and replacement' on page 65), which could reduce the Group's cash generation, which may in turn impact the Company's ability to comply with the requirements of its debt facilities and/or execute growth opportunities.

# Health, Safety and Environment ('HSE')

Oil and gas development, production and exploration activities are by their very nature complex, with HSE risks covering many areas, including major accident hazards, personal health and safety, compliance with regulatory requirements, asset integrity issues and potential environmental impacts, including those associated with climate change.

The Group's principal aim is SAFE Results with no harm to people and respect for the environment. Should operational results and safety ever come into conflict, employees have a responsibility to choose safety over operational results. Every employee is empowered to stop operations for safety-related reasons.

The Group's desire is to maintain upper quartile HSE performance measured against suitable industry metrics.

In 2024, EnQuest's Lost Time Incident frequency rate ('LTIF') of 1.55 and two hydrocarbon releases, reported on page 49, challenged this objective. The lost time injuries were all associated with routine repetitive tasks. The root causes have been assessed and the Group is working closely with the contractors involved to ensure that everyone is aligned with EnQuest's safety culture, trained on equipment and procedures and empowered to stop a task should a safer method be identified. The hydrocarbon releases did not have common root causes and occurred at two different locations. All events were subject to thorough investigation and no systemic failure was identified within EnQuest systems.

All of the injurious events in 2024 were associated with external contractors, reflecting the high level of project and decommissioning activities that rely on these services. Regardless, the Group takes its responsibility seriously and has provided additional resources to support contractors to ensure that EnQuest's fundamental aim of ensuring no harm to people and respect for the environment is given the highest priority.

# **MITIGATION**

The Group's HSE Policy is fully integrated across its operated sites and this enables a consistent focus on HSE. There is a strong assurance programme in place to ensure that the Group complies with its policy and principles and regulatory commitments.

The Group maintains, in conjunction with its core contractors, a comprehensive programme of assurance activities and has undertaken a series of in-depth reviews into the Risk Bowties that have demonstrated the robustness of the management process and identified opportunities for improvement which are implemented on a prioritised risk basis. The Group-aligned HSE Continuous Improvement Plan promotes a culture of accountability and performance in relation to HSE matters. The purpose of this plan is to ensure that everyone understands what is expected of them by having realistic standards, governance, and capabilities to add value and support the business. HSE performance is discussed at each Board meeting and the mitigation of HSE risk continues to be a core responsibility of the Sustainability and Risk Committee. During 2024, the Group continued to focus on the control of major accident hazards and SAFE Behaviours.

In addition, the Group has positive and transparent relationships with the UK Health and Safety Executive and Department for Energy Security and Net Zero, and the Malaysian regulator, PETRONAS Malaysia Petroleum Management.

# Oil and Gas Prices

# Potential impact

Medium (2023: Medium)

# Likelihood

Medium (2023: Medium)

# Change from last year

EnQuest respects the hazards associated with oil and gas development and production in harsh environments and has applied continued focus to the safety and wellbeing of its people and assets. As a result, the potential impact and likelihood remains in line with 2023. Through our HSE processes, there is continuous focus on the management of the barriers that prevent hazards occurring. The Group has a strong, open and transparent reporting culture and monitors both leading and lagging indicators and incurs substantial costs in complying with HSE requirements. The Group's overall record on HSE has been good and is achieved by working closely and openly with contractors, verifiers and regulators to identify potential improvements through an active assurance process and implement plans to close any gaps in a timely manner.

# Risk appetite

Low (2023: Low)

# Link to strategy









Read more in Our Strategy see Page 18

# **Related KPIs**











Read more in Highlights see Page 4

1 Lost Time Incident frequency represents the number of incidents per million exposure hours worked (based on 12 hours for offshore and eight hours for onshore)

A material decline in oil and gas prices adversely affects the Group's operations and financial condition as the Group's revenue depends substantially on oil prices.

### **APPETITE**

The Group recognises that considerable exposure to this risk is inherent to its business but is committed to protecting cash flows in line with the terms of its reserve based lending ('RBL') facility.

### MITIGATION

This risk is being mitigated by a number of measures.

As an operator of mature producing assets with limited appetite for exploration, the Group has limited exposure to investments which do not deliver near-term returns and is therefore in a position to adapt and calibrate its exposure to new investments according to developments in relevant markets.

The Group monitors oil price sensitivity relative to its capital commitments and its assessment of the funds required to support investment in the development of its resources. The Group will therefore regularly review and implement suitable programmes to hedge against the possible negative impact of changes in oil prices within the terms of its established policy (see page 174) and the terms of the Group's RBL facility, which requires hedging of EnQuest's entitlement sales volumes (see page 174). To mitigate oil price volatility, the Directors have hedged a total of 3.1 MMbbls from 1st April 2025 for the next 12 months with an average floor price of \$69.6/bbl and a further 1.3 MMbbls in the subsequent 12 month period with an average floor price of \$68.3/bbl, in each case predominantly utilising swaps. The Directors, in line with Group policy and the terms of its RBL facility, will continue to pursue hedging at the appropriate time and price.

The Group has an established in-house trading and marketing function to enable it to enhance its ability to mitigate the exposure to volatility in oil prices.

Further, the Group's focus on production efficiency supports mitigation against a low oil price environment.

# Potential impact High (2023: High)

Likelihood

High (2023: High)

# Change from last year

The potential impact and likelihood remain high, reflecting the uncertain economic outlook, including possible impacts from a global recession, geopolitical tensions and associated sanctions, and the potential acceleration of 'peak oil' demand.

The Group recognises that climate change concerns and related regulatory developments are likely to reduce demand for hydrocarbons over time. This may be mitigated by correlated constraints on the development of new supply. Further, oil and gas will remain an important part of the energy mix, especially in developing regions.

# Risk appetite

Medium (2023: Medium)

# Link to strategy







Read more in Our Strategy see Page 18

# **Related KPIs**







Read more in Highlights see Page 4

# **Production**

Governance

The Group's production is critical to its success and is subject to a variety of risks, including subsurface uncertainties, operating in a mature field environment, potential for significant unexpected shutdowns, and unplanned expenditure (particularly where remediation may be dependent on suitable weather conditions offshore).

Lower than expected reservoir performance or insufficient addition of new resources may have a material impact on the Group's future arowth.

Longer-term production is threatened if low oil prices or prolonged field shutdowns and/or underperformance requiring high-cost remediation bring forward decommissioning timelines.

Since production efficiency and meeting production targets are core to EnQuest's business, the Group seeks to maintain a high degree of operational control over producing assets in its portfolio. EnQuest has a very low tolerance for operational risks to its production (or the support systems that underpin production).

The Group's programme of asset integrity and assurance activities provide leading indicators of significant potential issues, which may result in unplanned shutdowns, or which may in other respects have the potential to undermine asset availability and uptime. The Group continually assesses the condition of its assets and operates extensive maintenance and inspection programmes designed to minimise the risk of unplanned shutdowns and expenditure.

The Group monitors both leading and lagging KPIs in relation to its maintenance activities and liaises closely with its downstream operators to minimise pipeline and terminal production impacts.

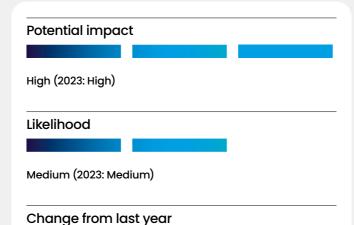
Production efficiency is continually monitored, with losses being identified and remedial and improvement opportunities undertaken as required. A continual, rigorous cost focus is also maintained.

Life of asset production profiles are audited by independent reserves auditors. The Group also undertakes regular internal reviews. The Group's forecasts of production are risked to reflect appropriate production uncertainties.

The Sullom Voe Terminal has a good safety record, and its safety and operational performance levels are regularly monitored and challenged by the Group and other terminal owners and users to ensure that operational integrity is maintained. Further, EnQuest is committed to transforming the Sullom Voe Terminal to ensure it remains competitive and well placed to maximise its useful economic life and support the future of the North Sea.

The Group actively continues to explore the potential of alternative transport options and developing hubs that may provide both risk mitigation and cost savings.

The Group also continues to consider new opportunities for expanding production and has recently added diversified growth to its production base through an expansion of the Seligi gas agreement and the Group's agreement to acquire the Block 12W production assets in Vietnam.



There has been no material change in the potential impact or likelihood. The Group revised its 2024 production guidance to slightly below its original guidance for the year and continues to focus on key maintenance activities during planned shutdowns and procuring a stock of critical spares to support facility uptime.



# Link to strategy









Read more in Our Strategy see Page 18

# Related KPIs















Read more in Highlights see Page 4

# **Financial**

Inability to fund financial commitments or maintain adequate cash flow and liquidity and/or reduce costs.

Significant reductions in the oil price, production and/or the funds available under the Group's RBL facility would likely have a material impact on the Group's ability to repay or refinance its existing credit facilities and invest in its asset base. Prolonged low oil prices, cost increases, including those related to an environmental incident, and production delays or outages, could threaten the Group's liquidity and/or ability to comply with relevant covenants. Further information is contained in the Financial review, particularly within the going concern and viability disclosures on pages 34 to 38.

The Group remains focused on further reducing its leverage levels, targeting 0.5x EnQuest net debt to EBITDA ratio on a midcycle oil price basis, maintaining liquidity, controlling costs and complying with its obligations to finance providers while delivering shareholder value.

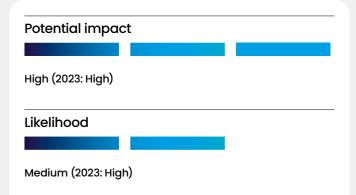
### **MITIGATION**

Balance sheet management remains a strategic priority. During 2024, the Group's free cash flow generation and the repayment of a vendor loan provided to RockRose as part of the 2023 Bressay transaction drove a \$95.1 million reduction in EnQuest net debt to \$385.8 million at 31 December 2024, with the EnQuest net debt to adjusted EBITDA ratio maintained at 0.6x. During the year, EnQuest also further optimised its capital structure through the successful high yield bond tap and repayment in full of both the RBL and Term Loan facilities. Repayment of the term loan, which had second lien security, added additional access to the RBL while the year-end 2024 redetermination resulted in an increase to the available funds under the RBL. At 26 March 2025, the Group's RBL facility was undrawn following repayments totalling \$140.0 million in the first guarter of 2024, ensuring the Group remains ahead of the amended facility amortisation schedule and within its borrowing base limits

Ongoing compliance with the financial covenants under the Group's reserve based lending facility is actively monitored and reviewed. EnQuest generates operating cash inflow from the Group's producing assets and reviews its cash flow requirements on an ongoing basis to ensure it has adequate resources for its needs.

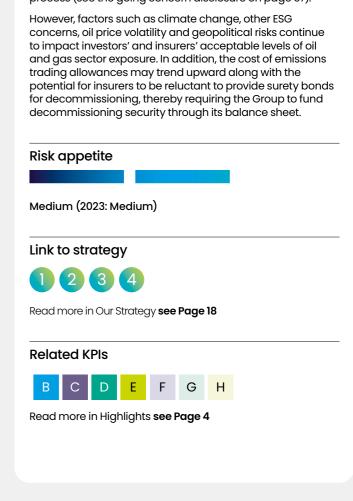
Where costs are incurred by external service providers, the Group actively challenges operating costs. The Group also maintains a framework of internal controls.

These steps, together with other mitigating actions available to management, are expected to provide the Group with sufficient liquidity to meet its obligations as they fall due.



# Change from last year

There is no change to the potential impact but the likelihood has reduced. Against a backdrop of improved fiscal certainty and relatively stable oil price environment, the Group has significantly reduced its debt and successfully refinanced certain of its debt facilities in 2024. This maximises available financial capacity, with funds available under the Group's RBL further increased in January 2025 following the annual redetermination process (see the going concern disclosure on page 37).



# Competition

### **RISK**

The Group operates in a competitive environment across many areas, including the acquisition of oil and gas assets, the marketing of oil and gas, the procurement of oil and gas services, including drilling rigs for development and decommissioning projects, and access to experienced and capable personnel.

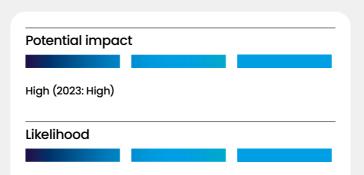
# **APPETITE**

The Group operates in a mature industry with well-established competitors and aims to be the leading operator in the sector.

### **MITIGATION**

The Group has strong technical, commercial and business development capabilities to ensure that it is well positioned to identify and execute potential acquisition opportunities, utilising innovative structures, which may include the Group's competitive advantage of approximately \$2.1 billion of UK tax losses, as may be appropriate.

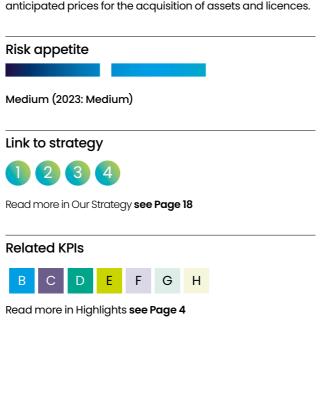
The Group maintains good relations with oil and gas service providers and constantly keeps the market under review. EnQuest has a dedicated marketing and trading group of experienced professionals responsible for maintaining relationships across relevant energy markets, thereby ensuring the Group achieves the highest possible value for its production. Human Resources risk is covered specifically on page 71.



# Change from last year

High (2023: High)

The potential impact and likelihood remain unchanged, with the confirmed changes of the UK EPL and removal of investment allowances likely to impact industry participants' investment views of the UK North Sea, a number of competitors assessing the acquisition of available oil and gas assets and the rising potential for consolidation. Operating in a competitive industry may result in higher than anticipated prices for the acquisition of assets and licences.



# IT Security and Resilience

### DICK

The Group is exposed to risks arising from interruption to, or failure of, IT infrastructure. The risks of disruption to normal operations range from loss in functionality of generic systems (such as email and internet access) to the compromising of more sophisticated systems that support the Group's operational activities. These risks could result from malicious interventions such as cyber-attacks or phishing exercises.

### DDETITE

The Group endeavours to provide a secure IT environment that is able to resist and withstand any attacks or unintentional disruption that may compromise sensitive data, impact operations, or destabilise financial systems; it has a very low appetite for this risk.

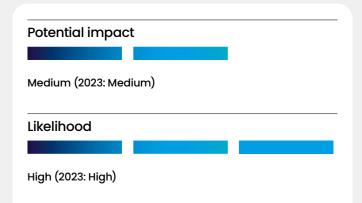
### MITIGATION

The Group has established IT capabilities and endeavours to be in a position to defend its systems against disruption or attack.

A number of tools to strengthen employee awareness continue to be utilised, including videos, presentations, Viva Engage posts and poster campaigns.

The Audit Committee has reviewed the Group's cyber-security measures and its IT resourcing model, noting the Group has a dedicated cyber-security manager. Work on assessing the cyber-security environment (including internal audit reviews) and implementing improvements as necessary has continued during 2024. A number of actions were undertaken to further strengthen our controls including the following:

- Implementation of IT Governance, Risk and Compliance framework to address UK Corporate Governance Code 2024
- Security strengthened through actions to improve privileged access and password changes to finance system
- Insider threat penetration testing carried out, alongside a ransomware threat and attack desktop exercise facilitated by a third party cyber security company
- Air gapped (segregated) back-ups, meaning they are separately available with minimal operational impact should the main data be hit by ransomware. An added feature of this initiative is continuous scanning of all EnQuest's back-ups for the presence of ransomware
- Established a Security Operations Centre for 24/7 live monitoring of Group's cyber environment, improving cyber threat detection and intervention capability
- Upgraded the Group's existing brand protection service to include 'Identity Protection' module. This is utilised to identify EnQuest IT users' leaked credentials
- Initiated a review of the Group's supply chain/vendor cyber security risk management environment, with 31 vendors assessed to date
- Established a Group-wide vulnerability management process, enabling the continuous review and identification of high risk vulnerabilities and planned remediation



# Change from last year

There is no change to the impact or likelihood of this risk.

Risk appetite

Low (2023: Low)

# Link to strategy







# **Related KPIs**





Read more in Highlights see Page 4

# **Portfolio** Concentration

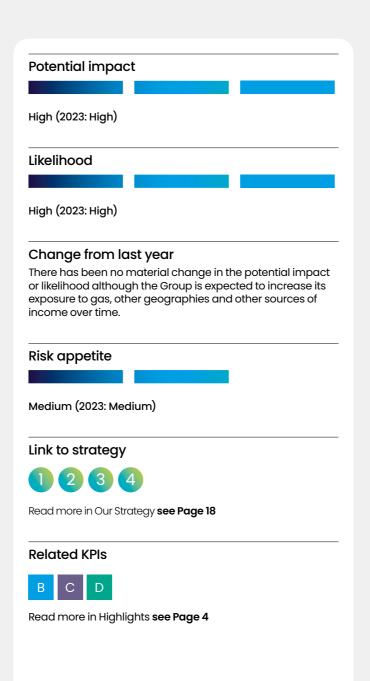
The Group's existing assets are primarily concentrated in the UK North Sea around a limited number of infrastructure hubs and existing production (principally oil) is from mature fields. This amplifies exposure to key infrastructure (including ageing pipelines and terminals), political/fiscal changes and oil price movements.

The Group is pursuing an international growth and diversification strategy that includes an increased gas component with the extent of portfolio concentration moderated by existing production generated in Malaysia and further business development activities in South East Asia, including the expansion of the Seligi Gas Agreement in Malaysia and agreement to acquire hydrocarbon assets in Vietnam.

This risk is mitigated in part through acquisitions. For all acquisitions, the Group uses a number of business development resources, both in the UK and internationally, to liaise with vendors/ governments and evaluate and transact. This includes performing extensive due diligence (using in-house and external personnel) and actively involving executive management and the Board in reviewing commercial, technical and other business risks together with mitigation measures.

The Group also constantly keeps its portfolio under rigorous review and, accordingly, actively considers the potential for making disposals, executing development projects, expanding hubs and investing in gas assets, export capability or renewable energy and decarbonisation projects where such opportunities are consistent with the Group's focus on enhancing net revenues, generating cash flow and strengthening the balance sheet.

The Group has made good progress with its decarbonisation strategy, identifying the three key focus areas of carbon storage, electrification/renewable power and production of e-fuels through its subsidiary company, Veri Energy, which could provide diversified revenue opportunities in the long term.



# **Reserves Estimation** and Replacement

Failure to develop contingent and prospective resources or secure new licences and/or asset acquisitions and realise their expected

# **APPETITE**

Reserves replacement is an element of the sustainability of the Group and its ability to grow. The Group has some tolerance for the assumption of risk in relation to the key activities required to deliver reserves growth, such as drilling and acquisitions.

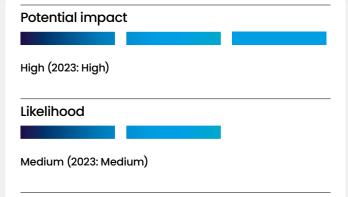
The Group puts a strong emphasis on subsurface analysis and employs industry-leading professionals. The Group continues to recruit in a variety of technical positions which enables it to manage existing assets and evaluate the acquisition of new assets and licences.

All analysis is subject to internal peer-review process and, where appropriate, external review and relevant stage gate processes. All reserves are currently externally reviewed by a Competent Person.

The Group has material reserves and resources at Magnus, Kraken and PM8/Seligi. Some of the resources volumes can be accessed through low-cost workovers, drilling and tie-backs to existing infrastructure.

The Group continues actively to consider potential opportunities to acquire new production resources and development projects that meet its investment criteria. In 2024, the Group successfully secured the Seligi Phase 1b project (13.7 MMboe net WI reserves) with anticipated first gas in 2026. Additionally, the Group was awarded a Production Sharing Contract for a new discovered resource opportunity block (DEWA) in Malaysia, which has the potential to be developed in the next few years with estimated resources of 17.7 MMboe net WI.

The Group's acquisition in Vietnam is expected to complete in the second quarter of 2025, adding 7.5 MMboe of net 2P reserves.



# Change from last year

There is no change to the potential impact or likelihood of this risk. There have been two new secured projects in Malaysia, Seligi Phase 1b and the DEWA block. It is also expected that the Group will complete the acquisition of Harbour Energy's asset in Vietnam in 2025 which will further improve the Reserves Replacement Ratio.

Other aspects still remain, such as possible low oil prices and higher development cost and declining asset performance which accelerate cessation of production and can potentially affect development of contingent and prospective resources and/or reserves certifications.

Given EnQuest's limited appetite for exploration, the Labour Government's manifesto promise not to issue new oil and











Read more in Our Strategy see Page 18











Read more in Highlights see Page 4

# Project Execution and Delivery

### RISK

The Group's success will be partially dependent upon the successful execution and delivery of potential future projects that are undertaken, including infill development, tie-back and facility modifications, decommissioning, decarbonisation and new energy opportunities in the UK.

### **APPETITE**

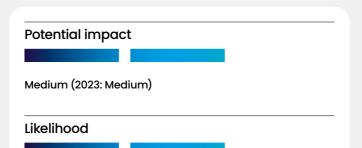
The efficient delivery of projects has been a key feature of the Group's long-term strategy. The Group's appetite is to identify and implement short-cycle development projects such as infill drilling, near-field tie-backs and facility modifications to enable emission reduction initiatives in its Upstream business, industrialise decommissioning projects to ensure cost efficiency and unlock new energy and decarbonisation opportunities through innovative commercial structures and redevelopment of SVT. While the Group necessarily assumes significant risk when it sanctions a new project (for example, by incurring costs against oil price or cost of emission allowances assumptions), or a decommissioning programme, it requires that risks to efficient project delivery are minimised.

### MITIGATION

The Group has teams which are responsible for the planning and execution of new projects with a dedicated team for each project. The Group has detailed controls, systems and monitoring processes in place, notably the Capital Projects Delivery Process and the Decommissioning Projects Delivery Process, to ensure that deadlines are met, costs are controlled and that design concepts and Field Development/Decommissioning Plans are adhered to and implemented. These are modified when circumstances require and only through a controlled management of change process and with the necessary internal and external authorisation and communication. The Group's UK decommissioning programmes are managed by a dedicated directorate with an experienced team who are driven to deliver projects safely at the lowest possible cost and associated emissions.

Within Veri Energy, the Group is working with experienced third-party organisations and aims to utilise innovative commercial structures to develop new energy and decarbonisation opportunities.

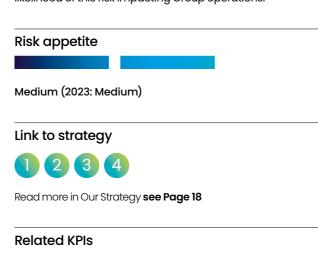
The Group also engages third-party assurance experts to review, challenge and, where appropriate, make recommendations to improve the processes for project management, cost control and governance of major projects. EnQuest ensures that responsibility for delivering time-critical supplier obligations and lead times are fully understood, acknowledged and proactively managed by the most senior levels within supplier organisations.



# Change from last year

Medium (2023: Low)

The potential impact remains unchanged. As the Group focuses on managing its balance sheet, its current appetite is to pursue short-cycle development projects and to manage its decommissioning and Infrastructure and New Energy projects over an extended period of time. However, the volume of projects across the portfolio in the execution phase, including the material right-sizing projects ongoing at SVT, increase the likelihood of this risk impacting Group operations.



Read more in Highlights see Page 4

# Fiscal Risk and Government Take

### RISK

Unanticipated changes in the regulatory or fiscal environment can affect the Group's ability to deliver its strategy/business plan and potentially impact revenue and future developments.

### **APPETITE**

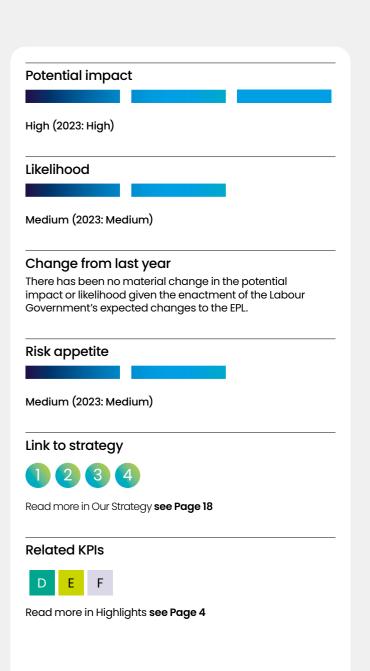
Given the Group's strategy to grow in the UK and internationally, including in its nascent new energy business, it must be tolerant of certain inherent exposure.

# **MITIGATION**

It is difficult for the Group to predict the timing or severity of such changes. However, through Offshore Energies UK and other industry associations, the Group engages with government and other appropriate organisations in order to keep abreast of expected and potential changes. The Group also takes an active role in making appropriate representations as it has done throughout the implementation period of the EPL.

All business development or investment activities recognise potential tax implications and the Group maintains relevant internal tax expertise.

At an operational level, the Group has procedures to identify impending changes in relevant regulations to ensure legislative compliance.



# International **Business**

While the majority of the Group's activities and assets are in the UK, the international business is still material and, with recent acquisitions, is growing. The Group's international business is subject to the same risks as the UK business (for example, HSEA, production and project execution). However, there are additional risks that the Group faces, including security of staff and assets, political, foreign exchange and currency control, taxation, legal and regulatory, cultural and language barriers and corruption.

In light of its long-term growth strategy, the Group seeks to expand and diversify its production (geographically and in terms of quantum and product mix); as such, it is tolerant of assuming certain commercial risks which may accompany the opportunities it pursues.

However, such tolerance does not impair the Group's commitment to comply with legislative and regulatory requirements in the jurisdictions in which it operates. Opportunities should enhance net revenues and facilitate strengthening of the balance sheet.

### **MITIGATION**

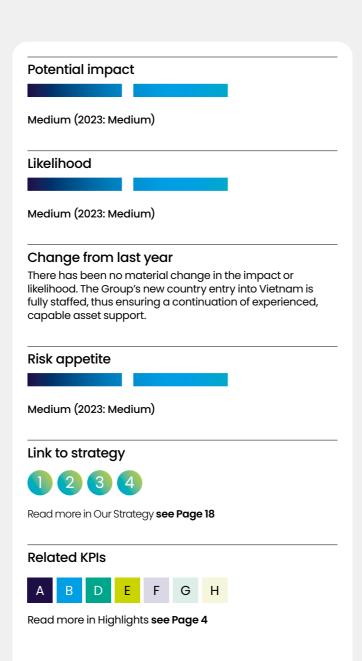
Prior to entering a new country, EnQuest evaluates the host country to assess whether there is an adequate and established legal and political framework in place to protect and safeguard first its expatriate and local staff and, second, any investment within the country in question.

When evaluating international business risks, executive management conducts a review of commercial, technical, ethical and other business risks, together with mitigation and considers how risks can be managed by the business on an ongoing basis.

EnQuest looks to employ suitably qualified host country staff and work with good quality local advisers to ensure it complies with national legislation, business practices and cultural norms, while at all times ensuring that staff, contractors and advisers comply with EnQuest's business principles, including those on financial control, cost management, fraud and corruption.

Where appropriate, the risks may be mitigated by entering into a joint venture with partners with local knowledge and experience.

After country entry, EnQuest maintains a dialogue with local and regional government, particularly with those responsible for oil, energy and fiscal matters, and may obtain support from appropriate risk consultancies. When there is a significant change in the risk to people or assets within a country, the Group takes appropriate action to safeguard people and assets.



# **Joint Venture Partners**

Failure by joint venture parties to fund their obligations.

Dependence on other parties where the Group is non-operator.

# **APPETITE**

The Group requires partners of high integrity. It recognises that it must accept a degree of exposure to the creditworthiness of partners and evaluates this aspect carefully as part of every investment decision.

### MITIGATION

The Group operates regular cash call and billing arrangements with its co-venturers to mitigate the Group's credit exposure at any one point in time and keeps in regular dialogue with each of these parties to ensure payment. Risk of default is mitigated by joint operating agreements allowing the Group to take over any defaulting party's share in an operated asset and rigorous and continual assessment of the financial situation of partners.

The Group generally prefers to be the operator and maintains regular dialogue with its partners to ensure alignment of interests and to maximise the value of joint venture assets, taking account of the impact of any wider developments.



Medium (2023: Low)

Likelihood

# Change from last year

There has been no material change in the potential impact but the challenging UK fiscal environment increases the likelihood of default for EnQuest's joint venture partners.

# Risk appetite

Medium (2023: Medium)

# Link to strategy







Read more in Our Strategy see Page 18

# **Related KPIs**









Read more in Highlights see Page 4

# Reputation

The reputational and commercial exposures to a major offshore incident, including those related to an environmental incident, or non-compliance with applicable law and regulation and/ or related climate change disclosures, are significant. Similarly, it is increasingly important that EnQuest clearly articulates its approach to and benchmarks its performance against relevant and material ESG factors.

The Group has no tolerance for conduct which may compromise its reputation for integrity and competence.

All activities are conducted in accordance with approved policies, standards and procedures. Interface agreements are agreed with all core contractors, ensuring that they comply with equivalent standards.

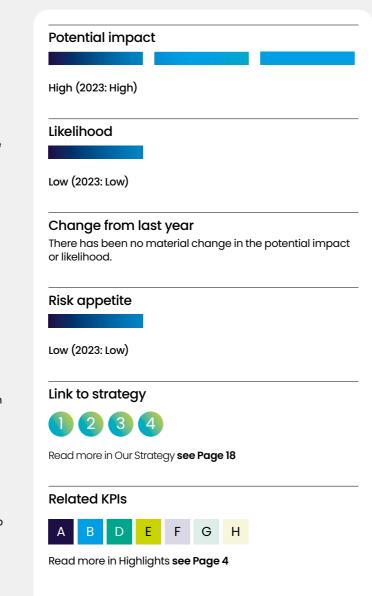
The Group requires adherence to its Code of Conduct and runs ethics and compliance programmes to provide assurance on conformity with relevant legal and ethical requirements. In 2024, the Group launched a Handrails website – a standalone website with various ethics and compliance policies, complemented by external training within the website.

The Group undertakes regular audit activities to provide assurance on compliance with established policies, standards and procedures.

All EnQuest personnel and contractors are required to undertake an annual anti-bribery and corruption course, an anti-facilitation of tax evasion course and a data privacy course.

All personnel are authorised to shut down operations for safety-

The Group has a clear ESG strategy, with a focus on health and safety (including asset integrity), emission reductions, looking after its employees, positively impacting the communities in which the Group operates, upholding a robust Risk Management Framework and acting with high standards of integrity. The Group is successfully implementing this strategy.



# **Human Resources**

The Group's success continues to be dependent upon its ability to attract and retain key personnel and develop organisational capability to deliver strategic growth. Industrial action across the sector, or the availability of competent people, could also impact the operations of the Group.

#### **APPETITE**

As a lean organisation, the Group relies on motivated and highquality employees to achieve its targets and manage its risks.

The Group recognises that the benefits of a flexible and diverse organisation require creativity and agility to protect against the risk of skills shortages.

#### **MITIGATION**

The Group has established an able and competent employee base to execute its principal activities. In addition, the Group seeks to maintain good relationships with its employees and contractor companies and regularly monitors the employment market to provide remuneration packages, bonus plans and long-term share-based incentive plans that incentivise performance and long-term commitment from employees to the Group.

The Group recognises that its people are critical to its success and is therefore continually evolving EnQuest's end-to-end people management processes, including recruitment and selection, career development and performance management. This ensures that EnQuest has the right person for each job and that appropriate training, support and development opportunities are provided, with feedback collated to drive continuous improvement while delivering SAFE Results.

The culture of the Group is an area of ongoing focus and employee feedback is frequently sought to understand employees' views on areas, including diversity and inclusion and wellbeing in order to develop appropriate action plans. Although it was anticipated that fewer young people may join the industry due to climate change-related factors, 2024 saw a further rise in the number of young professionals joining EnQuest, and we saw a 33% increase in employees under the age of 24. EnQuest aims to attract and sustain the best talent, recognising the value and importance of diversity. The emphasis around improved diversity in the Group's management and leadership is a main focal point for the Board; further details on these are set out on page 99. The Group recognises that there is a gender pay gap within the organisation but that there is no issue with equal pay for the same tasks.

The Group has reviewed the appropriate balance for its onshore teams between site, office, and home working to promote strong productivity and business performance facilitated by an engaged workforce, adopting a hybrid approach. EnQuest has now moved to a 4:1 office to work from home ratio in the UK to enhance productivity and motivate staff. The Group will continue to monitor such practices, adapting as necessary. The Group also maintains market-competitive contracts with key suppliers to support the execution of work where the necessary skills do not exist within the Group's employee base.

Executive and senior management retention, succession planning and development remain important priorities for the Board. It is a Board-level priority that executive and senior management possess the appropriate mix of skills and experience to realise the Group's strategy.

# Potential impact Medium (2023: Medium) Likelihood Medium (2023: Medium) Change from last year There has been no material change in the potential impact or likelihood. Risk appetite Medium (2023: Medium) Link to strategy





Read more in Our Strategy see Page 18

#### Related KPIs









Read more in Highlights see Page 4

# **Business conduct**

We remain committed to our Values, a non-negotiable standard of ethics, acting with integrity in all endeavours, and compliance with the laws and regulations in every jurisdiction we operate.

EnQuest has a Code of Conduct which it requires all personnel to be familiar with. The EnQuest Code of Conduct sets out the behaviour which the organisation expects of its Directors, managers and employees and of its suppliers, contractors, agents and partners. We are committed to conducting ourselves ethically, with integrity and to complying with all applicable legal requirements; we routinely remind those who work with or for us of our obligations in this respect.

Our employees and everyone we work with help to create and support our reputation, which in turn underpins our ability to succeed. This Code of Conduct addresses our requirements in a number of areas, including the importance of health and safety, compliance with applicable law, anti-corruption, anti-facilitation of tax evasion, anti-slavery, anti-competition, sanctions, export and import controls, addressing conflicts of interest, ensuring equal opportunities, combatting bullying and harassment and the protection of privacy.

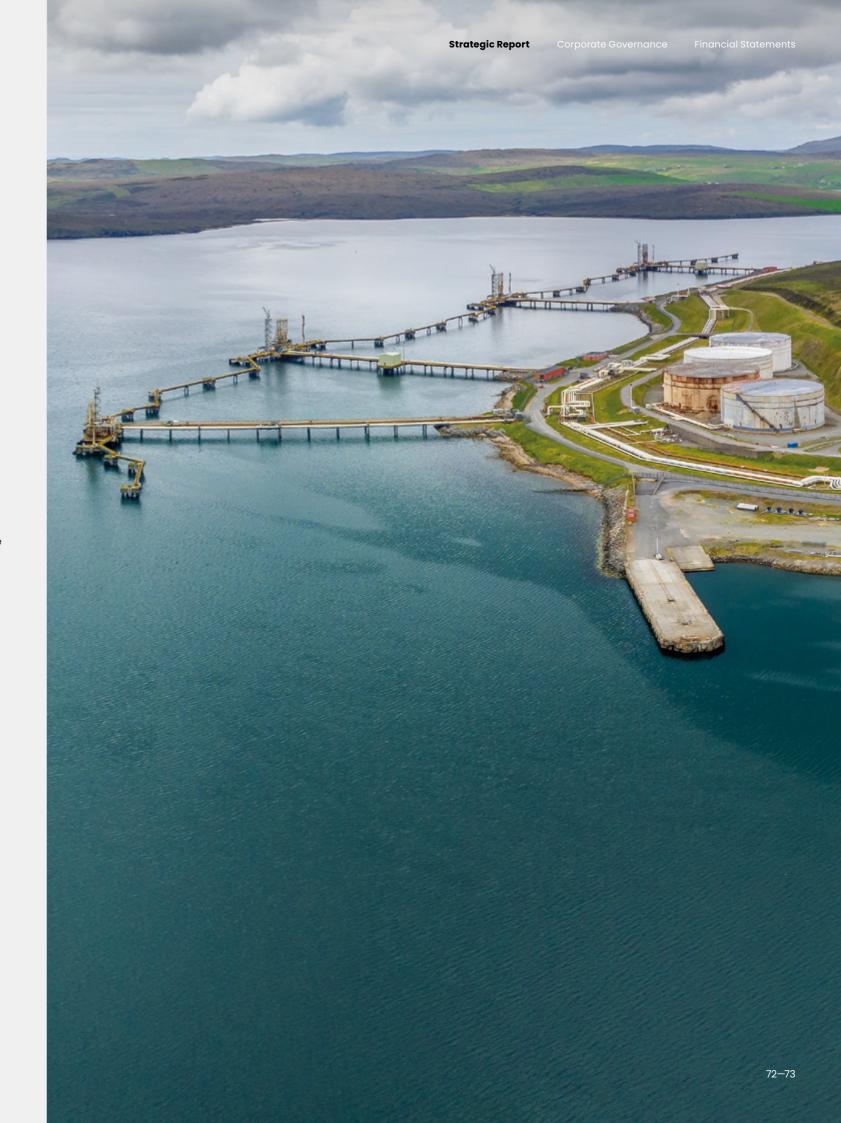
The Group's induction procedures cover the Code of Conduct, and the Group runs both ad hoc and scheduled periodic training for personnel to refresh their familiarity with relevant aspects of the Code of Conduct and specific policies and procedures which support it such as the Group's anti-corruption programme. As part of its continual improvement planning in the space of business conduct, in 2024 we launched a 'Handrails' website which enhances accessibility to materials and training on a broad range of ethics and compliance topics relevant to personnel including on fraud, money laundering, competition law and sanctions. The website is also complemented by external training on the subject matter.

As part of the Group's Risk Management Framework, the Board is supplied annually with an 'assurance map' that provides an insight into the status of the main sources of controls and assurance in respect of the Group's key risk areas (see pages 54 to 71 for further information on how the Group manages its key risk areas). While this provides some formal assurance as to how the Group reinforces its requirements in respect of business conduct, the Board also recognises the importance of promoting the right culture within the Group and this remains an area of focus for the Group.

The Code of Conduct also includes details of the independent reporting line through which any concerns related to the Group's practices, or any suspected breaches of the Group's policies and procedures, can be raised anonymously and encourages personnel to report any concerns to the legal department. Where concerns are raised (whether through the reporting line or otherwise), the legal representative, reporting for this purpose to the Chair of the Audit Committee, is required to look into the relevant concern, investigate and take appropriate action. Concerns raised in relation to potential conflicts of interest and safety practices, as well as more routine interfaces with regulatory authorities, are also reported to the Board and addressed appropriately.

The Code of Conduct includes a confirmation of EnQuest's commitments to adhere to applicable laws. The Group has zero tolerance for practices that breach applicable laws and expects the same of all with whom it has business dealings; for example, in relation to procurement, by requiring suppliers to confirm their commitment to various laws (including anti-slavery, tax and employment) before being qualified to supply the Group.

The Group has also supplemented its procedures to provide further assurance that it is able to identify and manage human rights risks in its supply chain. EnQuest publishes its modern slavery statement on its website at www.enquest.com, under the Environmental, Social and Governance section, where further detail on EnQuest's corporate responsibility policies and activities, including the area of business conduct, is also available.



**EnQuest disclosure** 

# Task Force on Climate-related Financial Disclosures

The Group supports good governance and transparency in general, and specifically in relation to climate change. The Board recognises the societal and investor focus on climate change, and the desire to understand potential impacts on the oil and gas industry through meaningful disclosure, such as those recommended by the Task Force on Climate-related Financial Disclosures ('TCFD') and those required by the Companies Act via Climate-related Financial Disclosures ('CFD'). Listing Rule 6.6.6R (8) requires companies to include climate-related financial disclosures consistent with the TCFD recommendations. EnQuest has complied fully with these requirements.

For 2024, EnQuest has enhanced its TCFD disclosure through reporting of material Scope 3 value chain emissions, undertaking a materiality assessment to support the identification of risks and opportunities within Strategy (b), and disclosing quantified outcomes when using the IEA's transition scenario analysis to assess corporate resilience.

The Group continues to demonstrate good practices and standards for transparency consistent with TCFD recommendations. EnQuest has completed the TCFD recommended disclosures in line with sector guidance, as well as the supplemental guidance for non-financial groups, including the energy sector.

EnQuest acknowledges the developing regulatory and ESG reporting landscapes and expects to refer to IFRS S1 and IFRS S2 reporting requirements for the 2025 reporting period.

Governance Disclose the

organisation's governance around climate-related risks and opportunities

EnQuest's purpose is to provide creative solutions through the energy transition. As such, climate-related risks and opportunities are a core part of the organisation's considerations, from Board level to its operational and functional teams, with emission reductions an important part of both management's and the wider organisation's variable remuneration. During 2022, the Board and Executive Committee approved the enhancement of the Group business model to include a focus on repurposing existing infrastructure to support its renewable energy and decarbonisation ambitions, including targeting carbon capture and storage, electrification and green hydrogen production. This model has been further enhanced during 2023 by the launch of Veri Energy, a wholly owned subsidiary of EnQuest, to provide dedicated management of the Group's renewable energy and decarbonisation projects.

An organogram outlining the Group's Risk Management Framework can be found on page 56.

See pages 44 to 47 (Environmental), 54 to 71 (Risks), 84 to 87 (s172), 101 to 106 (Audit Committee report), 107 to 117 (Directors' Remuneration Report), 118 to 119 (Sustainability Committee report) and 120 to 124 (Directors' report)

#### (a) Describe the Board's oversight of climate-related risks and opportunities.

The Board takes full responsibility for the governance of climate-related risks and opportunities, building such considerations into several of its processes, including reviewing and guiding strategy and major plans of action alongside setting budgets, plans and objectives and monitoring performance accordingly.

The Sustainability and Risk Committee (previously named the Sustainability Committee), a dedicated sub-Committee of the Board, has specific climate-related responsibilities incorporated into its terms of reference, with these responsibilities including: assessment of the Group's exposure to managing risks from 'climate change' and reviewing actions to mitigate these risks in line with its assessment of other risks; reviewing and monitoring the Group's decarbonisation activities, including reviewing the adequacy of the associated framework; and reviewing targets and milestones for the achievement of decarbonisation objectives. In addition, a designated member of the Committee has responsibility for the Company's decarbonisation activities. The Committee generally meets four times per year and, at each meeting, reviews a report sponsored by a Board member of the Committee which includes a summary of performance against short- and long-term emission reduction targets and outlines future opportunities and updates. The Committee also reviews the Group's Risk Management Framework ('RMF') performance report.

The Board receives a separate summarised version of the above update on climate-related issues as part of the health, safety, environment and assurance ('HSEA') report that is delivered during each of the five scheduled Board meetings by the Director of HSE and Wells.

The Board also receives reports covering the Group's financial and operational performance, which include the progress being made in developing the Group's renewable energy and decarbonisation opportunities, and monitors performance against Group emission reduction targets. Progress in developing these growth opportunities is linked to reward as a component of the Company Performance Contract (see page 112 of the Directors' Remuneration Report), with rolling emission reduction targets also included in the Group's Performance Share Plan ('PSP').

Collectively, the Board and management also keep appraised of the evolving risk and opportunity landscape and its potential impacts on the Company's business by consulting as appropriate with the Group's advisers and appropriate third-party institutions, including fund managers, investors and industry associations such as Brindex and Offshore Energies UK.

In 2024, EnQuest undertook a materiality assessment with the third-party support of Wood Mackenzie and aligned with GRI and IOGP material sustainability topics. This assessment enabled EnQuest to streamline its sustainability strategy by assessing what is deemed material in terms of risk, opportunity and impact on EnQuest's operations, both from an internal perspective and from the standpoint of a broad group of the Group's key stakeholders. The outcomes of the materiality assessment have reinforced EnQuest's approach to sustainability disclosure and risk mitigation. For more on EnQuest's materiality assessment, please see page 47.

#### (b) Describe management's role in assessing and managing climate-related risks and opportunities.

EnQuest's Chief Executive Officer has ultimate responsibility for assessing and managing climate-related risks and opportunities and is supported in this endeavour by the CEO of Veri Energy (a wholly owned subsidiary of EnQuest), the Group's Chief Risk Officer and the

Management, through a combination of the Executive Committee, Operations Committee and the HSEA Directorate, regularly reviews Company performance and the Group's risk registers. The Chief Financial Officer ('CFO') is responsible for ensuring the Group also recognises the impacts of climate-related risks and opportunities appropriately in its financial statements, including judgements and estimates, such as future oil and emission trading certificate prices and the costs and benefits associated with emission reduction projects, and other relevant disclosures. EnQuest's Chief Risk Officer directly oversees climate-related risks as a component part of the Group RMF, with support and input from the Director of HSE and Wells. The RMF is reviewed on an annual basis by the Board and Audit Committee, alongside reviews of associated controls and actions. This annual review offers management and Directors an opportunity to challenge the principal climate-related risks and opportunities, ensuring they are credible, fit-for-purpose and aligned to regulation, with effective mitigations in place.

Emission reduction is a standing component of EnQuest's departmental and corporate KPIs, therefore all employees benefit from initiatives that deliver a reduction in the Group's carbon footprint. Climate-related risk mitigation is embedded into EnQuest's culture, with climate impact a key strategic consideration across the business. As an example, screening of business development opportunities is underpinned by resilience testing to ensure compatibility of all potential investments with the Group's strategy to mitigate the cost of carbon and reduce portfolio carbon intensity.

The Group also has an energy management system governance document setting out how it approaches the measurement and reporting of emissions and how the Group will assess and select emission reduction opportunities, with a working group dedicated to the identification and implementation of economically viable emission-saving opportunities across the Group's portfolio of assets. This working group reports to the Executive Committee regularly and the Sustainability and Risk Committee at each scheduled meeting.

The Group's legal, commercial, company secretariat, investor relations and communications teams monitor the regulatory, legal, capital markets and competitive/commercial environments, providing reports to management (and the Board) as required. The Group's sustainability function is responsible for preparing TCFD reporting, including scenario modelling to assess the impact of climate-related risks on EnQuest's portfolio. EnQuest's operating, technical and environment teams support the development and implementation of decarbonisation initiatives at an asset level. Such initiatives implemented during 2024 are detailed within the Group's Emission Reduction Action Plans ('ERAPs'), with short-term decarbonisation opportunities included in an opportunity hopper.

The Group also has a documented energy management system governance process, which sets out the measurement and reporting of emissions and how the Group will assess and select emission reduction opportunities, with a working group dedicated to the identification and implementation of economically viable projects. This working group reports to the Executive Committee regularly, and at each meeting of the Sustainability and Risk Committee.

**EnOuest disclosure** 

potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning is material

Disclose the actual and EnQuest's strategic vision is to be the partner of choice for responsible management of existing energy assets, applying its core capabilities to create value through the transition. Its business model covers the full energy transition landscape: Upstream aims to responsibly optimise production to support today's energy needs; Midstream is right-sizing and decarbonising existing infrastructure as a pathway for Veri Energy to leverage the repurposed site to deliver renewable energy and decarbonisation opportunities; while Decommissioning aims to where such information manage end of field life and post-cessation of production operations to deliver safe and efficient execution of decommissioning work programmes in a responsible manner.

> This integrated business model, which incorporates the Group's plans for transitioning to a lower-carbon economy, provides mitigation against each of the potential climate-related transition risks noted below, which have the potential to have substantive financial or strategic impact unless stated to be 'not material'.

> The Group has an investment committee that reviews investment decisions, with additional support and review provided by the Sustainability and Risk Committee if required.

The financial or strategic impact of a risk or opportunity is assessed and measured based on the potential net present value ('NPV') impact of the particular risk. These assessments are made through the Group's annual planning and budgeting process, as well as on an ad hoc basis when assessing specific risks or opportunities that may arise. While all of the climate-related risks outlined in the section below have been assessed, the Group is definitive in its view that, as an oil and gas company, the fundamental risk to the business is that of oil and gas commodity pricing.

See pages 5 to 15 (KPIs, Chairman and CEO statements), 30 to 31 (Veri Energy review), 34 to 38

(Financial review), 44 to 47 (Environmental), 54 to 71 (Risks) and 138 (Financial statements)

# (a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.

EnQuest has offshore oil and gas assets in the UK and South East Asia and has assessed climate-related risks and opportunities jointly for this one sector and both geographies. Exceptions are detailed in the table on the next page.

EnQuest considers within one year to be short term (which aligns with the Group's budgeting process and assessment of going concern), one to three years to be medium term (which is in line with the Group's assessment of viability and the period over which the Group prepares detailed plans) and the longer term to be beyond three years (for which EnQuest tests its life of field estimates against its internal price assumptions and the International Energy Agency's Announced Pledges ('APS'), and Net Zero Emissions by 2050 ('NZE') Scenarios).

Using a mix of quantitative and qualitative measures, the Group has made an assessment of the potential impact and likelihood of the climate-related risks or opportunities set out in the table on the following page. This is in line with common enterprise risk management system practice.

Dick

type Climate-related risk

# Market (all geographies and timeframes unless otherwise stated)

- Demand for oil and gas and associated pricing materially affects the Group's operations and financial condition as the Group's revenue depends substantially on oil prices (long term). The impact of climate change on oil demand and the commensurate impact on commodity price is considered by EnQuest to be the material climate-related business risk
- Emissions trading allowances impact costs (UK only, as Malaysia does not have the same regulatory requirement)
- Access to capital (see Financial risk on page 61): The Group has substantial existing credit facilities, needs to invest in its asset base and aims to pursue value-accretive M&A.
   Wider market forces, including interest rates, investor sentiment and ESG requirements, impact the Group's ability to raise capital
- Supply-side constraints due to competing demand for equipment and/or services as supply chain migrates to support alternative sectors could increase costs and/or result in delayed work programmes, ultimately impacting revenue generation (long term)

#### Policy and legal (all geographies)

- Regulatory or legislative changes (including emissions trading schemes and flaring allowances, for example):
   Facility modifications, regulatory sanctions/fines and litigation risk (medium and long term)
- Country policies (including net zero targets): Facility modification investment, regulatory sanctions/fines and litigation risk (long term)
- Increased direct and/or indirect taxes (long term)
- Each of the above could require additional capital investment, potentially at a lower return than traditional projects, or increase costs

EnQuest risk management

- Planning and investment decision process caters for low oil price scenarios and includes a carbon cost associated with forecast emissions (see metrics and targets (a) – Transition risks and carbon prices)
- The Group actively monitors current and future oil prices (see
  Oil and gas prices risk on page 59) through its Marketing and
  Trading organisation, which is also responsible for purchases
  of emissions trading allowances (see metrics and targets (a)

   Transition risks and carbon prices)
- The Group closely monitors and manages its funding position and liquidity risk throughout the year (see Financial risk on page 61). EnQuest's renewable energy and decarbonisation opportunities were a significant factor in attracting new investors in the Group's recent refinancing activities
- The Group maintains relationships with key stakeholders, including governments, regulators, financial institutions, advisers, industry participants and supply chain counter-parties
- Targeted emission reductions and assessing opportunities to reduce flaring, for example (see page 123) (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity)
- The UK Energy Profits Levy includes incentives for decarbonisation investments, which the Group aims to utilise (see metrics and targets (a) – Climate-related opportunities)
- Maintaining relationships with government and regulatory bodies
- Engaging with a variety of external advisers and appropriate third-party institutions to ensure awareness, advance planning and integration to ensure ongoing compliance

ype Climate-related risk

# Reputation (all geographies and timeframes, unless otherwise noted)

- · Negative perception of the oil and gas industry
- · Lack of credible transition plan
- Failure to adhere to regulatory or legislative requirements (medium and long term)
- The perception of the oil industry has already impacted access to and the cost of capital. In the longer term, the above risks could impact the willingness of counterparties to transact with EnQuest, increasing costs and the availability of a skilled workforce, leading to higher costs and/or lower revenues, or regulatory or legal action

EnQuest risk management

- Development of Veri Energy linked to reward (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, Climate-related opportunities, Capital deployment and Remuneration)
- Clear and credible emission reduction targets linked to reward (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, and Remuneration)
- Continued engagement with all stakeholders, including participation in credible climate initiatives, such as the CDP survey and submission of Emission Reduction Action Plans ('ERAP') to the North Sea Transition Authority
- Emissions Management Team that develops and drives continual improvement on Scope 1 and 2 emission reduction opportunities in line with the Group's overall targets (see metrics and targets (a) Scope 1, 2 and 3 absolute emissions and emissions intensity)
- Sustainability team is responsible for development of Group reporting on Scope 3, including verified reporting on Categories 5, 6, 7 and 11 during 2024 (see metrics and targets (a) Scope 1, 2 and 3 absolute emissions and emissions intensity)
- Regular asset-level emissions measurement, monitoring and reporting with timely corrective action taken if necessary (see metrics and targets (a) – Scope 1, 2 and 3 absolute emissions and emissions intensity, Transition risks and carbon prices and Capital deployment)
- High standards of business conduct (see page 72)
- Carbon capture and storage studies have identified the
  potential to store up to 10mtpa of CO<sub>2</sub> from stranded emitters in
  depleted North Sea reservoirs, while EnQuest's electrification
  and hydrogen ambitions could harness renewable energy to
  help decarbonise offshore developments and a number of
  other industries, respectively (see metrics and targets (a) –
  Climate-related opportunities and Capital deployment)
- Continued engagement with relevant new energy and decarbonisation stakeholders, including potential strategic and financial partners (see metrics and targets (a) – Climate-related opportunities and Capital deployment)
- Continued engagement with suppliers, requiring provision of services with a lower emissions footprint (see metrics and targets (a) – Climate-related opportunities and Capital deployment)

#### Acute (all geographies, short and medium term)

Technology (all geographies, medium to long term)

Costs of new technologies could limit the timing

and economics of existing oil and gas and

decarbonisation projects

Alternative, lower-emission products and services could

accelerate the transition away from oil and gas, impacting

 Adverse and/or severe weather (storms, cyclones, extreme heat or cold) resulting in asset downtime and impacting revenue, or increasing health and safety risk to staff

#### Chronic (all geographies long term)

 Rising sea levels, tidal impacts and other extreme weather causes extensive/irreparable damage to assets impacting capital and/or operating costs or early decommissioning of assets

- Action and response plans, including effective supply change management, to manage risks and extent of downtime to as low as reasonably possible (see metrics and targets (a) – Physical risks)
- EnQuest considers these risks to be not material given the Group's focus on asset integrity and the expected remaining life of its assets see metrics and targets (a) – Physical risks)

Transition (continue

Ch

# With EnQuest's business model spanning the entire energy transition spectrum, the Group is well positioned to assess and pursue a number of climate-related opportunities.

Opportunity type	Climate-related opportunities	EnQuest action
Energy source (long term and UK-only at present)	<ul> <li>Use of lower emission sources of energy</li> <li>Shift towards decentralised energy generation</li> <li>Use of supportive policy incentives</li> <li>Use of new technologies</li> </ul>	<ul> <li>Progressing the potential to facilitate the electrification of nearby offshore oil and gas assets and planned developments</li> <li>Assessing onshore wind potential on Shetland</li> <li>Commencement of project to deliver new grid-connected power solution for Sullom Voe Terminal ('SVT')</li> <li>Assessing initial 50MW green hydrogen project at SVT supported by government-backed fund matching worth £1.74 million</li> <li>Progressing gas tie-back from Bressay to Kraken to displace diesel as Kraken FPSO primary fuel</li> <li>Completion of modifications to the Heather asset power generation equipment to minimise emissions during decommissioning</li> </ul>
Resilience (all geographies and timeframes, unless otherwise stated)	<ul> <li>Resource substitutes/diversification (UK-only at present)</li> <li>Participation in renewable energy programmes and adoption of energy efficiency measures</li> <li>Access to M&amp;A opportunities: Noting other industry participants need to dispose of assets to meet their own ESG targets</li> </ul>	<ul> <li>Strengthened climate change oversight through the introduction of ar Energy (Emission) Management System – Structure &amp; Governance procedure. The procedure itself is structured to align with the internationally recognised structure for an energy management system in relation to ISO 50001</li> <li>Pursuing carbon capture and storage, electrification and green hydrogen production opportunities at scale at SVT (long term)</li> <li>New development opportunities to be assessed in terms of low emission power generation (medium term)</li> <li>The Group maintains relationships with key stakeholders, including regulators, financial institutions, advisers and industry participants</li> </ul>
Products and services (all geographies and timeframes, unless otherwise stated)	<ul> <li>Development and/or expansion of low emission goods and services (long term, with the exception of supplier engagement which is all timeframes)</li> <li>Ability to diversify business activities (long term)</li> </ul>	<ul> <li>Pursuing carbon capture and storage which will store up to 10mtpa of CO<sub>2</sub> from stranded emitters in depleted North Sea reservoirs</li> <li>Assessing the potential to facilitate the electrification of nearby offshore oil and gas assets and planned developments</li> <li>Exploring the potential for harnessing the advantaged natural wind resource around Shetland for the production of green hydrogen and derivatives at export scale in order to provide a low-carbon alternative fuel which could help to decarbonise a number of industries</li> <li>Continued engagement with suppliers, requiring provision of services with a lower emissions footprint to ultimately improve efficiencies and reduce costs</li> </ul>
Market (long term and UK-only)	<ul><li>Access to new markets</li><li>Use of supportive policy incentives</li></ul>	Pursuing carbon capture and storage, electrification and green hydrogen production opportunities at scale at SVT
Resource efficiency (all geographies and timeframes)	<ul> <li>Use of more efficient production and distribution processes</li> <li>Use of recycling</li> </ul>	<ul> <li>Focused on absolute emission reductions in all operations see metrics and targets section)</li> <li>Measurement of waste generated in operations, with 2024 reporting in line with Category 5 Scope 3 emissions (see metrics and targets section)</li> <li>Assessment of options to repurpose existing infrastructure prior to any decision to cease production and begin asset decommissioning</li> </ul>

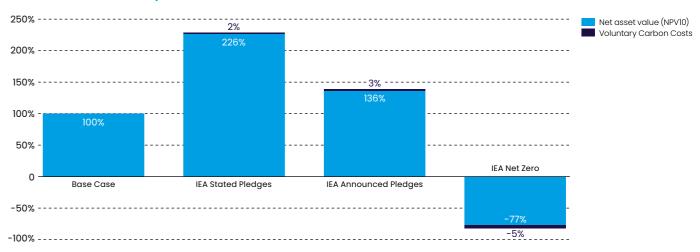
# (b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The Group considers as part of its strategic, business planning and risk processes how a number of macroeconomic themes may influence its principal risks. Following this assessment, EnQuest considers the impact of climate change on oil price to be the only material risk factor to the Group's business model, with climate change representing one of many potential influencing factors on commodity price. Accordingly, for the purposes of quantification of risk, the Group has assessed its resilience against oil price assumptions within the International Energy Agency's Announced Pledges ('APS') and Net Zero Emissions ('NZE') scenarios. In the short to medium term, EnQuest reviews the impact of different oil prices in its going concern and viability assessments. The Group's Marketing and Trading team is responsible for optimising sales of the Group's production, including developing and implementing the Group's hedging programme. The potential impact of a change in oil price on the Group's carrying amount of oil and gas assets is outlined in note 2 of the Financial Statements. The Group's Marketing and Trading team is also responsible for purchasing emissions trading allowances in the UK, with the costs of these allowances forecast to make up c.5% of the Group's operating costs in 2025.

and/or recycling

Decommissioning business seeks to maximise reuse

#### Asset Value relative to EnQuest Base Case NAV



The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management, with variance analysis run to reflect different scenarios. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies as necessary. Specific financial risks of climate change considered include access to, and cost of, capital, insurance and decommissioning surety bonds as investors' and insurers' appetite for exposure to the oil and gas sector reduces across all timeframes. It is difficult to quantify the precise impact on access to and cost of capital given the number of other constituent factors in such transactions, including the state of global financial markets at the time such a transaction takes place. The potential impact of a change in the Group's discount rate, which considers the Group's cost of capital, is outlined in note 2 of the Financial Statements.

The Group has a proven track record of executing value-accretive acquisitions, although the timing of such events is uncertain. As majors and other operators continue to shift their focus from mature basins such as the North Sea and Malaysia, there will be further opportunities for EnQuest to access additional oil and gas resources, with gas resources offering diversification of the portfolio commodity mix into a necessary transition fuel. Where new assets are acquired, there will be a clear emission reductions plan for any such asset for which EnQuest assumes operatorship, relative to the carbon footprint in the hands of the seller, and the Group factors in an associated carbon price into the acquisition economics, even in markets where no carbon trading or pricing mechanism exists.

Building on a platform of strong emission reduction performance in recent years, EnQuest sanctioned the Magnus Flare Gas Recovery project in the fourth quarter of 2024 and is working towards regulatory approval during 2025 for plans to materially reduce Kraken FPSO emissions via a gas well tieback from Bressay. Beyond these asset-specific initiatives, the Group's renewable energy and decarbonisation strategy is focused on a suite of projects at the Sullom Voe Terminal ('SVT'). As SVT operator, EnQuest is leading the terminal ownership group in decarbonising the site, with a New Stabilisation Facility project and a grid connection project in-flight. Together, these projects are expected to reduce SVT emissions by more than 90%. This right-sizing of the terminal clears the way for Veri Energy to progress three significant projects: Carbon Sequestration and Storage ('CCS'), Electrification (via onshore wind) and the production of e-fuels. It is expected that the opportunities at SVT will play a major role in delivering the Group's short- and medium-term emission reduction objectives and advancing longer-term renewable energy and decarbonisation opportunities. These opportunities are centred around repurposing the strategically advantaged terminal site, positioning EnQuest as a credible energy transition company.

EnQuest has a Board-approved commitment to reach net zero in respect of Scope 1 and Scope 2 emissions by 2040. The Group sets interim targets, linked to reward and on a rolling three-year basis, to reduce Group-wide Scope 1 and Scope 2 emissions by 10%. Against the 2021 baseline, 2024 emissions were reduced by 8.2%. A further 10% reduction target has been set over the next three-year period, 2022-2025. EnQuest is also monitoring progress against the UK North Sea Transition Deal ('NSTD') goals which contribute to the UK Government's target of net zero by 2050 and require reductions against a 2018 baseline of 10% by 2025, 25% by 2027 and 50% by 2030. At the end of 2024, EnQuest had reduced UK Scope 1 and Scope 2 emissions by 40%. All milestones occur in the medium to long term.

# (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Group has measured the resilience of its existing portfolio and future development plans again as part of its 2024 full-year results process, having previously updated scenario analysis 12 months ago. In its scenario modelling, the Group incorporates the estimated oil price and cost of emissions, with the oil price deemed to be the most influential risk to its business, that would prevail under the International Energy Agency's APS, and NZE scenarios. The APS assumes that all RAS climate commitments made by governments and industries around the world by the end of August 2024, for both 2030 targets and longer-term net zero or carbon neutrality pledges will be met in full and on time and shows how close current pledges get the world to the target of limiting global warming to 1.5°c, while the NZE shows an accelerated pathway for the global energy sector to achieve net zero CO<sub>2</sub> emissions by 2050 and is consistent with limiting the global temperature rise to 1.5°c. The Group continues to generate positive free cash flow when using assumptions based on the APS, although cash flow becomes negative when using assumptions based on the NZE. As outlined in the Group's viability statement on page 38, should oil prices be lower than assumed in its Plausible Downside Case projections, the Group may be required to undertake mitigating actions to meet its various obligations. EnQuest's business model enables the Group to adapt to a changing external environment, with short-cycle investments reducing the risk of 'stranded assets' in its upstream business, while the Group is pivoting towards renewable energy and decarbonisation with the activities being pursued by Veri Energy.

In summary, EnQuest's business model remains resilient under APS scenarios. Given the likelihood of each scenario assessed, the Board is comfortable that the Group's business model is resilient.

# **EnQuest disclosure**

# **Risk management**

Disclose how the organisation identifies, assesses, and manages climaterelated risks

The Group has robust risk management and business planning processes that are overseen by the Board, the Sustainability and Risk Committee and the Executive Committee in order to identify, assess and manage climate-related risks, while the Audit Committee oversees the effectiveness of the Risk Management Framework. The Risk Committee risk landscape inputs and considerations are outlined on page 56 and cover long-term macro factors and near-term and emerging risks.

See pages 54 to 71 (Risks) and 118 to 119 (Sustainability and report)

#### (a) Describe the organisation's processes for identifying and assessing climate-related risks.

The Group's RMF is embedded in all levels of the organisation with asset, regional and functional risk registers aggregating to an enterprise risk register, as outlined below, identifying relevant threats and how they are mitigated, while the adequacy and efficacy of controls in place are themselves also monitored. This integration enables the Group to quickly identify, escalate and appropriately manage emerging risks, with a quarterly RMF report reviewed by leadership teams and presented to the Sustainability and Risk Committee. All risks are assessed based on their estimated potential impact and likelihood with respect to people, environment, asset/business and reputation ('PEAR') on a pre- and post- mitigation basis, with judgements reviewed by peers and/or management as appropriate.

The Group is targeting net zero in respect of Scope 1 and Scope 2 emissions by 2040 and seeks to ensure that suitable and sufficient controls are in place to deliver against its environmental, social, governance ('ESG') strategy. In 2024, EnQuest undertook a double materiality assessment with reference to GRI and IOGP material sustainability topics for the oil and gas industry. The materiality assessment has enabled EnQuest to refresh its ability to articulate and disclose climate-related risks and opportunities, in keeping with the evolving sustainability disclosure landscape.

EnQuest uses Hurdle Risk as the risk management tool for identification, measurement and mitigation of risks and requires an assessment of value associated with a given risk. The Risk Management Process takes place across four key areas: Group, Region, Asset and Functional:

- Group level An Enterprise Risk Register and Risk Report provides the Board and executive management with a single view of risk across the Group to aid strategic decision making. This reflects the overall Risk Management Strategy and responses to individual risks, including climate-related risks, with a focus on reporting risks that are critical from a decision-making perspective. Critical risks are those that are assessed as having the greatest potential impact and likelihood with respect to PEAR on a pre- and post-mitigation
- Region level Risk registers are available for the North Sea and Malaysia. These registers include details of all relevant operational, execution, HSE, organisational, financial, legal and contractual risks facing each of the business units;
- · Asset level Risk registers are developed for all operated assets. These registers include details of all relevant operational, executional, HSEA, organisational, financial, legal and contractual risks facing each asset; and
- Functional level A risk register is developed for any improvement opportunities and deficiencies in the risk controls for the legal, commercial, HSEA, organisational, financial and business services risk categories. The functional assessments review the effectiveness of policy and management systems in place and identify critical gaps and/or areas of non-compliance within the Group.

Climate-related risks are classified in alignment with TCFD's description of transition and physical risks:

Transition risks – risks related to the transition to a lower-carbon economy, including policy and legal, technology, markets and reputation.

Physical risks - risks related to the physical impacts of climate change, including event-driven risks such changing severity and/or frequency of extreme weather events.

Through EnQuest's Environmental Management System, all environmental aspects and risks are identified using EnQuest's Environmental Aspects and Impacts Identification Procedure and are recorded in an Environmental Aspects and Impacts Register. Similarly, the process of developing an asset or project-specific aspects and impacts register entails a systematic review of operational activities, identifying effective control measures, mitigations and/or improvement plans at all stages in the project life cycle from inception, through to abandonment and decommissioning. The people undertaking this process shall be competent with the requisite experience and technical knowledge, so that a high-quality review of an activity, project, process, design or an operation is carried out. Aspects may be identified through workshops, meetings, reviews and audits and separated into two groups; planned and unplanned. EnQuest has also established an Identification and Evaluation of Compliance Obligations Procedure in order to ensure that the organisation is aware of and understands how its activities are (or will be) affected by current and new legislative requirements. This procedure is aligned with the requirements of ISO 14001:2015. Furthermore, the Group strengthened its climate change oversight through the introduction of an Energy (Emission) Management System – Structure & Governance procedure (as noted in the Strategy (a) disclosure). The HSEA team keeps up to date with the identification and maintenance of awareness of compliance obligations through professional subscriptions, by consulting relevant websites, including regulatory and government departments, as well as through training, attendance of seminars, conferences, network forums and meetings. Consultations with government, other regulatory agencies and any other stakeholders may also be required. Other compliance requirements are identified and recorded from the Group's HSEA Policy, licences, permits and authorisations and industry standards and codes of practice. The result of the evaluation of compliance is detailed in the monthly KPI report, while on a routine basis, the HSEA teams review and discuss open non-conformances and any new legal requirements.

#### (b) Describe the organisation's processes for managing climate-related risks.

The Sustainability and Risk Committee also provides a forum for the Board to review selected individual risk areas in greater depth. Climate-related risks and opportunities, and associated mitigation measures and action plans, are maintained in a series of risk registers at Enterprise (Group), region, function and asset levels.

Climate change is categorised as a standalone risk area within the Group's 'Risk Library', allowing the application of EnQuest's RMF to underpin its approach in this important area. For each risk area, the Sustainability and Risk Committee reviews 'Risk Bowties' that identify risk causes and impacts and maps these to preventative and containment controls used to manage the risks to acceptable levels. EnQuest's Climate Change 'Risk Bowtie' covers both physical and transition risks in accordance with the TCFD framework (as outlined in the Strategy section (a)). They are also considered within the context and review of several other risk areas, such as oil price, (see the Strategy and Risk management sections for the Group's assessment of financial materiality and potential impact and likelihood with respect to PEAR, respectively).

The outcomes from the Group's double materiality assessment have been incorporated within the Climate Change 'Risk Bowtie', identifying and mapping risk causes and impacts against preventative and containment controls used to manage the risks to an acceptable level.

A Continuous Improvement Plan ('CIP') describes EnQuest's improvement initiatives, what the Company will do to achieve them and how it will measure success. Specific objectives, targets and actions are developed and cascaded to all levels within the organisation, including a number related to the management of climate-related risks. In addition to the CIP, EnQuest has defined Key Performance Indicators ('KPIs'), which are used to monitor performance. They take into account the significant environmental aspects and the Company's compliance obligations.

#### (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

See the Risk management disclosure (a) for a description of how climate-related risks are integrated into EnQuest's overall RMF. Risks are uploaded to the Group's risk software tools which assign ownership for the risks with associated systemised monitoring of mitigations being closed out. These systems require the risk owner to assess the materiality of each given risk before and after mitigations in accordance with the Group's materiality thresholds (outlined in the metrics and targets section below).

> Additional/related information **EnQuest disclosure**

#### Metrics and targets

targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Disclose the metrics and Absolute emissions and their reduction are a key area of focus for EnQuest given the Group's net zero commitment in respect of Scope 1 and Scope 2 emissions by 2040 and its desire to play its part in the UK's drive towards net zero by 2050 (2045 in Scotland).

> EnQuest currently operates offshore in the UK and Malaysia, which are highly regulated mature hydrocarbon provinces. The Group has a well-established HSEA Policy outlining its commitment to integrating environmental management into its operations, with its Environmental Management System ensuring the Group manages and mitigates its impact on the environment and complies with the regulatory requirements in the areas in which it operates. Through this process, the Group has not identified any material risks associated with water, energy, land use, and waste management.

> EnQuest has considered the climate-related metric categories in Table A2.1 within the TCFD implementation guidance but has not set any other metrics or targets beyond those listed below.

See pages 5 (KPIs), 28 to 31 (Midstream and Veri Energy review), 44 (Environmental), 84 (s172), 112 and 113 (CPC and PSP disclosures within the Directors' Remuneration Report) and 123 (GHG emissions disclosures in the Directors' report)

#### **EnQuest disclosures**

(a) Disclose the metrics used by the climate-related risks and opportunities in line with its strategy and risk management process.

Metrics - consistent with prior year

organisation to assess Scope 1, 2 and 3 absolute emissions and emissions intensity.

> Scope 1, Scope 2 and Scope 3 Category 5 metrics are consistent with prior years. Scope 3 Category 6, 7 and 11 metrics are new additions in 2024.

EnQuest operates in an industry and geography in the UK that has agreed medium- and long-term absolute Scope 1 and 2 emission reduction targets, expressed as percentage reductions in tonnes of CO<sub>2</sub> equivalent emissions. As such, the Group monitors progress against these and its own associated targets (see metrics and targets (c)).

The Group has also enhanced its reporting of Scope 3 emissions, with verified data on Category 5 'waste generated in operations', Category 6 'business travel', Category 7 'employee commuting, and, most materially, Category 11 'use of sold products' included within the 2024 Annual Report and Accounts.

The Group has defined criteria for screening and ranking emission reduction opportunities within its existing operations, including: the potential contribution to the Group's targets; economic indicators; the chance of success; time to implement; and any risks to the Group's production.

The Group also monitors its emissions intensity ratio (as set out in the Directors' report on page 123), recognising the impact this metric has on certain risks and opportunities, such as reputation, access to capital and M&A opportunities.

# (a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. (continued)

EnQuest disclosure	
Metrics – consistent with prior year unless otherwise stated	Description
Transition risks and carbon prices	The Group primarily produces oil from its offshore installations and so deems the oil price to be the most material risk to its business, particularly as commodity prices are impacted by other of the identified transition risks and opportunities outlined in Strategy (a). As such, the Group actively monitors the price of oil, hedging a proportion of its exposure to oil prices to ensure a minimum price is received for its production.
	EnQuest uses oil prices in its internal planning and investment (including M&A) decision-making processes. The Group's forward-looking oil prices are disclosed in note 2 of the financial statements.
Physical risks	All of the Group's assets are in offshore environments and so are subject to physical risks, as outlined in Strategy (a).
Climate-related opportunities	As a responsible transition operator, EnQuest is actively decarbonising its existing portfolio, with significant decarbonisation projects underway at the Sullom Voe Terminal and at Magnus. The Group also aims to achieve a final investment decision during 2025 on a gas well tie-back from Bressay to Kraken; a project which would materially reduce Kraken emissions. Within Veri Energy, EnQuest is assessing opportunities that could deliver decarbonisation and renewable energy at scale in the long term. For example, the Group's carbon capture and storage opportunity has identified the potential to store up to 10mtpa of CO <sub>2</sub> from stranded emitters in depleted North Sea reservoirs, potentially taking EnQuest beyond net zero, in comparison to the Group's reported Scope 1 and 2 emissions footprint. The Group is also progressing an onshore wind project to provide electrification options at SVT, while the opportunity to produce e-fuels at the terminal site is being assessed.
Capital deployment	The Group has several major decarbonisation projects in-flight, including the Magnus Flare Gas Recovery project, which was sanctioned in 2024 and the New Stabilisation Facility at the Sullom Voe Terminal. Accordingly, c.52% of the Group's 2024 capital expenditure was classified as decarbonisation cost. Such expenditures are reset on an annual basis, in line with the Group's business plan process.
Remuneration	The Group's emission reduction targets and progress of its energy transition and decarbonisation strategy development and execution are linked to short-term and long-term remuneration, as set out in the Directors' Remuneration Report (see pages 112 to 113).
As outlined in the Directors'	Report FnOuest discloses Scope Land 2 emissions and associated intensity

(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.

As outlined in the Directors' Report, EnQuest discloses Scope 1 and 2 emissions and associated intensity outcomes on an operational control basis. The Group has also enhanced its Scope 3 emission disclosure, with data reported on Category 5 'waste generated in operations', Category 6 'business travel', Category 7 'employee commuting' and, most materially, Category 11 'use of sold product'. The Group's GHG emissions data disclosed in the Directors' report and throughout the ARA is verified by Lucideon. The Group is cognisant of the risks of access to capital and people, rising emission costs and reputational and regulatory risks associated with failure to adhere to policies and guidelines or missing targets.

**EnQuest disclosure** 

(c) Describe the targets used by the organisation to manage climaterelated risks and opportunities, and performance against targets.

The Board's goal is to be as ambitious as it can in setting decarbonisation targets, while balancing the economic realities of operating late-life assets. As such, in 2021 the Board approved a targeted 10% reduction in EnQuest's absolute Scope 1 and 2 emissions from its existing portfolio on a rolling three-year basis, from a year-end 2020 baseline. As at 31 December 2024, Group emissions had been reduced by c.22% against the 2020 baseline and c.8% in the three-year period from 1 January 2022. Further emission reduction targets over a three-year period have been set as part of the Group's Performance Share Plan measures (see page 113 of the Directors' Remuneration Report).

Discrete targets for emission reductions compared to 2021 associated with diesel use and flaring were also set, for which performance was assessed as being between target and stretch (see the Directors' Remuneration Report in the Group's 2022 ARA).

As at 31 December 2024, UK emissions had been reduced by c.40% against the 2018 baseline, significantly ahead of the North Sea Transition Deal targets of achieving a 10% reduction by 2025 and close to the 50% reduction targeted by 2030.

During 2023, the EnQuest Board committed to reach net zero in terms of Scope 1 and Scope 2 emissions by 2040.

In 2024, the Group continued to make progress in each of its renewable energy and decarbonisation opportunities. In carbon capture and storage, the Group has assessed the four carbon storage licences awarded by the NSTA during 2023, and took the decision to relinquish two of the licences in the first quarter of 2025. The Group's remaining licences are based at the Magnus and Thistle reservoirs. These are intended for use in delivering the potential to store up to 10mtpa of CO<sub>2</sub> from stranded emitters in depleted North Sea reservoirs. Further, EnQuest's electrification ambitions, as well as plans to produce e-fuels could harness renewable energy to help decarbonise offshore developments and a number of other industries, respectively. These opportunities remain at an early stage and require further regulatory and fiscal development before appropriate financial targets can be considered.

# Section 172 statement

Section 172 matters (a) – (c) are covered in the accompanying stakeholder engagement disclosures on the following pages. The Board's consideration with respect to section 172 matter (d) can be found on pages 40 to 55, matter (e) on pages 39, 70, 72, 95 to 97 and 110, and matter (f) within the principal decisions outlined on page 86.

The Board has acted in a way that it considers to be most likely to promote the success of the Company for the benefit of its members as a whole and, in so doing, has regard for the potential impact of the Group's activities on its various stakeholders. In the majority of cases, information and feedback are provided throughout the year to the Directors by the Group's Executive Directors, senior and functional management and external advisers through a variety of Board reports, presentations and ad hoc correspondence. These reports cover the Group's financial, operational and environmental performance, while EnQuest's advisers provide the Board with relevant insight from their interactions with their respective stakeholders.

When appropriate, the Directors seek further understanding of the concerns of relevant stakeholders, which could include direct engagement by the relevant Director and/or requesting additional information to ensure they have a full appreciation of a given matter prior to making any decisions. As such, the Directors are able to assess the impact of business decisions on stakeholders and fulfil their duty to promote the long-term success of the Group.

The Directors consider principal decisions (outlined on page 86) on the basis of materiality of the incremental impact they are anticipated to have on the Company's stakeholders and/or the Company itself. Throughout the year, the Board and management team considered various M&A opportunities. For several of these, it was decided that their pursuit would not be in the interests of the Group's stakeholders, reflecting EnQuest's in-depth review processes (including those by the Technical and Reserves Committee) and focus on capital discipline.

Stakeholder groups		Direct Board-level engagement in 2024	Other engagement activities in 2024
A People	Our employee and contractor workforce is critical to the delivery of SAFE Results and EnQuest's success. As such, we are committed to ensuring EnQuest remains a great place to work. We have a strong set of Values that underpin our way of working and provide a rewarding work environment, with opportunities for growth and learning while contributing to the delivery of our strategy.	Three Global Employee Forum meetings per year with designated Non-Executive Directors were organised; video messages; subject matter expert virtual and physical attendance at scheduled Board and Board Committee meetings; physical and virtual safety leadership engagement visits; three interactive virtual Town Hall Meetings.	See the accompanying principal decisions on page 86 and pages 51 to 53 of the ESG section which detail the various people-related initiatives implemented during the year, including the employee surveys and those related to our people's safety and wellbeing.
B Investors	Our investors support management in the execution of EnQuest's business strategy, including the provision of capital for management to develop the business in order to deliver returns in a responsible manner.	Virtual and physical meetings (including the Annual General Meeting, post-results roadshows and multiple investor conferences and ad hoc meetings), calls and direct correspondence with a wide range of equity and debt investors in relation to the Group's refinancing plans and delivery against its strategic objectives.	See the accompanying principal decisions on page 86 and the Strategic report on pages 02 to 86, which explains the Group's performance and investment decisions during the year.  Page 95 of the Corporate governance statement outlines in more detail how the Group engages with its investors. Financing is identified as one of the Group's Principal risks and uncertainties on page 61.
C Partners	We collaborate with our existing joint venture partners, securing their support to deliver our asset plans. We value their contribution to the effective operational and financial management of our assets as we deliver on our business strategy	Virtual and physical meetings and calls.	The Group has regular engagement with its joint venture partners on day-to-day asset management and the execution of the longer-term asset strategy. This occurs through a combination of formal interactions, governed by joint operating agreements, and via informal engagement.
ar	In pursuit of the Group's new energy and decarbonisation ambitions, we also engage with potential strategic and financial partners		See pages 20 to 31 of the Strategic report for further details on operational and financial activities and decisions undertaken across our assets.
			Joint venture partners are recognised as one of the Group's Principal risks and uncertainties on page 69.
D Host governments and regulators	We work closely with the host governments and regulators in the jurisdictions in which we operate. The Group complies with the necessary regulatory requirements, including those related to environmental matters such as reducing emissions, to ensure it maintains a positive reputation and licence to operate, enabling the effective delivery of the Group's strategy.	Virtual and physical meetings and calls with the North Sea Transition Authority ('NSTA') in the UK and Malaysian Petroleum Management ('MPM') in Malaysia. A number of meetings have been held with the Shetland Islands Council ('SIC') in relation to the Group's Infrastructure and New Energy business, while several meetings and other correspondence have been undertaken with UK Treasury officials on the UK's Energy Profits Levy ('EPL').	See the Strategic report on pages 02 to 86 and the Group's Principal risks and uncertainties on pages 54 to 71, which outline EnQuest's strong relationships with governments and regulators. Pages 44 to 49 of the ESG section and pages 120 to 124 of the Directors' report outline further details on the Group's regulatory compliance activities.
E Suppliers	EnQuest relies on its suppliers to provide specialist equipment and services, including skilled personnel, to assist in the delivery of SAFE Results.	None	The Group has continued its active and positive engagement with its suppliers through various supplier forums, performance reviews, ad hoc virtual meetings and industry events. The Group continues to monitor and report its supplier payment performance.
			Please also see the Group's Principal risks and uncertainties on pages 54 to 71, a number of which are impacted by the Group's supplier relationships.
<b>F</b> Communities	Making a positive contribution, and appropriately managing our environmental impact in the communities in which we live and work around the world, remains a key part of our activities. Our communities provide a potential source of employees, contractors and support services, and are important in supporting EnQuest's social licence to operate and maintaining a positive reputation.	None	See pages 50 to 51 of the ESG section which outline the Group's community engagement activities and environmental considerations, with the importance of maintaining a positive reputation outlined in the Group's Principal risks and uncertainties on page 70.
G Customers	Our customers help facilitate the provision of hydrocarbon- related products to meet a variety of consumer demands and, as such, require a reliable supply of hydrocarbons to meet their needs.	None	We have maintained strong relationships with existing customers, including fuel oil blenders to whom the Group supplies Kraken oil as an unrefined constituent of IMO 2020 compliant low-sulphur bunker fuel.
	We have also begun engaging with potential customers in relation to our carbon capture and storage and electrification opportunities as part of our Infrastructure and New Energy business.		

#### Environmental, Social and Governance continued

Stakeholder engagement

#### Stakeholder groups





A People 🔞 Investors 🧿 Partners Ď Host governments and regulators 📵 Suppliers 🕞 Communities 🙃 Customers







Principal decision and impacted stakeholders Stakeholder considerations and impact on the long-term sustainable success of the Company

#### **Shareholder** distributions

Impacted stakeholders:



Following significant and disciplined deleveraging of the Group's balance sheet, EnQuest reached a net debt to EBITDA ratio of 0.6x, close to its stated target of 0.5x, as at 31 December 2023.

Upon reaching this milestone, the decision was taken to return capital to shareholders in the form of an up to \$15.0 million share buy-back programme. Given the discount in equity trading value versus net asset value, it was decided that such a programme would be more value-accretive to shareholders than a dividend.

The 2024 share buy-back programme commenced on 29 April 2024 and was carried out through an agreement whereby Merrill Lynch International purchased shares as principal for the subsequent sale on to, and purchase by, EnQuest. The programme concluded on the contracted date of 31 December 2024.

c.56 million shares were purchased for a total consideration of c.£7 million (c.\$9 million) over the period, with the first 25 million share purchases held in Treasury for subsequent issue to the EnQuest Employee Benefit Trust. In total, nearly 31 million shares were cancelled through this programme.

For further information, see note 8 to the financial statements.

#### Diversity, Equity and **Inclusion Policy update**

Impacted stakeholders:











In early 2024, the Board reviewed EnQuest's established 'Diversity and Inclusion Policy' alongside analysis of progress against stated targets. The outcome of the review was a request from the Board to enhance the tenets of the existing policy, which were developed in 2021, to reinforce EnQuest's commitment towards supporting an inclusive culture amongst our workforce.

Working alongside industry bodies to assess best practice in this area, the Group has developed a Diversity, Equity and Inclusion ('DE&I') Policy and an accompanying plan to deliver against updated targets.

Accordingly, the Group's vision is to fully embrace DE&I and embed it into all business functions across all locations. EnQuest aims to stand out as an employer that values and practices DE&I and leads by example.

For further information on our DE&I Policy and progress in this area, see page 51 of the Strategic report.

#### High Yield bond tap and subsequent repayment of term loan facility

Impacted stakeholders:







The Group's improved balance sheet, enhanced liquidity position and significantly advantaged UK tax position means EnQuest is well placed to pursue growth opportunities.

In order to maximise available financial capacity to pursue value-accretive growth, the Board considered several options relating to simplification of the Group's debt structure. This process was centred on repaying and refinancing a \$150.0 million term loan facility which, due to its second lien ranking within the structure, restricted the Group's ability to draw on its full reserve based lending facility.

During September 2024, the Board sanctioned a Dollar for Dollar refinancing of the term loan facility, plus associated fees, via a tap on the Group's existing high yield US Dollar bond. This bond issuance was significantly over-subscribed and was priced above par at 101.0%, forming a fungible addition to the existing \$305 million high yield notes, due for repayment in 2027. The Board concluded that this positioned the Group to be transaction-ready for future opportunities.

For further information, see pages 34 to 38 of this Strategic report and note 17 to the financial statements.

#### **Malaysian expansion** and Vietnam new country entry

Impacted stakeholders:













During 2024, EnQuest celebrated ten years of successful operations in Malaysia and was named Upstream Operator of the Year at the Malaysia Upstream Awards.

Building on this strong operating footprint in Malaysia, the Board and Executive team have been clear that South East Asia is a region in which EnQuest is targeting enhanced geographic and commodity diversification for the Group.

Accordingly, the Board has made two significant decisions relating to Malaysian operations during 2024; the DEWA asset Production Sharing Contract award, and the expansion of the Seligi gas agreement.

At DEWA, EnQuest has taken operatorship and a 42.0% equity share of a cluster of assets consisting of 12 discovered fields, focused on a first phase development which could hold up to 500 Bscf of gas in place.

The expanded Seligi gas agreement builds on the existing transport and handling agreement currently in place by awarding EnQuest the opportunity to develop approximately 155 Bscf (c.27 million barrels of oil equivalent) of additional Seligi field gas resources, with a 50% equity share. EnQuest will produce the additional Seligi Field gas by modifying its existing infrastructure, providing a cost-efficient way to deliver new volumes into the Peninsular Malaysia gas system and help the nation meet its increasing energy needs.

Together, these volumes will significantly increase the gas component of EnQuest's production, which aligns to the Group's strategic aim to reduce its overall carbon intensity.

EnQuest's growth in South East Asia was further enhanced by an agreement to acquire Harbour Energy PLC's business in Vietnam, which includes the 53.125% equity interest in the Chim Sáo and Dua production fields. This fully staffed new country entry expands the Group's South East Asian footprint beyond Malaysia.

In assessing this acquisition, the Board took the view that it aligns with the Group's strategic aim to grow its international operating footprint by investing in fast-payback assets, with low capex and reduced carbon intensity.

For more information on these transactions, please see pages 24 to 25.

The Strategic report was approved by the Board and signed on its behalf by the Company Secretary on 26 March 2025.

Company Secretary



**Executive Committee** Corporate Governance Financial Statements

#### Steve Bowver General Manager, North Sea



#### Key strengths and experience

- Senior operational leadership positions held onshore and offshore during 30-year career
- 16 years in executive roles (MD, CEO and Chair)
- Involved in over \$5 billion of E&P transactions
- · Founded Decipher Energy, which was successfully sold within five years
- Steve is a director on the board of Offshore Energies UK

Steve joined EnQuest PLC in October 2023. Prior to joining the Group he was a technical adviser to global financial institutions and investors. Steve commenced his career in subsea engineering/ installation before moving to Talisman as a reservoir engineer, offshore team leader and asset manager. Steve then set up Taqa's UK operation before moving to First Oil as MD, acquiring an interest in the Kraken field prior to the successful appraisal well.

Steve was the founding director of Decipher Energy, a full life cycle operating company, safely drilling and completing an 18,500 ft well, delivering Orlando first oil within two years of founding the company and overseeing its sale to Tailwind Energy in 2021.

Radzif Ahmed General Manager, South East Asia



Key strengths and experience

- Over 30 years of experience in the oil and gas industry, having had organisational lead roles, as well as those overseeing projects, field development, commercial and business development
- Degree in Civil Engineering from Liverpool University and a Post-graduate Diploma in **Business Administration from** Strathclyde Business School

Radzif ioined EnOuest at the early stages of the Company's entry into Malaysia and has played a key role in ten years of successful operations.

Radzif started his career as a marine civil engineer, working on marine and shore protection.

He later worked for ExxonMobil and Nippon Oil in various project roles, before joining Bechtel to work on the development of petrochemical plants.

Radzif moved back to upstream with Murphy Oil, working to bring their first oilfield onstream in 2003, and then in support of a new billiondollar gas development. Radzif has built extensive experience in commercial and business development, both in Malaysia and across the South East Asia region.

**Kate Christ** Company Secretary



Key strengths and experience

- MSc in Corporate Governance
- · Chartered Secretary

Kate joined EnQuest PLC in 2016 and became Company Secretary in 2024.

She is a Fellow of the Chartered Governance Institute and over the past 17 years has worked in governance roles in a variety of industries

She started her career in the charitable sector, has worked within government departments and, prior to joining EnQuest, worked for FTSE 100 and FTSE 250 financial service companies.

Paul Massie Legal and Commercial Director



- Key strengths and experience
   Extensive legal and
- commercial expertise
- Wealth of experience in structuring and delivering business development projects and acquisitions
- Joint venture management

Paul joined EnQuest in 2011 from law firm Dundas & Wilson, where he worked in the energy and infrastructure team, advising a variety of public and private sector clients, utilities and lenders on complex major commercial projects. In his time at EnQuest, Paul has undertaken several key roles, including North Sea Legal Manager, Director of Corporate Development and New Energy

Group's new energy subsidiary, Veri Energy. Paul has played a key role in a number of EnQuest's business development projects and was instrumental in structuring the Group's acquisition of the Magnus asset from bp. Paul has overall responsibility for the commercial and legal affairs of the Company.

Paul is a member of the law society of Scotland and has an LLB (First Class) in Law (with options in accountancy) degree from the University of Aberdeen.

Claire Scrimaeour **Human Resources Director** 



- Key strengths and experience
   MA in International Business
- and Languages
- Member of the Chartered Institute of Personnel Development

Claire began her career in the retail

industry and, after progressing through various managerial positions, she joined Michael Page Recruitment in 2008 as a Managing Consultant, supporting the set-up of a newly created Aberdeen office focusing on oil and gas recruitment. Claire joined EnQuest as a Senior Recruitment Advisor in 2012 before becoming HR Business Partner in 2013. She has a track

record of consistent performance,

and, most recently, playing an

integral role in establishing the

delivering results and effective leadership for the company.

Claire took on the role of **Human Resources Director** for North Sea in June 2024.

# Ali Talpur Director of Global



- Key strengths and experience
- MRA in Finance
- · Extensive international experience

Ali joined EnQuest in July 2012 from Schlumberger where he held the role of Regional Procurement and Sourcing Manager for the North Sea.

He has over 22 years of procurement and shared services function experience for both E&P operators and oilfield service providers. Ali has an MBA in Finance and has diverse experience of working in different industries in large, well-

established organisations as well as medium-sized start-ups in the Middle East, South Asia, Europe and the Caspian region.

Ali has also held leadership positions at various industry groups, including Chair of Oil and Gas ÜK's Supply Chain Forum, member of the Oil and Gas Authority's Supply Chain & Exports Board and currently Chair of World Economic Forum's Resource Sharing Hub in the North Sea.

**Board of Directors** Corporate Governance Financial Statements

#### Committees key

- A Audit
- G Governance and Nomination
- R Remuneration and Social Responsibility
- S Sustainability and Risk
- Denotes Committee Chair

# **Gareth Penny** Independent Non-Executive

Chairman Appointed 6 December 2022



Key strengths and experience A wealth of board-level and extractive industry experience

Gareth, having chaired a number of public and private boards, joined EnOuest in December 2022. He is currently the chairman of Ninety One Plc and Ltd and was previously chairman of Norilsk Nickel, Russia's largest diversified mining and metals company. Gareth also served on the board of Julius Baer Group for 12 years. He has extensive experience in extractive industries, having spent 22 years with De Beers and Anglo American, the last five of which he was group chief executive officer of De Beers.

Principal external app Chairman of Ninety-One Plc and Ltd.

#### Amjad Bseisu **Chief Executive** Appointed 22 February 2010



Key strengths and experience Extensive energy industry and leadership experience

Amiad worked for the Atlantic Richfield Company ('ARCO') from 1984 to 1998, eventually becoming president of ARCO Petroleum Ventures. In 1998, he founded and was the chief executive of Petrofac Resources International Limited which merged into Petrofac PLC in 2003. In 2010, Amjad formed EnQuest PLC, having previously been a founding non-executive chairman of Serica Energy PLC and a founding partner of Stratic Energy Corporation. Amjad was chairman of Enviromena Power

Systems Ltd, the largest solar power engineering company in the MENA region, until its sale in 2017 and was British Business Ambassador for Energy from 2013 to 2015.

#### Chair of the independent energy community for the World Economic Forum since 2016. Director of The Amjad and Suha Bseisu Foundation since 2011.

#### Jonathan Copus Chief Financial Officer Appointed 30 May 2024



Key strengths and experience Extensive energy, natural resource and capital market experience

Jonathan joined EnQuest in December 2023 as CFO Designate, becoming EnQuest CFO on 1 February 2024. Jonathan has a strong technical background in geology and geoscience alongside ten years' capital markets experience. In his time in the City, Jonathan was the number one ranked energy analyst and co-authored a well-respected industry handbook, 'Oil and Gas for Beginners'. Jonathan spent four years as CFO of Salamander Energy PLC, a production and development business focused in South East Asia. While there, Jonathan more than doubled the post-tax margin against a flat oil price. For the last seven years, Jonathan was CEO of Getech Group PLC, where he repositioned and recapitalised the business as a data and analytics specialist, while also decarbonising more than one-third of revenues.

Principal external appointments

# Michael Borrell



Key strengths and experience Significant global exploration and production experience

Michael is an experienced operator of large-scale exploration and production assets, having worked for over 35 years with TotalEnergies, including managing the integration of the Maersk Oil business.

His international career with TotalEnergies has spanned Europe, Asia, North and South America, culminating in his appointment as senior vice president North Sea and Russia, and as Denmark country chair in 2020. Michael was a non-executive director

of Novatek OAO, which was listed on the London Stock Exchange and Moscow Stock Exchange between 2015 and 2021.

# Marianne Daryabegui

Independent Non-Executive Appointed 30 May 2024



Key strengths and experience Significant capital markets and mergers and

acquisitions experience

of Natural Resources at BNP Paribas and as co-head of the Energy and Natural Resources M&A practice at Natixis. With a strong experience in corporate transactions, capital markets and structured finance, Marianne has advised multiple oil and gas companies. She was appointed CFO of Lithium de France in 2021. She led the €44M Series B for the company, then the listing

Marianne is a seasoned capital

markets adviser with a focus on oil

and aas, first at Total, then as Head

of Arverne Group on Euronext through its merger with Transition SPAC. Marianne is currently Head of Financing, Capital Markets and M&A for Arverne Group and a non-executive director of Gulf Keystone Petroleum.

Marianne is currently the Head of Financing, Capital Markets and M&A of the Arverne Group and is a Non-Executive Director of Gulf Keystone Petroleum Limited.

### Rosalind Kainyah

Independent Non-Executive Director Appointed 30 May 2024



Key strengths and experience Substantial international. multi-sector experience

Rosalind has over 30 years of international, legal, operational, executive and board experience in a variety of sectors, including energy, oil and gas, mining, infrastructure, private equity, financial services and manufacturing. She has worked across Africa, Europe, the Americas, Asia and the South Pacific for companies and organisations, including Linklaters, Anglo American, De Beers, Tullow Oil plc,

the United Nations Environment Programme, University of Oxford's Environmental Change Unit and ERM.

#### **Principal external appointments**

Rosalind is the founder and director of Kina Advisory Limited, and also a non-executive director of discoverIE plc, Gem Diamonds Limited and WE Soda, a private company.

#### Farina Khan

Senior Independent Director Appointed 1 November 2020



Key strengths and experience Strong energy industry and financial experience, as well as deep insights into Malaysia

Farina is a Fellow of the Institute of Chartered Accountants Australia and New Zealand with 30 years' working experience primarily in the oil and gas industry. She started her career with Coopers & Lybrand, Australia, before returning to Malaysia to join PETRONAS in strategic planning and finance roles. She held various senior positions in PETRONAS including as CFO of an upstream subsidiary, PETRONAS Carigali Sdn. Bhd and CFO at PETRONAS Exploration

and Production. From 2013-15, Farina was the CFO of PETRONAS Chemical Group Berhad, the largest listed entity of PETRONAS.

#### Principal external appointments

Chair of Ambank Islamic Berhad and member of the boards of the following Malaysian listed companies: PETRONAS Gas Berhad, KLCC Property Holdings Berhad and Icon Offshore Berhad. Farina also currently sits on the board of KLCC REIT Management Sdn. Bhd.

Independent Non-Executive



Principal external appointments

Chairman's letter Strategic Report Corporate Governance Financial Statements

EnQuest's proactive governance ensures that the Company is well prepared to navigate the evolving dynamics of the energy industry.

Chairman

Gareth Penny



#### Dear shareholder,

On behalf of the Board of Directors (the 'Board') I am delighted to introduce EnQuest's Corporate Governance Report for 2024.

Throughout the year the Board has played its part in setting the purpose, tone and culture of the organisation. Towards the end of 2024, an external Board evaluation was conducted and it was concluded that the Board was both highly effective and well run. I am very encouraged by the results. To find out how the evaluation was conducted, please see page 99.

The Company has recently widened its opportunity landscape with an increased focus on South East Asia and we were pleased to announce on 22 January 2025, a new country entry into Vietnam. This transaction aligns with the Group's strategic aim to grow its international operating footprint by investing in fast-payback assets, with low capex and reduced carbon intensity. It has also been a significant year for the Company as we celebrated its successful ten-year presence in Malaysia. I was pleased to be able to join the celebrations held in Kuala Lumpur which were attended by our Malaysian employees and Farina Khan, our Senior Independent Director.

On 29 April 2024 we announced the commencement of the share repurchase programme of our Ordinary shares of 5 pence each of up to \$15 million. Details of the share repurchase programme can be found on pages 121 and 166. In addition, in September the Group announced the pricing of its offering of \$160.0 million aggregate principal amount of 11 5/8% senior notes due 2027. The Group used these proceeds to repay and cancel all amounts outstanding under its US Dollar second lien term loan facility and for general corporate purposes, including payment of costs and expenses related to the transaction.

As highlighted in the 2023 Annual Report, we made a number of Board appointments in 2024, seeking specific skills to ensure alignment with our strategy. Marianne Daryabegui and Rosalind Kainyah were appointed to the Board as Non-Executive Directors. Marianne is a seasoned capital markets adviser and is

currently the Head of Financing, Capital Markets and M&A of the Arverne Group. She currently sits on our Audit Committee and Sustainability and Risk Committee. Marianne's biography can be found on page 91. Rosalind has over 30 years of international, legal, operational, executive and board experience in a variety of sectors, including energy, oil and gas, mining, infrastructure, private equity, financial services and manufacturing. Rosalind's biography can be found on page 91. Jonathan Copus was also appointed to the Board as an Executive Director. Jonathan joined us as CFO Designate in December 2023, and after a formal transition process became CFO on 1 February 2024. Details of Jonathan's biography can be found on page 90. All the appointments were made on 30 May 2024 following the conclusion of the 2024 Annual General Meeting ('AGM').

The Board continues to take great interest in Veri Energy Limited ('Veri'), a wholly owned subsidiary of EnQuest PLC, and is pleased that Gavin Templeton, who has previously held senior leadership positions in the energy transition sector, was appointed as CEO of Veri following Salman Malik's departure. Gavin joined Veri in October 2024 to lead the overall strategic direction and execution of Veri Energy's project portfolio and reports regularly to the Board on the activities of the company. More detail regarding Veri activities can be found on page 30.

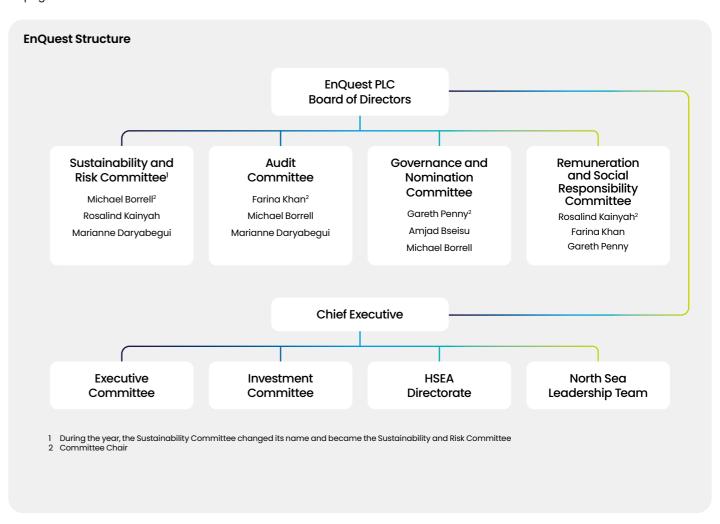
This year at EnQuest has been challenging but also productive and fulfilling, and I am pleased to be entering into 2025 with a strong and supportive Board. I am confident that my fellow Directors, senior management and the wider EnQuest team will deliver our strategy and create a strong future for the Group.

Gareth Penny Chairman 26 March 2025

#### Key corporate governance activities during the year

Activity	Purpose	Result
Succession planning and Board composition	Creating a balanced Board, continuous refreshing of talent, and development of internal talent	<ul> <li>Appointment of Rosalind Kainyah and Marianne Daryabegui as Non-Executive Directors</li> <li>Appointment of Jonathan Copus as Chief Financial Officer and Executive Director</li> <li>Confirmed Committee membership following new appointments</li> </ul>
Committee structure	Ensuring the appropriate support is provided to the Board	<ul> <li>Sustainability Committee renamed Sustainability and Risk Committee to ensure effective oversight of risk and sustainability matters</li> </ul>
Refinancing	Strengthening the balance sheet	<ul> <li>Offering of \$160.0 million aggregate principal notes</li> <li>Repayment of term loan</li> </ul>
Business development	Ensure funding of opportunities to support the strategy	<ul> <li>Approval of the installation of the Magnus Flare Gas Recovery system</li> <li>Acquisition of assets in Vietnam and other M&amp;A activities</li> </ul>
Governance	To align the culture with strategy and enable effective delivery	<ul> <li>Share repurchase programme</li> <li>Establishing Handrails website – a one stop website for employees regarding compliance materials and training</li> <li>Audit Committee and Sustainability and Risk Committee terms of reference update</li> <li>Shareholder engagement in relation to remuneration policy</li> </ul>

Further details of the Board's activities and how they support compliance with the Corporate Governance Code are shown in the table on page 97.



Corporate governance statement

Strategic Report Corporate Governance Financial Statements

#### Statement of compliance

The Board believes that the manner in which it conducts its business is important and it is committed to delivering the highest standards of corporate governance for the benefit of all of its stakeholders. The Directors understand and respect their duties to stakeholders under Section 172 of the Companies Act 2006 and considerations related to stakeholders are reflected throughout this Annual Report and Accounts ('2024 ARA'). The Section 172 Statement can be found on page 84. The Company applies the principles and complies with the provisions of the Financial Reporting Council's UK Corporate Governance Code 2018 (the 'Code') which was effective for accounting periods beginning on or after 1 January 2019 except in respect of Provision 41 and Provision 32, both page 97. The Code can be found on the Financial Reporting Council's website at www.frc.org.uk. Detailed below is EnQuest's application of, and compliance with, the Code. To avoid duplication, cross-references to appropriate sections within the 2024 ARA are provided. EnQuest notes that the new Corporate Governance Code is due to take effect on 1 January 2025 and intends to report against the revised provisions (as applicable) in the 2025 Annual Report and Accounts.

The manner in which the Company has applied the principles of the Code can be found in the following sections:

Board leadership and Company purpose	<ul> <li>Corporate governance statement (page 94)</li> <li>Strategic report (page 03)</li> <li>Stakeholder Engagement (page 84)</li> <li>Purpose, Values and Culture (pages 02, 86)</li> <li>Workforce policies and practices (page 52)</li> <li>Key activities of the Board in 2024 (page 97)</li> </ul>
Division of responsibilities	<ul><li>Board biographies incl. external appointments (page 90)</li><li>Corporate governance statement (page 94)</li></ul>
Composition, succession and evaluation	<ul> <li>Governance and Nomination Committee report (page 98)</li> <li>Board and committee composition (page 93)</li> <li>Succession planning (page 99)</li> <li>Board diversity (page 99)</li> <li>Board training and evaluation (page 99)</li> </ul>
Audit, risk and internal control	<ul> <li>Strategic report (page 03)</li> <li>Audit Committee report (page 101)</li> <li>Sustainability and Risk Committee report (page 118)</li> <li>Financial Reporting (page 138)</li> <li>Internal financial controls (page 105)</li> <li>Internal and external audit (page 106)</li> <li>Risk management (page 118)</li> </ul>
Remuneration	<ul> <li>Directors' Remuneration Report (page 106)</li> <li>Alignment with strategy and performance (page 106)</li> <li>Shareholder engagement (page 108)</li> <li>Executive Directors policy (page 109)</li> </ul>

#### **Board leadership and Company purpose**

The Board takes seriously its roles in promoting the long-term success of EnQuest, generating value for shareholders, having regard to the interests of other stakeholders and contributing to wider society. How the Company manages these areas can be found in the Strategic report, in particular within the 'Who we are and what we do' section on the inside front cover and page 02.

The Board is responsible for:

- · The Group's overall purpose and strategy;
- · Health, safety and environmental performance;
- Review of business plans and trading performance;
- Approval of major capital investment projects;
- Acquisition and divestment opportunities;
- Review of significant financial and operational issues;
- Review and approval of the Group's financial statements;
- Oversight of control and risk management systems;
- · Succession planning and appointments; and
- · Oversight of employee culture.

#### Culture

The Board ensures that the culture of the Group is aligned with its purpose, Values and strategy. EnQuest's Values (which are detailed at www.enquest.com/about-us/our-values) embody the ethos of the Group, and the Board carefully monitors and promotes a positive, inclusive and SAFE culture. The Board believes that engaged and committed employees are integral to the delivery of the Group's business plan and strategy and, to assist this, on joining the Company, the Chairman of EnQuest took on the role of designated Director for employee engagement. During his tenure as the designated Director, he attended the meetings of the Company's Employee Forum (the 'Forum') and made regular visits to the Company's offices, including attending the Kuala Lumpur office's ten-year celebration of EnQuest activities in Malaysia. He also went offshore and visited the Magnus platform. Rosalind Kainyah became the Company's designated Director in October 2024 and has continued to meet with the Forum on a regular basis. These meetings are reported to the Board to ensure the Directors are aware of staff concerns. More detail on the activities on the Forum can be found on page 52. In addition to these activities, in October 2024 the Board members travelled to the Aberdeen office and met for breakfast seminars and conducted workshops with employees, where matters such as risk and strategy were discussed. Feedback from employees confirmed that the activities had been welcomed and viewed as a positive addition to the workforce engagement programme.

Conducting these activities ensures that the Board can understand the priorities of employees, which in turn supports the Company's business model, purpose and Values.

EnQuest's Code of Conduct underpins the governance and culture of the Group. All personnel are required to be familiar with the Code of Conduct, which sets out the behaviours that the organisation expects of those who work at and with the Group. The Code of Conduct is regularly reviewed and updated to ensure it supports ethics and compliance best practice. The Group's Values complement the behaviours contained within the Code of Conduct and are a key part of the Group's identity. They guide the workforce as they pursue EnQuest's strategy and delivery of SAFE Results. In 2024, the Group established its Handrails website – a standalone website containing all internal policies and external training programmes. All staff are required to enrol onto the course programme on the website with courses such as anti-bribery and corruption training and data protection training being mandatory for all staff.

#### Workforce concerns

Through the Forum; regular briefings (which include an opportunity for the workforce to ask questions to management); the promotion of its Code of Conduct and Values; and various communication media, the Group seeks to set positive, appropriate standards of conduct for its people within an open, dynamic and inclusive culture. The Group encourages all employees to escalate any concerns and, as part of its whistleblowing procedure, provides an external 'speak-up' reporting line which is available to all employees, allowing for anonymous reporting through an independent third party. Where concerns are raised, these are investigated and reported to the Legal and Commercial Director and Chair of the Audit Committee, with follow-up action taken as soon as practicable thereafter.

#### Stakeholder engagement

EnQuest continued to have an active and constructive dialogue with its shareholders throughout the year to understand their views on governance and performance against strategy.

The Company's engagement activities were conducted through a planned programme of investor relations activities, including meetings with:

- Credit and equity investors and research analysts with regard to the Group's performance against guidance and strategic aims;
- A selection of the Group's larger shareholders directly with Board Chairman, Gareth Penny, to discuss Group strategy and governance; and
- · Retail investors at the Company's AGM.

The Group also delivered presentations alongside its half-year and full-year results, including separate sessions designed to give retail investors an opportunity to engage on the Group's results, copies of which are available on the Group's website, under 'Investors' at www.enquest.com, as well as ad hoc presentations at investor conferences. The Group's results meetings are followed

by investor roadshows with existing and potential new investors. These meetings, which take place throughout the year, other than during closed periods, are organised directly by the Company, via brokers and in response to direct investor requests.

EnQuest's Investor Relations team and Company Secretarial department respond to queries from shareholders, debt holders, analysts and other stakeholders, all of whom can register on the website to receive email alerts of relevant Group news. EnQuest's registrars, MUFG Corporate Markets (previously known as Link Group) also has a team available to answer shareholder queries in relation to technical and administrative aspects of their holdings. The Board is routinely kept informed of investor feedback, broker and analyst views and industry news in a paper submitted at each Board meeting by the Group's Head of Investor Relations and as required on an ad hoc basis.

The Board is also kept informed of relevant developments relating to other stakeholder groups such as suppliers, regulators, partners and governments, as required by the Executive Directors and/or the appropriate functional management and considers potential impacts on these groups of principal decisions made during the course of the year (see page 84 for more details).

#### Board agenda and key activities throughout 2024

During 2024, Board meetings have been held both virtually and in person, taking advantage of technology to ensure that decision making can be carried out efficiently and in a cost-effective manner. However, being cognisant of the importance of personal connections and the need to build relationships, three face-to-face meetings were held during the year. These meetings were aligned with Committee meetings to maximise the benefit of travel. Along with the Board meetings, two Board dinners took place, where Directors were able to explore issues and exchange ideas informally. The Executive Committee attended all of the dinners, and during the Board's October 2024 Aberdeen visit, the North Sea Leadership team was also invited.

#### Directors' attendance at Board meetings in 2024

	Meetings attended
Scheduled meetings 2024	
Executive Directors	
Amjad Bseisu	6/6
Jonathan Copus <sup>1</sup>	3/3
Non-Executive Directors	
Gareth Penny	6/6
Michael Borrell	6/6
Marianne Daryabegui <sup>1</sup>	3/3
Rosalind Kainyah <sup>1</sup>	3/3
Farina Khan <sup>'</sup>	6/6

- 1 Jonathan, Rosalind and Marianne have been in attendance for all meetings held since their appointments on 30 May 2024
- 2 Rani Koya and Liv Monica Stubholt resigned as Directors on 30 May 2024. They attended all meetings that they were eligible to attend (3/3)

The table below sets out matters that the Board discuss at each meeting and the key activities that have taken place throughout this period.

#### Key activities for the Board throughout 2024 Strategy Operation Stakeholders Governance Key projects, their status and HSEA · Succession planning · Investor relations and capital progress made market updates · Production Assurance and risk · Strategy update management Employee engagement · Operational issues and Key transactions highlights · Key governance developments · Government and regulator engagement Financial reports and · HR matters statements · Key legal updates · Liquidity and financing · Emission reductions

#### **Conflicts of interest and compliance**

The Group has procedures in place which identify and, where appropriate, manage conflicts or potential conflicts of interest with the Group's interests. In accordance with the provisions relating to Directors' interests in the Companies Act 2006, all Directors are required to submit details to the Company Secretary of any situations which may give rise to a conflict or potential conflict. The Board is satisfied that formal procedures are in place to ensure that authorisation for potential and actual conflicts of interest are dealt with efficiently. Directors are required to obtain Board approval before accepting any further external appointments. For example, when Farina Khan notified the Board that she was considering a role of Chair at Ambank Islamic Berhad she advised of her current time commitments and that she would be stepping down from two committees to ensure sufficient time for the new role and her current responsibilities at EnQuest. The Board, having considered her appointment and time commitments, was satisfied that she could meet the needs of EnQuest alongside the new position and her other current roles and so approved the appointment.

The Group is committed to behaving fairly and ethically in all of its endeavours and has policies which cover anti-bribery, anti-corruption, data protection and anti-facilitation of tax evasion. The anti-bribery and corruption programme is reviewed annually by the Board and a compulsory online anti-corruption training course, alongside data protection training, is required to be completed by all staff. Additional information can be found on page 39 and in the Code of Conduct which is available on the Group's website. The Group also launched its Handrails website to provide easy access to the Group's governance materials and training on a broad range of ethics and compliance topics including fraud, money laundering, competition law and sanctions.

#### **Board education**

All Directors receive an induction pack and meet with management on joining the Company. They are also offered Director training and memberships of organisations which deliver knowledge and training to Non-Executive Directors. Education is provided from time to time by the Company Secretary or external advisers. For example, a session was held with external counsel to discuss governance updates which included changes to the listing regime, Economic Crime and Corporate Transparency Act and other trends in audit, corporate governance and sustainability reporting.

#### 2024 Annual Report and Accounts ('ARA')

The Directors are responsible for preparing the 2024 ARA and consider that, taken as a whole, the 2024 ARA is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company and Group's position and performance, business model and strategy.

#### Annual General Meeting ('AGM')

The Company's AGM is ordinarily attended by the Directors and executive and senior management and is open to all EnQuest shareholders to attend. The 2025 AGM will be held on 27 May 2025 at Sofitel St James, 6 Waterloo Place, London SWIY 4AN, United Kingdom.

#### **Division of responsibilities**

There is a clear division of responsibilities between the Board and the executive leadership of EnQuest. The roles of the Chairman and Chief Executive are not exercised by the same individual.

#### Chairman

The Chairman is responsible for the leadership of the Board, setting the Board agenda and ensuring the overall effective working of the Board. The Chairman holds regular one-to-one and group meetings with the Non-Executive Directors without the Executive Directors present.

#### Chief Executive

The Chief Executive is accountable and reports to the Board. His role is to develop strategy in consultation with the Board, to execute that strategy following presentation to, and consideration and approval by, the Board and to oversee the operational management of the business.

#### Senior Independent Director

The Senior Independent Director ('SID') is available to shareholders if they have concerns where contact through the normal channels of the Chairman or the Executive Directors has failed to resolve an issue, or where such contact is inappropriate. The SID acts as a sounding board for the Chairman and also conducts the Chairman's evaluation on an annual basis. Farina Khan is currently the SID for EnQuest.

#### Non-Executive Directors

The Non-Executive Directors combine broad business and commercial experience from oil and gas and other industry sectors. They bring independence, external skills and objective judgement, and constructively challenge the actions of executive and senior management. This is critical for providing assurance that the Executive Directors are exercising good judgement in delivery of strategy, risk management and decision making. They receive a monthly report on Group performance and updates on major projects, irrespective of a meeting taking place, which allows them to monitor performance regularly. In addition, they hold to account the performance of management and individual Directors against agreed objectives and assess and monitor the culture of the Company. All Directors of EnQuest have been determined to have sufficient time to meet their responsibilities and this is monitored on a regular basis. At the date of this report there are seven Directors, consisting of two Executive Directors and five independent Non-Executive Directors (including the Chairman).

#### **Company Secretary**

The Company Secretary is responsible for advising the Board, through the Chairman, on all Board procedures and governance matters. In addition, each Director has access to the advice and services of the Company Secretary. The Company Secretary assists with the ongoing training and development of the Board and is instrumental in facilitating the induction of new Directors. The appointment and removal of the Company Secretary is a Board matter. The Company Secretary supports the Chairman in the provision of accurate and timely information. Board agendas are drawn up by the Company Secretary in conjunction with the Chairman and with agreement from the Chief Executive. All Board papers are published via an online Board portal system which offers a fast, secure and reliable method of distribution.

#### ndependence

The Chairman was independent on appointment. The Board considers that all the Non-Executive Directors continue to remain independent and free from any relationship that could affect, or appear to affect, their independent judgement. Information on the skills and experience of the Non-Executive Directors can be found in the Board biographies on pages 90 and 91.

#### Committees

The Board has four Committees which meet on a regular basis and report back to the Directors at each Board meeting. This allows for the Board to be informed of important Committee business and, if necessary, to discuss issues should they need to be escalated to Board level. There are formal terms of reference for each Committee which set out the scope of authority of the Committee, satisfy the requirements of the Code and are reviewed and approved on an ongoing basis by the Board. Copies of the terms of reference are available on the Group's website, www.enquest.com. Membership and attendance of each Committee can be found on the dedicated Committee pages, details of which are found below.

#### **Audit Committee**

The Audit Committee responsibilities include reviewing the effectiveness of the Group's internal controls and risk management systems, including the adequacy of the Company's arrangements for whistleblowing and procedures for detecting fraud. The Committee is also in charge of approving statements to be included in the Annual Report concerning risk management as well as monitoring and reviewing the effectiveness of the Group's internal audit capability, and oversight of external auditors, in the context of the Group's overall risk management system. The work of the Audit Committee is on pages 101 to 106.

#### Remuneration and Social Responsibility Committee

The Remuneration and Social Responsibility Committee is responsible for assessing the Group's performance and for determining appropriate performance-related compensation in alignment to the Group's Remuneration Policy and the Code. It reviews and takes note of institutional shareholder guidelines. At the 2024 AGM the Remuneration Policy was submitted to shareholders for approval. As part of a process of regular review the Committee considered the Policy again in autumn 2024 and consulted with major shareholders to ensure it remained appropriate. It was agreed that no changes were necessary and so the Policy, as approved last year, remains in place. There was no engagement with the workforce explaining how executive remuneration aligns with the wider company pay policy due to no changes being made to the Policy (being a departure from Code Provision 41). In addition to remuneration, the Committee also monitors the social responsibility activities of the Company, see page 50. The work of the Remuneration and Social Responsibility Committee is set out on pages 107 to 117.

Gareth Penny, Chairman of EnQuest, acted as interim Chair of the Committee in 2024 while there was a vacancy for the position

(being a departure from Code Provision 32). Rosalind Kainyah became Chair of the Committee following her appointment as a Director in May 2024 (see Code Provision 32). More information can be found on page 99.

#### Sustainability and Risk Committee

To emphasise the Board's view of the importance of risk and risk monitoring, the Sustainability Committee was renamed as the Sustainability and Risk Committee in 2024. This Committee continues to progress its comprehensive Risk Management Framework and has conducted a robust assessment of the principal risks facing the Group, which are outlined on pages 56 to 71 of the Strategic report. The work of the Committee, which includes monitoring HSEA issues and oversight of decarbonisation matters, is on pages 118 to 119. This Committee is responsible for providing the Board with additional technical insight when making Board decisions. The Committee also reviews material controls and held a joint discussion with the Audit Committee in 2024 to review the oversight of risk to ensure it was appropriately managed.

#### **Governance and Nomination Committee**

The Governance and Nomination Committee leads the process for appointments and regularly reviews the structure, size and composition of the Board. It also considers succession planning for the Executive Committee and has expanded its remit to cover all aspects of the Code. The work of the Governance and Nomination Committee, including information regarding the Board's diversity and the Company's associated policy, recruitment and the Board annual evaluation process, is on pages 98 to 100.

#### **Board discussions and outcomes**

Code requirements	Key Board discussions	Outcome		
Ensuring an effective and entrepreneurial Board to promote long-term sustainable success	<ul> <li>Macroeconomic environment</li> <li>Growth opportunities, including new energy and decarbonisation developments at the Sullom Voe Terminal and potential acquisitions</li> <li>Board evaluation results</li> <li>Training and knowledge refresh</li> </ul>	<ul> <li>The Board discusses growth opportunities at every Board meeting, including at the opportunity costs of pursuing ventures</li> <li>Training on corporate governance and compliance; anti-corruption and bribery; and on Directors' responsibilities</li> <li>Board member engagement with the Employee Forum, which drives staff culture</li> </ul>		
Establishing and aligning purpose, Values and strategy with culture	Culture, Values and ESG are included in Company Performance Indicators	<ul> <li>Launch of 2024 Offering of notes</li> <li>Regular in-depth reviews of risks and their mitigants through its Committees</li> </ul>		
Ensuring necessary resourcing is in place and establishing a framework of controls to enable risk to be assessed	<ul> <li>Rigorous assessment of the Group's liquidity requirements</li> <li>Reviewed Risk Management Framework</li> <li>Reviewed principal risks and uncertainties and emerging risks</li> <li>UK and South East Asia regulatory environment</li> <li>Refinancing the Group's debt facilities</li> </ul>	<ul> <li>Evolution of the Risk Management Framework</li> <li>Discussion and alignment on compliance with regulatory requirements</li> </ul>		
Effective engagement with shareholders and stakeholders	Updates provided at each Board meeting	<ul><li>Debt investor engagement</li><li>Annual General Meeting</li></ul>		
Ensuring workforce policies and practices are consistent with the Company's Values	Ethics and compliance	<ul> <li>Company Code of Conduct and associated policies updated</li> <li>Established Handrails website</li> </ul>		
Appointments are subject to formal rigorous and transparent procedure with effective succession plan for Board and senior management	<ul><li>Appointment of NEDs</li><li>Appointment of CFO</li></ul>	Detailed discussions on succession planning and review of roles and accountabilities of Executive Committee		

# Good governance is more than a requirement, it is the key to business success.

Chair of the Governance and Nomination Committee

Gareth Penny



#### Dear shareholder,

In 2024 the Committee focused on Board composition, in particular further recruiting two new members as both Rani Koya and Liv Monica Stubholt had advised the Company that they would be both stepping down at the May 2024 Annual General Meeting ('AGM'). We also required a new Chair of the Remuneration and Social Responsibility Committee as I was chairing the Committee on an interim basis following Karina Litvack's departure towards the end of 2023.

I'm very pleased that after a thorough search process (which was detailed in the Company's 2023 Annual Report on page 89), the Committee recommended Rosalind Kainyah and Marianne Daryabegui to the Board for appointment. After due consideration the Board agreed with our recommendation and proposed their appointments to you, our shareholders, at the May 2024 AGM.

The Committee also recommended to the Board that Rosalind, with her previous Remuneration Committee experience, become Chair of the Remuneration and Social Responsibility Committee, and also join the Sustainability and Risk Committee. Marianne, with her strong financial background joined the Audit Committee and also sits on the Sustainability and Risk Committee. Mike Borrell took over as Chair of the Sustainability and Risk Committee from Rani Koya.

At the end on 2024, the Board held an external performance evaluation. I am encouraged by the findings which concluded that the Board was well run and that its members' skills reflected the requirements of the Company. New Board members have settled in quickly and are demonstrating that their appointments were well made. More information on this can be found on the following page.

#### **Gareth Penny**

Chair of the Governance and Nomination Committee 26 March 2025

#### Governance and Nomination Committee membership

The composition of the Governance and Nomination Committee is set out below, along with attendance at the scheduled meetings.

Appointment dates and attendance at the four scheduled meetings are set out below:

Member attended	Date appointed as Committee member	Meetings attended
Gareth Penny Amjad Bseisu	6 December 2022 22 February 2010	4/4 4/4
Michael Borrell	5 September 2023	4/4

#### Main responsibilities

The core work of the Governance and Nomination Committee is to ensure that the Board and its Committees support the strategy of the Group. The Board currently comprises seven members; five Non-Executive Directors and two Executive Directors. The Board is characterised by a collaborative approach which works to create strong leadership with individual Directors who collectively bring a diverse mix of talent and experience to the Company.

The main responsibilities of the Committee are to:

- Review the size, structure and composition (including the skills, experience, independence, knowledge and diversity) of the Board and its Committees;
- Ensure the orderly succession of Executive Directors, Non-Executive Directors and executive and senior management;
- Identify, evaluate and recommend candidates for appointment or reappointment as Directors or Company Secretary, taking into account diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths and the balance of knowledge, skills and experience required to serve on the Board;
- Review the outside directorships/commitments of Non-Executive Directors; and
- Exercise oversight of the compliance of the Company with the Corporate Governance Code (the 'Code') and ensure the relevant practices are applied as when the Code is updated.

The Committee's full terms of reference can be found on the Group's website, www.enquest.com, under Corporate Governance.

#### Committee activities during the year

The Governance and Nomination Committee met four times in 2024. Its key activities included:

#### **Board appointments**

Rosalind Kainyah and Marianne Daryabegui were both appointed as Non-Executive Directors on 30 May 2024, following shareholder approval at the 2024 AGM. Jonathan Copus, the Company's Chief Financial Officer, was appointed as an Executive Director at the 2024 AGM. All appointments were subject to a formal, rigorous and transparent procedure and as explained in the Company's 2023 Annual Report, were conducted by an independent external provider, Spencer Stuart. Their biographies are on page 90 to 91.

#### Committee appointments

As detailed in the Chairman's letter, the Committee reviewed the composition of the Board Committees at various stages during the year and the new Board members were allocated committees accordingly. Membership of which can be found on page 93. The appointment process was fully detailed in the 2023 Annual Report.

In 2023, Gareth Penny, Chairman of EnQuest, stepped into the role as interim Chair of the Remuneration and Social Responsibility Committee. This was not recommended under Code Provision 32 which stipulates that the chair of a company may not chair a remuneration committee. Hence, following her appointment in May 2024, Rosalind Kainyah was appointed as Chair of the Remuneration and Social Responsibility Committee.

#### Structured Board succession planning

Succession planning is an important part of the Committee and the Board's deliberations and is aimed at both senior management and the wider organisation, such as identifying and developing high potential individuals.

To ensure the Board remains adequately resourced, effective, and aligned with the Company's strategic priorities, the Governance and Nomination Committee oversees a robust succession planning process, spanning short, medium, and long-term horizons. This process encompasses diversity, sector expertise, and leadership capabilities. At the current time, given the short tenure of the majority of the Directors and the current skillset, the Board is considered to be well positioned for the future.

In considering a Board composition which best serves the strategy, Values and Company Purpose into the future, the Board has adopted diversity targets which align to the expectations of Listing Rule 6.6.6 R(9). Its membership represents a spread of backgrounds and experiences which cover the oil and gas industry and other industries, including those supporting the energy transition. See pages 90 to 91 for biographies.

The Board and the Governance and Nomination Committee remain satisfied that the individuals currently fulfilling key executive and senior management positions in the Group have the requisite depth and breadth of skills, knowledge and experience to ensure that orderly succession to the Board and Executive Committee can take place. The Group continues to work to identify capability, strengths and development gaps and to develop the process for encouraging and supporting high-potential employees.

#### **Board performance review**

The 2024 Board performance review was conducted externally by CorpStat Governance Services. CorpStat Governance Services has no other connection with the Company or individual Directors. The next external performance review will take place in 2027. The review was conducted via questionnaire and interview with each Director. Interviews with the Company's broker and external audit partner were also conducted.

The results from the review, which were discussed in detail at the February 2025 Board meeting, considered that the Board, as a whole and individually, was very effective, especially given the Board changes over recent years. Due to the recent Board

changes, there was no concern regarding succession planning at this time. It was concluded that the Directors worked well together and contributed effectively to the Company. The Board's Committees were also reviewed and were found to be well run and adhering to their Terms of Reference. There were no major findings from the Board or Committees review, however, a suggestion that, despite extensive review at the Audit Committee, additional oversight be given to IT matters was accepted.

The Chairman's review formed part of the external evaluation and it was concluded that he was highly rated by his fellow Directors and led the Board well, encouraging debate and ensuring all views are aired. It was added that both the Chairman and CEO were respectful of Board opinions and complemented each other's skills.

The key areas from the 2023 review were monitored and progressed during the year. These included ensuring that the Board understood stakeholder expectations, which was facilitated by a presentation by the Head of Investor Relations; a review and renewal of the Company's diversity policy; employee engagement activities, which included a Board visit to the Aberdeen office, see page 94; the appointment of a Chair of the Remuneration and Social Responsibility Committee (noting that the Company Chair was not the right person to lead said Committee); and to ensure risk matters remained adequately covered at Board level.

#### Re-election to the Board

Following a review of the effectiveness of the Board, the Governance and Nomination Committee confirms that it is satisfied with both the performance and the time commitment of each Director throughout the year. The Committee also remains confident that each of them is in a position to discharge their duties to the Company in the coming year and that together they continue to bring the necessary skills required to the Board. Board approval is required should a Director wish to accept a further external role, see page 96 for an example of the decision-making process. Detailed biographies for each Director, including their skills and external appointments, can be found on pages 90 to 91.

#### Priorities for the coming year

The main focus of the Committee in 2025 will be continued oversight of Board and Committee composition.

#### **Boardroom diversity**

The Group's Diversity, Equity and Inclusion Policy can be found on the Group's website at www.enquest.com/environmental-social-and-governance/social/people. The Policy aligns with the Company's Values, which incorporate both respect and openness. The Group seeks diversity in its employee base, recognising that those from different backgrounds, experience and abilities can bring fresh ideas, perspectives and innovation to improve the business and working practices. In 2024, the Board considered the diversity of the organisation, targets and the means to improve diversity. As a result of this consideration, there was an updated Diversity, Equity and Inclusion Policy published. The Board also encouraged the Company in STEM engagement with specific emphasis on Women in STEM, with a focus on STEM education across the wider school and university community.

The Board Diversity Policy is aligned with the expectations of Listing Rule 6.6.6 R(9). As at 31 December 2024 (being the reference date chosen for the purposes of the Listing Rule) at least 40% of the individuals on the Board were women (42.86%); one of the CEO, CFO, Chair or SID is a woman (the SID is Farina Khan); and at least one individual is from a minority ethnic background (three members). Recent appointments have been made with diversity of age, gender, ethnicity, sexual orientation, disability or educational, professional and socio-economic backgrounds in mind. There have been no changes to the Board since the reference date.

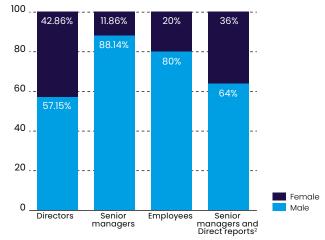
#### **Governance and Nomination Committee continued**

With regards to DTR 7.2.8AR, noting that the Board Diversity policy applies equally to its Committees, while most of the Board Committees are both gender and ethnically diverse, due to the small size of the Board (there being five Non-Executive Directors, including the Chairman of the Company) the Governance and Nomination Committee remains 100% male; this will be reviewed going forward. The target for the Executive Committee is for a 33% diverse membership. At the reference date, excluding the CEO and CFO, it was 20% ethnically diverse and 40% gender diverse. At the date of publication of this report it is, excluding the CEO and CFO, 33.3% ethnically diverse and 33.3% gender diverse.

Although not a FTSE 350, the Board and Committee is cognisant of the FTSE Women Leaders Review target of 40% female representation on the Board and leadership teams and remains ahead of the Parker Review target with respect to minority ethnic representation.

The tables below set out information, as required by Listing Rule 6.6.6R(10), at 31 December 2024. Data was gathered by asking each Director and member of the Executive Committee to self-report via email their response to the information required by the Listing Rule.

The chart below illustrates gender breakdown of EnQuest's Directors and workforce as at 31 December 2024<sup>1</sup>.



#### Note

- 1 Breakdown of percentages: Directors (three female, four male); senior managers (nine female, 49 male); employees (134 female, 533 male). Senior management and total employee figures include EnQuest's employees in Dubai, Malaysia and the UK
- total employee figures include EnQuest's employees in Dubai, Malaysia and the UK

  Per Code Provision 23 this is the gender balance of those in the senior
  management and their direct reports

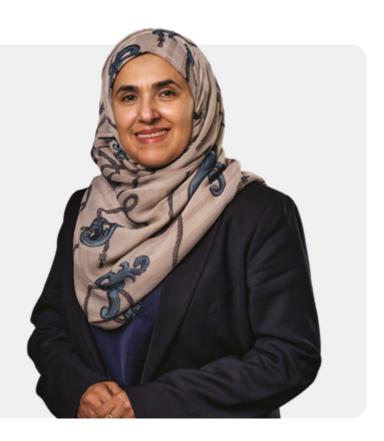
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57.15%	3	3	60%
Women	3	42.86%	1	2	40%
Not specified/prefer not to say	-	_	_	_	-
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	4	57.14%	1	4	80%
Mixed/Multiple Ethnic Groups	_	_	_	_	_
Asian/Asian British	1	14.29%	1	1	20%
Black/African/Caribbean/Black British	1	14.29%	_	_	_
Other ethnic group	1	14.29%	1	_	_
Not specified/prefer not to say	_	-	-	-	_

Strategic Report

# The Committee has continued to provide robust review and challenge of the Group's financial reporting and system of internal controls.

Chair of the Audit Committee

# Farina Khan



#### Dear fellow shareholder

I am pleased to present the Audit Committee report for the year ended 31 December 2024, covering our activities over the course of the year.

The Audit Committee oversees and monitors the Group's financial reporting (including reporting on the financial aspects related to climate change), external and internal audit and the effectiveness of the system of internal financial and IT-related controls. The Committee also works closely with the Sustainability and Risk Committee in matters of mutual interest, including any recommendations arising from internal audit assurance in the matter of risk and risk management.

More information on the role and responsibilities of the Committee and its terms of reference, which are reviewed annually, can be found at www.enquest.com/investors/corporate-governance.

In addition to the standing agenda items for the year, the Committee also considered a variety of other focus areas including: the evolving cyber security landscape and the Group's response; updates to standards issued by the Institute of Internal Auditors ('IIA'); EnQuest PLC's shareholder distribution capacity; simplification of the Group's legal entity structure; reviewing Corporate Governance updates, including the Group's approach to compliance with the changes to Provision 29 with respect to risk management and internal control (in conjunction with the Sustainability and Risk Committee); and investor and regulator focus areas. With the updates to the UK Corporate Governance Code (the 'Code') issued in January 2024, most of which are effective from 1 January 2025 with the exception of Provision 29, which is effective from 1 January 2026, the Committee and management remain committed to reviewing the Group's existing risk management and control environment and associated reporting to ensure it remains robust and appropriate.

There was continued review and challenge on progress against control and process improvements, including IT controls, identified in conjunction with the Group's external auditor. It was pleasing to see that significant progress during the year was made in this regard by management, particularly around

privileged access controls and financial and ESG reporting process improvements. Given the volatile global environment, the Committee also continued to ensure that key judgements and estimates made in the financial statements, such as the recoverable value of the Group's assets, were carefully assessed.

In May 2024, we welcomed Marianne Daryabegui to the Board and Committee. Marianne brings significant experience in capital markets and mergers and acquisitions and I have welcomed her contributions through the second half of 2024 as we have covered a broad range of focus areas, including the Group's successful debt refinancing activities in the fourth quarter.

In November 2024, EnQuest received a letter from the Financial Reporting Council ('FRC') stating that the 2023 Annual Report and Accounts had been reviewed by the FRC's Corporate Reporting Review ('CRR') team. Whilst acknowledging the limitations inherent in the scope of their review, it was pleasing to see that the review resulted in no queries or questions for management and no formal responses were required. Several areas were noted for management's attention where the FRC believes that users of the accounts would benefit from improvements to EnQuest's reporting. These areas have been addressed by management in the 2024 Annual Report and Accounts, where considered appropriate.

As discussed within the Corporate governance statement, the Committee is pleased to confirm that the actions of the Committee were, and continue to be, in compliance with the Code and that it is satisfied with the formal and transparent policies and procedures in place.

#### Farina Khan

Chair of the Audit Committee 26 March 2025

#### **Committee composition**

As required by the Code published in January 2024, the Committee exclusively comprises Non-Executive Directors, biographies of whom are set out on pages 90 and 91. The Board is satisfied that the Chair of the Committee, Farina Khan, previously Chief Financial officer at PETRONAS Chemical Group Berhad, and a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, meets the requirement for recent and relevant financial experience, with the Committee as a whole meeting the requirement to have competence relevant to the sector in which they operate given Michael Borrell and Marianne Daryabegui's respective careers in the oil and gas sector.

Membership of the Committee, appointment dates and attendance at the four meetings held during 2024 is provided in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Farina Khan	1 November 2020	4/4
Liv Monica Stubholt <sup>1</sup>	15 February 2021	2/2
Mike Borrell	6 December 2023	4/4
Marianne Daryabegui <sup>1</sup>	30 May 2024	2/2

1 Following EnQuest's Annual General Meeting on 30 May 2024, Liv Monica Stubholt stepped down from the Board of Directors and her position on the Audit Committee On that date, Marianne Daryabegui was appointed

Meetings are also normally attended by the Chief Executive Officer, Chief Financial Officer, Company Secretary, the external auditor, the internal auditor, key finance team members and other senior business managers as required. The Chairman of the Board also attends the meetings from time to time. The Chair of the Committee regularly meets in between Committee meetings with the external lead audit partner and internal audit to discuss matters relevant to the Company.

The Committee continues to monitor its own effectiveness and that of the functions it supports on a regular basis. Through the review of the terms of reference of the Committee, regular meetings with the internal and external auditors and key management personnel, the Committee has concluded that its core duties in relation to financial reporting, internal controls, whistleblowing and fraud, internal audit, external audit and reporting responsibilities are being performed well.

#### Fair, balanced and understandable

A key requirement of the Group's Annual Report and Accounts is for the report to be fair, balanced and understandable. In addition, the Annual Report should contain sufficient information to enable the position, performance, strategy and business model of the Company to be clearly understood and details of measurable key performance indicators and explanations of how the Company has engaged with its stakeholders (as set out in the Group's Section 172 Statement on page 84). The Committee and the Board are satisfied that the Annual Report and Accounts meet these requirements, with appropriate weight being given to both positive and negative developments in the year.

With regard to these requirements, the Committee has considered the robust process which operates when compiling the Annual Report and Accounts, including:

- · Clear guidance and instructions are provided to all contributors;
- Revisions to regulatory requirements, including the Code, are communicated and monitored;
- A thorough process of review, evaluation and verification of the content of the Annual Report and Accounts is undertaken to ensure accuracy and consistency;
- External advisers, including the external auditors, provide advice to management and the Audit Committee on best practice with regard to the creation of the Annual Report and Accounts; and
- A meeting of the Committee was held in March 2025 to review and approve the draft 2024 Annual Report and Accounts in advance of the final sign-off by the Board.

# Financial reporting and significant financial statement reporting issues

The primary role of the Committee in relation to financial reporting is to assess, amongst other things:

- The appropriateness of the accounting policies selected and disclosures made, including whether they comply with International Financial Reporting Standards; and
- Those judgements, estimates and key assumptions that could have a significant impact on the Group's financial performance and position, or on the remuneration of executive and senior management.

#### **Audit Committee meetings**

There were four Committee meetings in 2024. A summary of the main items discussed in each meeting is set out in the table below:

Measure	March 2024	May 2024	August 2024	December 2024
Audit Committee self-evaluation assessment of its effectiveness including review of				
actions identified in previous effectiveness review		√		
Audit Committee terms of reference		√		<b>√</b>
Significant matters arising from completed internal audits	√	√	√	√
Internal audit and assurance plan for 2024 and 2025	√			<b>√</b>
Internal audit progress against 2024 plan, including findings since last meeting	√	√	√	√
Updates on changes to IIA Global Internal Audit Standards		√		
Independence and objectivity of Internal audit				√
Joint venture audit plan for 2024, including summary findings since last meeting	√	√	√	√
Cyber security update	√	√	√	√
Capital structure and business development	√	√	√	<b>√</b>
Annual external audit plan				√
External (Deloitte) audit fees subject to the audit plan	√			
Level of non-audit service fees for Deloitte				√
Quality, independence and objectivity of Deloitte	√		√	√
Effectiveness of Deloitte as external auditors		√		
Evaluate the viability assessment	√			
Appropriateness of going concern assumption	√		√	
Review of half-year or full-year regulatory press release and results statements	√		√	
Briefings on regulatory developments including corporate governance, fraud risk assessment, FRC thematic reviews and climate-related matters		√		√
Key risks, judgements and uncertainties, including the consideration of climate change, impacting the half-year or year-end financial statements (reports from both management and external auditor)	./		./	./
Presentation on the reserves audit and evaluation of the Competent Person's independence and objectivity	√		<b>v</b>	<b>v</b>
Tax strategy, policy and compliance				√
Impact of UK Energy Profits levy and other tax topics	√		√	√
Management's response to audit findings, recommendations and control weaknesses, including potential improvements and agreed actions	<b>√</b>		√	√
Review of process and controls relating to the development of the Group's internal control framework	<b>√</b>	√	√	~
IT controls progress against IT audit findings	√	√	√	<b>√</b>

These items are considered by the Committee, together with reports from both management and its external auditor at each relevant Committee meeting. The significant accounting and reporting areas considered, including those related to EnQuest's 2024 Consolidated Financial Statements, are set out below:

#### Significant financial statement reporting issue

Going concern and viability

The Group's assessments of the going concern assumption and viability are based on detailed cash flow, covenant and the reserves-based lending borrowing base forecasts. These are, in turn, underpinned by forecasts and assumptions in respect of:

- Production and costs for the next three years, based on the Group's approved 2025 business plan and forecasts; and
- The oil price assumption, based on a forward curve of \$75/bbl (2025).

#### Consideration

The Committee reviewed and considered the Directors' half-year and full-year statements with respect to the going concern basis of accounting. The Board also regularly reviews the liquidity projections of the Group. The detailed going concern and longerterm viability analysis, including sensitivity analysis and stress testing, along with explanations and justifications for the key assumptions made, were presented at the March 2025 meeting.

This analysis was considered and challenged by the Committee, including, but not limited to, the appropriateness of the period covered, planning scenarios, including production volume expectations, capital projects, macroeconomic assumptions, including those associated with oil prices and inflation, stress tests and the achievability of any mitigations that may be required in a downside case scenario to ensure that the Group would have sufficient headroom to continue as a going concern. The Committee supported the going concern basis of accounting. The disclosures in the Annual Report concerning the viability statement and going concern assumption (see pages 37 to 38) were reviewed and approved at the March 2025 meeting for recommendation to the Board.

**Audit Committee report** continued

#### Strategic Report Corporate Governance

#### Significant financial statement reporting issue

#### Potential misstatement of oil and gas reserves

The Group has total proved and probable reserves as at 31 December 2024 of 168.6 MMboe. The estimation of these reserves is essential to:

- · The valuation of the Company;
- The assessment of going concern and viability;
- · Impairment testing;
- · Decommissioning liability provisions; and
- · The calculation of depreciation.

#### Impairment of tangible and intangible assets

The recoverability of asset carrying values is a significant area of judgement. These impairment tests are underpinned by assumptions regarding:

- · 2P reserves;
- Oil price assumptions (based on an internal view of future prices of \$75/bbl (2025), \$75/bbl (2026), \$75/bbl (2027) and \$75/bbl real thereafter);
- Life of field production profiles and opex, capex and abandonment expenditure; and
- A post-tax market discount rate derived using the weighted average cost of capital methodology.

For more details, see also note 2 critical accounting judgements and key sources of estimation uncertainty: recoverability of asset carrying values, and notes 9 and 11.

Impairment testing has been performed resulting in a pre-tax non-cash impairment charge of \$71.4 million.

#### **Contingent consideration**

Any contingent consideration included in the consideration payable for a business combination or asset acquisition is recorded at fair value at the date of acquisition. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate discount rates.

The Group calculates contingent consideration payable in respect of its Magnus acquisition. See note 21 for further details.

#### Climate change in financial reporting

While the Group's view of evolving climate risks continues to develop, appropriate disclosure is an area of focus for the Committee

Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the Group's assets and liabilities and on similar assets and liabilities that may be recognised in the future.

See note 2 Use of judgements, estimates and assumptions: Climate change and energy transition.

#### Appropriateness of the decommissioning provision The Group's decommissioning provision of \$741.6 million at

31 December 2024 is based upon a discounted estimate of the future costs and timing of decommissioning of the Group's oil and gas assets. Judgement exists in respect of the estimation of the costs involved, the discount rate and inflation rate assumed, and the timing of decommissioning activities.

See note 2 Critical accounting judgements and key sources of estimation uncertainty: Provisions.

#### Consideration

During the March 2025 meeting, management presented the Group's 2P reserves, together with the report from Gaffney, Cline & Associates, the Group's reserves auditor (which are also presented to the Group's Sustainability and Risk Committee for technical assessment).

The Committee considered the scope and adequacy of the work performed by Gaffney, Cline & Associates and their independence and objectivity and concurred that the estimation of reserves had been consistently applied to the financial statements.

At the March 2025 meeting, management presented the key assumptions made in respect of impairment testing and the result thereof to the Committee. The Committee considered and challenged these assumptions, including the oil price and discount rate used, and potential impacts of climate change and energy transition, in line with the challenges performed as part of the going concern and viability review. Sensitivity analysis and disclosures estimating the effect of oil price reductions were reviewed. Consideration was also given to Deloitte's view of the work performed by management.

At the March 2025 meeting, the key judgements and estimates and result of the fair value calculations, explanation of movements in the year and the associated disclosures, including sensitivity analysis, were presented to and challenged by the Committee. It was noted the key assumptions, other than the discount rate which is specific to the liability, were aligned with those used in the Group's impairment testing and tax estimates. Consideration was also given to Deloitte's view of the work performed by management.

The Committee concluded that the assumptions and inputs for contingent consideration payable were reasonable and consistent with other relevant judgements and estimates made and the related liabilities recorded were appropriate.

The Committee considered financial statement disclosures, including TCFD and CFD reporting, and how the Group's climate change scenarios are reflected in the Group's key judgements and estimates used in the preparation of the Group's 2024 financial statements. The Committee also reviewed the results of testing the Group's resilience under the International Energy Agency's Announced Pledges scenario and Net Zero Emissions by 2050 scenario.

The Committee, recognising the evolving nature of climate change risks and responses, concluded that climate change has been appropriately considered by management in key judgements and estimates and concurred with the disclosures proposed by management.

The Committee reviewed the report by management summarising the key inputs and their impact on the provision. The Committee and the Group's external auditor focused on cost assumptions, as well as, the inflation and discount rates used, alongside sensitivity analysis and disclosure estimating the effect of a change in discount rates given the uncertain macroeconomic environment. Regard was also given to the observations made by Deloitte as to the appropriateness of the estimates made.

#### Significant financial statement reporting issue

#### **Taxation**

At 31 December 2024, the Group carried deferred tax balances comprising \$506.5 million of tax assets (primarily related to previous years' tax losses) and \$104.7 million of tax liabilities primarily related to deferred taxes associated with the UK Energy Profits Levy.

The recoverability of the tax losses has been assessed by reference to future profit estimates derived from the Group's impairment testing. Ring-fence corporation tax losses totalling \$2,066.4 million (\$717.9 million tax-effected) have been recognised.

Given the complexity of tax legislation, risk exists in respect of some of the Group's tax positions.

#### Consideration

The Committee received a report from the Group's Head of Tax, outlining all uncertain tax positions, and discussed management's assumptions of future profit estimates and evaluated the amount of deferred tax assets recognised. It was noted that the assumptions are consistent with those used in the impairment assessment (see above). The Committee also took into account the views of Deloitte as to the adequacy of the Group's tax balances.

An evaluation of the transparency of the Group's tax exposures was undertaken, reviewing the adequacy and appropriateness of tax disclosures, including those related to the EPL, presented by management. Regard was also given to the observations made by Deloitte as to the appropriateness of the disclosures made.

# Risk management

The Code requires that the Board monitors the Company's risk management and, at least annually, carries out and reports on the results of a review of their effectiveness. The Board has oversight of risk management within EnQuest for the Company's emerging and principal risks. Pages 54 and 118 provide more detail on how the Board, and its Sustainability and Risk Committee, have discharged its responsibility in this regard.

#### Internal control

Responsibility in respect of financial internal control is delegated by the Board to the Committee. The effectiveness of the Group's internal control framework is reviewed continually throughout the year. Key features include:

- Clear delegations of authority to the Board and its sub-Committees, and to each level of management;
- Setting of HSEA, operational and financial targets and budgets which are subsequently monitored by management and the Board;
- A comprehensive risk management process with clear definition of risk tolerance and appetite. This includes a review by the Sustainability and Risk Committee of the effectiveness of management controls and actions which address and mitigate the most significant risks;
- An annual risk-based internal audit programme developed in conjunction with management. Findings are communicated to the Audit Committee and follow-up reviews are conducted where necessary:
- Regular reporting to the Audit Committee of managements key financial controls self-assessment; and
- Further objective feedback provided by the external auditors and other external specialists.

#### Obtaining assurance on the internal control environment The Committee received reports from internal audit at each scheduled Committee meeting in 2024 and meets privately with

the head internal auditor from time to time. In order to ensure independence and objectivity, the primary reporting line of all assurance providers, including the Group's internal audit function, is to the Chair of the Committee, administrative oversight being provided by the Chief Executive.

The purpose, scope and authority of internal audit are defined within its charter, which is approved annually by the Committee. The internal audit function maintains an internal quality assurance and improvement programme covering all aspects of internal audit's activities and evaluates the conformance of these activities with the Chartered Institute of Internal Auditors' Standards ('IIIA Standards'). Following the launch of the new Global Internal Audit Standards by the IIIA (effective January 2025), it was agreed a self-assessment against the new Global Internal Audit Standards would be carried out and an action plan would be submitted to the Committee.

The Group's system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of assurance. In January 2024, the FRC issued the updated UK Corporate Governance Code with the ultimate aim to strengthen board accountability for the effectiveness of the risk and control framework. This will require boards to make a specific declaration within the ARA as to the effectiveness of a Company's risk management and internal control systems extended to include those over reporting, such as narrative and ESG reporting. This requirement comes into effect from 1 January 2026. As such, the Committee will continue to support and monitor the development of an Audit & Assurance Policy to focus attention on the level of assurance relating to all material controls within the business with specific attention being paid to cyber security given its impact on the wider control environment. Management has also continued its assessment of the potential for fraud risk across the business, ensuring mitigating controls are in place and operating as expected as well as identifying and implementing specific actions to ensure the Group maintains a strong control environment.

In respect of the work performed by internal audit, an internal audit plan is approved by the Committee each year. When setting the plan, recommendations from management and internal audit are considered, and take into account the particular risks impacting the Company, which are reviewed by the Board and the Sustainability and Risk Committee. During 2024, internal audit activities were undertaken for various areas, including reviews of:

- Human Resources Management of change;
- 'Purchase to pay' (Maximo) upgrade project (postimplementation review);
- HSSE and asset integrity maintenance processes;
- Climate change risk management framework ('RMF') bowtie;
- Compliance with Regulation, legislation and ethical conduct RMF bowtie; and
- Payrol

Detailed results from internal audit were presented to management and a summary of the findings was presented to the Committee, together with copies of all internal audit reports, noting no material control issues were identified. Where potential control enhancements were identified as being required, the Committee agreed appropriate actions with management and assessed management's response to the findings. Throughout the year, the Committee is kept apprised of management's progress against the agreed actions, with the majority of actions closed in accordance with the agreed schedule.

#### **Audit Committee report** continued

#### **External audit**

One of the Committee's key responsibilities is to monitor the performance, objectivity and independence of the external auditor. Each year, the Committee ensures that the scope of the auditor's work is sufficient and that the auditor is remunerated fairly.

The annual process for reviewing the performance of the external audit process involves an interview or questionnaire with key members of the Group who are involved in the audit process to obtain feedback on the quality, efficiency and effectiveness of the audit. Additionally, Committee members take into account their own view of the external auditor's performance and independence, including the level of professional scepticism displayed, when determining whether or not to recommend reappointment. The Committee also held private meetings with the external auditor during the year.

The Committee considered the external audit plan, in particular to gain assurance that it was tailored to reflect changes in circumstances from the prior year. The significant audit risks addressed during the course of the 2024 audit were:

- · Impairment of oil & gas assets and goodwill;
- · Contingent consideration;
- · Decommissioning provision;
- · Deferred tax; and
- · Management override of controls.

Deloitte regularly updated the Committee on the status of their procedures during the year, including how they had challenged the Group's assumptions. The Committee and Deloitte discussed how risks to audit quality were addressed, key accounting and audit judgements, material communications between Deloitte and management and any issues arising from them.

Taking into account management's review and its own experiences with the external auditor, the Committee concluded that the audit team was providing the required quality in relation to the provision of audit services in its fifth year as auditor and has maintained its independence and objectivity. As required under UK auditing standards, Deloitte confirmed their independence to the Committee.

As previously disclosed, a new lead partner has been in place for 2024. The Committee considers the reappointment of the external auditor each year, including consideration of the advisability and potential impact of conducting a tender process for the appointment of a different independent public accounting firm. The Committee is also responsible for making a recommendation to the Board for it to put to the Company's shareholders for approval at the AGM, to appoint, reappoint or remove the external auditor. At the AGM in May 2024, the shareholders approved a resolution to reappoint Deloitte as external auditor with the same resolution to be proposed for the 2025 AGM. The Company has complied with the Code and FRC Guidance in respect of audit tendering and rotation, under which the Company will be required to tender for the audit no later than the 2030 financial year. The Committee regularly reviews auditor performance and may elect to carry out the tender earlier than the 2030 financial year if determined it would be in the interests of the Company's shareholders to do so.

#### Use of external auditors for non-audit services

The Committee is responsible for EnQuest's policy on non-audit services and the approval of non-audit services. The Committee and Board believe that the external auditor's independence and objectivity can potentially be affected by the level of non-audit services to EnQuest. However, the Committee acknowledges that certain work of a non-audit nature is best undertaken by the external auditor given their working knowledge of the Group. To ensure objectivity and independence, and to reflect best practice in this area, the Company's policy on non-audit services reflects the UK Regulations.

As part of the Committee's process in respect of the provision of non-audit services, the external auditor provides the Committee with information about its policies and processes for maintaining independence and monitoring compliance with current regulatory requirements.

The key features of the non-audit services policy, the full version of which is available on the Group's website (www.enquest.com; under Corporate Governance within the Investors section), are as follows:

- · A pre-defined list of prohibited services has been established;
- A schedule of services where the Group may engage the external auditor has been established and agreed by the Committee:
- Any non-audit project work which could impair the objectivity or independence of the external auditor may not be awarded to the external auditor; and
- Fees for permissible non-audit services provided by the external auditor are to be capped at no more than 70% of both the average Group audit fee and the UK audit fee for the preceding three years.

The Committee continues to review non-audit services and reviews the scope of work to ensure its close link to audit services.

The Committee regularly reviews reports from management on the audit and non-audit services reported in accordance with the policy or for which specific prior approval from the Committee is being sought.

Delegated authority by the Committee for the approval of non-audit services by the external auditor is as follows:

Authoriser	Value of services per non-audit project
Chief Financial Officer	Up to £50,000
Chair of the Audit Committee	Up to £100,000
Audit Committee	Above £100,000

In each case where the audit or non-audit service contract does not exceed the relevant threshold, the matter is approved by management by delegated authority from the Committee and is subsequently presented for approval by the Committee at the next meeting.

The scope of the non-audit services contracted with the external auditor in 2024 consisted mainly of the interim review and the provision of customary comfort letters in respect of the debt refinancing and other assurance services (see note 4(f)).

# The Committee's focus remains on ensuring reward programmes incentivise employees to deliver EnQuest's strategy.

Chair of the Remuneration and Social Responsibility Committee

# Rosalind Kainyah



#### **Dear shareholder**

On behalf of the Board and the Remuneration and Social Responsibility Committee, I am pleased to present EnQuest's Directors' Remuneration Report ('DRR') for the financial year ended 31 December 2024.

The DRR is split into three sections: this Annual Statement; a summary Remuneration Policy Report; and the Annual Report on Remuneration. EnQuest's Remuneration Policy was submitted to shareholders at the 2024 Annual General Meeting ('AGM'), receiving 97.44% votes in favour. As explained below, no changes are proposed to the Policy this year, and we have therefore chosen to show an abridged version of the report which provides context to the decisions taken by the Committee. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2025 AGM.

#### **Executive Director and Committee changes**

As disclosed in last year's report, Jonathan Copus began employment with EnQuest on 7 December 2023 as Chief Financial Officer ('CFO') Designate and became CFO on 1 February 2024. He was formally appointed an Executive Director of the Group at the 2024 AGM. Full details of Jonathan's starting package were set out in the 2023 report.

On 30 May 2024, Salman Malik stepped down from the EnQuest Board. He remained employed in his role as Chief Executive Officer of Veri Energy Limited ('Veri Energy'), a wholly owned subsidiary of EnQuest, until 30 June 2024. Details of the leaver treatment for Salman Malik are set out on page 114.

Marianne Daryabegui and I both joined EnQuest as Non-Executive Directors on 30 May 2024. I was appointed as Chair of the Remuneration and Social Responsibility Committee, replacing Gareth Penny who had served as Interim Chair of the Committee since 18 December 2023.

#### **Update on Directors' Remuneration Policy**

In last year's report, the Committee set out its intention to revert to shareholders with a revised Directors' Remuneration Policy (the 'Policy') over the next 12 months, reflecting ongoing work at the time to establish a suitable management incentive for Veri

Energy. As noted above, with the role of Chief Executive Officer of Veri Energy no longer being a Board Director, the need to amend the Policy for Executive Directors fell away. The Committee is satisfied that the current approved Policy remains appropriate and continues to provide us with the right overall structure to motivate Executive Directors to deliver against EnQuest's short-and longer-term strategy. Based on this, and given the very strong shareholder support received at the 2024 AGM, we intend to maintain the existing Policy for at least another 12 months (and for up to 24 months, i.e. until the third anniversary of approval).

#### Performance and remuneration outcomes for 2024

Group production in 2024 averaged 40.7 Kboed, 0.6% below the low-point of guidance. Significantly, the Company has also continued to de-lever, with EnQuest net debt reduced by \$95 million in 2024 to \$386 million by the end of the year, providing a strong foundation from which the business can pursue transformative growth. During 2024, the Group has delivered diversified growth, including three notable transactions in South East Asia.

#### 2024 annual bonus – payable in 2025

The Executive Directors' annual bonus awards are based on a combination of financial and operational results and the achievement of key accountability objectives. The bonus attainment for Amjad Bseisu and Jonathan Copus was based wholly on achievement against the Company Performance Contract ('CPC'). Salman Malik did not receive a bonus in respect of the 2024 financial year.

In 2024, the target and maximum bonus potential for the Executive Directors remained unchanged at 75% and 125% of salary, respectively, with the final bonus award being equal to 63.1% of base salary (50.5% of the maximum award). The Committee believes that the payouts are appropriate and representative of the performance of the Executive Directors and senior management when balanced against the shareholder and employee experience, and that further discretionary adjustment outside of the HSE&A performance deductor was not required. Full details of how these awards were determined are included on page 112 of this report.

#### Performance Share Plan ('PSP')

The PSP is the primary long-term incentive awarded to Executive Directors, senior management and other key talent in the Company. The three-year performance period for the PSP granted in 2022 ended on 31 December 2024, with vesting of these awards based 80% on EnQuest's total shareholder return ('TSR') performance relative to a group of sector comparators and 20% on reduction of emissions over the performance period. At the end of the period, both EnQuest's relative TSR ranking and emissions reduction achievement was below the threshold performance level. As a result, the 2022 PSP will lapse in full in April 2025. Further details are included on page 113 of this report.

During the year, PSP awards were granted to Amjad Bseisu, Salman Malik and Jonathan Copus. As set out in last year's report, in order to reflect the volatility of the Company's share price and ensure Executive Directors do not benefit from potential future 'windfall gains', the grant level was scaled back from 250% to 185% of salary. Vesting of these awards is based 80% on relative TSR and 20% on the achievement of an emission reduction target, both measured over a three-year period. Further details are included on page 113 of this report.

#### Implementation of the Remuneration Policy in 2025 Base salaries

There will be no salary increase for Executive Directors with effect from 1 January 2025, with salaries remaining at £600,000 for Amjad Bseisu and £400,000 for Jonathan Copus.

#### 2025 annual performance bonus

For 2025, the annual bonus for Amjad Bseisu and Jonathan Copus will continue to be based 100% on EnQuest's CPC outcome. Both have a target level of 75% of salary and a maximum of 125% of salary. Details of the performance measures and weightings are set out on page 117.

#### 2025 PSP awards

Amjad Bseisu and Jonathan Copus will each receive a 2025 PSP award of up to 180% of salary, lower than the normal award of 250% as was also the case in 2024, recognising the current share price relative to historic levels.

In order to recognise the impact of the UK Energy Profits Levy ('EPL') and the material relative disadvantage this creates for operators with significant North Sea exposure, the Committee consulted with shareholders on possible revisions to the PSP scorecard for future cycles. Based on the feedback received, it has been agreed that the 2025 PSP will use a blend of relative TSR, absolute TSR and emissions reduction targets weighted 40%, 40% and 20%, respectively.

In finalising this scorecard of measures, the Committee concluded that relative TSR remains an objective measure of performance for EnQuest which helps to isolate management's genuine outperformance from broader stock market and sector volatility, but that balancing this with absolute TSR would help to provide strong alignment with shareholders and somewhat mitigate the asymmetric and uncertain impact of EPL for participants over the performance period. It was also considered that combining three measures would further help to diversify the performance evaluation and reduce the likelihood of 'allor-nothing' outcomes for future PSP cycles. Further details, including targets for each measure, are set out on page 117.

#### Conclusion

We continue to appreciate the benefits of transparency and proactive interaction with major shareholders. We welcome your input and are always open and ready to listen and take on board suggestions that help EnQuest to continue to develop and improve. The Committee and I wish to thank all our shareholders for their ongoing support over the years. I hope you will support and vote for this DRR at the forthcoming AGM.

Chair of the Remuneration and Social Responsibility Committee 26 March 2025

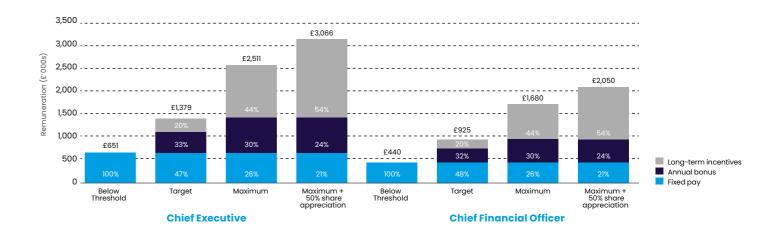
The Directors' Remuneration Report has been prepared in accordance with the requirements of the Companies Act 2006 and Schedule 8 of the Large and Mediumsized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. It also describes the Group's compliance with the 2018 UK Corporate Governance Code (the 'Code') in relation to remuneration. The Committee has taken account of the new requirements for the disclosure of Directors' remuneration and guidelines issued by major shareholder bodies when setting the remuneration strategy for the Group.

#### **Summary Remuneration Policy Report**

The current Directors' Remuneration Policy was approved by shareholders at the AGM held on 30 May 2024 and can be found on pages 101 to 107 of the 2023 Annual Report and Accounts. A summary of the Policy is set out below for information purposes.

Component	Key terms
Base salary	<ul> <li>Typically reviewed by the Committee in January each year</li> <li>No prescribed maximum salary or increase. Salary increases for Executive Directors will take into account the conditions and pay of all employees within the Company</li> </ul>
Pension and other benefits	<ul> <li>Maximum pension allowance of the lesser of 10% of salary and £50,000</li> <li>Benefits reviewed periodically by the Committee and adjusted to meet typical market conditions. Currently include private medical insurance, life assurance and personal accident insurance</li> </ul>
Annual bonus	<ul> <li>Maximum bonus opportunity of 125% of salary; target 75% of salary</li> <li>Measures, weightings and targets are set annually by the Committee</li> <li>Any bonus earned over 100% of salary is deferred in shares for two years</li> <li>Discretion to pay dividends on deferred shares at the time of vesting</li> <li>Malus and clawback provisions apply</li> </ul>
Performance Share Plan ('PSP')	<ul> <li>Normal maximum award of 250% of salary (350% in exceptional circumstances)</li> <li>Threshold performance pays out no more than 25% of maximum</li> <li>Vesting is subject to performance measured over three financial years</li> <li>Vested awards are typically subject to a mandatory two-year holding period</li> <li>Performance measures, weightings and targets are set by the Committee ahead of each award to reinforce the Company's strategy. Measures will include relative TSR and ESG</li> <li>Discretion to pay dividends on vested awards at the time of vesting</li> <li>Malus and clawback provisions apply</li> </ul>
Shareholding guidelines	<ul> <li>In-post: Executive Directors must build and maintain a minimum shareholding of 200% of salary within five years of appointment</li> <li>Post-employment: Executive Directors must continue to hold the lower of their in-post guideline and their actual shareholding on cessation, for at least two years</li> </ul>
Chairman and NED fees	<ul> <li>The Chairman receives an all-inclusive fee which is reviewed annually by the Committee</li> <li>NEDs are reviewed annually by the Chairman and Executive Directors</li> <li>NEDs receive a base fee, with additional fees being paid to the Senior Independent Director and Committee Chairs. Additional fees may also be paid if there is a material increase in time commitment and the Board wishes to recognise this additional workload</li> <li>Aggregate NED fees are limited by the Company's Articles of Association</li> </ul>

The charts below illustrate the proposed remuneration arrangements for 2025 and provide an indication of the proportion of total remuneration made up of each component of the Policy and the value of each component.



#### **Annual Report on Remuneration for 2024**

The following section provides details of how EnQuest's Remuneration Policy was implemented during the financial year ended 31 December 2024 and how it will be implemented in 2025.

#### **Remuneration Committee membership in 2024**

The Committee's terms of reference are available either on the Group website, www.enquest.com, or by written request from the Company Secretariat team at the Group's London headquarters. The remit of the Committee embraces the remuneration strategy and policy for the Executive Directors, the Executive Committee, senior management and, in certain matters, for the whole Group.

As of 31 December 2024, the Remuneration Committee comprised three Non-Executive Directors:

Member	Date appointed Committee member	Attendance at scheduled meetings during the year
Rosalind Kainyah (Chair)	30 May 2024	2/2
Farina Khan	1 November 2020	4/4
Gareth Penny	15 February 2023	4/4

The Committee has four scheduled meetings per year. However, during 2024, it had three additional ad hoc meetings to review and discuss the Policy, leaver arrangements for Salman Malik, base salary adjustments for 2025, the setting of Group performance conditions and related annual bonus for 2024, PSP performance conditions, UK Corporate Governance Code provisions and the approval of share awards.

The Committee invites individuals to attend meetings to provide advice to ensure that the Committee's decisions are informed and take account of pay and conditions in the Group as a whole. Those individuals, who are not members but may attend by invitation, include, but are not limited to (a) the Chief Executive; (b) the Chief Financial Officer; (c) the Company Secretary; (d) a representative from the Group's Human Resources department; and (e) representatives from the Committee's remuneration adviser. No Director takes part in any decision directly affecting their own remuneration.

#### **Advisers to the Committee**

Ellason was appointed as the independent remuneration advisor to the Committee effective August 2022 and retained during the year. The Committee undertakes due diligence periodically to ensure that Ellason is independent and that the advice provided is impartial and objective. During 2024, Ellason provided independent advice including updates on the external remuneration environment, advice on PSP performance measures and Directors' Remuneration Report drafting support. Ellason reports directly to the Chair of the Remuneration Committee and does not advise the Company on any other issues. Their total fees for the provision of remuneration services to the Committee in 2024 were £64,574 (2023: £62,520) on the basis of time and materials.

Ellason is a member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com. Neither the Company or the individual Directors have a personal connection with Ellason.

#### Statement of voting at the Annual General Meeting

The table below summarises the voting at the AGM held on 30 May 2024 in respect of the Directors' Remuneration Report and the Remuneration Policy. The Group is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the reasons for any such vote will be sought, and any actions in response will be detailed here.

	Remuneration Report (2023)	Remuneration Policy (2023)
Number of votes cast for	831,425,573	951,492,134
Percentage of votes cast for	85.31%	97.44%
Number of votes cast against	143,211,212	25,026,131
Percentage of votes cast against	14.69%	2.56%
Total votes cast	974,636,785	976,518,265
Number of votes withheld	1,933,331	51,851

#### Information subject to audit

In this section of the report, payments made to the Executive and Non-Executive Directors of EnQuest for the year ended 31 December 2024, together with comparative figures for 2023 are set out.

#### Single total figure of remuneration – Executive Directors

,		variable	Figure
2023 513 1 50 565 4	79 0	379	1,030
	28 228	656	1,221
Jonathan Copus <sup>1</sup> 2024 233 0 23 257 1	47 0	147	404
2023 – – – –		_	_
Salman Malik <sup>2</sup> 2024 183 10 7 201	0 0	0	201
2023 440 77 44 561 3	67 36	403	964
Total 2024 1,017 12 81 1,019 5	26 0	526	1,635
2023 953 78 94 1,126 79		1059	2,184

Rounding may apply on the numbers provided.

- 1 Jonathan Copus was appointed as CFO on 1 February 2024 and formally appointed an Executive Director of the Group at the May 2024 AGM. The figures shown in the table above reflect the period between 30 May 2024 and 31 December 2024
  2 Salman Malik stepped down from the Board on 30 May 2024. The figures shown in the table above reflect the period between 1 January 2024 and 30 May 2024. Taxable benefits for
- Salman Malik in 2023 and 2024 include international private medical insurance grossed-up for income tax and National Insurance
- 3 Cash was provided in lieu of a company pension contribution
- 4 The amount stated is the full amount (including any portion deferred). Any amount that is above 100% of salary is paid in EnQuest PLC shares, deferred for two years, and subject to continued employment
- 5 PSP awarded on 25 April 2022 that vests on 25 April 2025: the PSP will lapse in full
- 6 The PSP awarded on 27 April 2021 which vested on 25 April 2024: the PSP value shown in the 2023 single figure is calculated by taking the number of performance shares that vested (20%) multiplied by the actual share price of 15.3 pence on the vesting date. The 2023 value of the vested shares in the remuneration table has been updated from last year's value to represent the actual value received on the date of vesting

#### Single total figure of remuneration – Non-Executive Directors

	Year	Fees	Taxable benefits	Total Single Figure	Year	Fees	Taxable benefits	Total Single Figure
Gareth Penny	2024	200	0	200	2023	200	0	200
Farina Khan	2024	79	0	79	2023	66	0	66
Michael Borrell <sup>7</sup>	2024	66	0	66	2023	19	0	19
Rosalind Kainyah <sup>8</sup>	2024	41	0	41	2023	-	_	-
Marianne Daryabegui <sup>9</sup>	2024	35	0	35	2023	-	_	-
Rani Koya <sup>10</sup>	2024	29	0	29	2023	70	0	70
Liv Monica Stubholt <sup>10</sup>	2024	25	0	25	2023	60	0	60
Total	2024	475	0	475	2023	415	0	415

Rounding may apply on the numbers provided.

- 7 Michael Borrell was appointed to the Board on 5 September 2023 and as Chair of the Sustainability and Risk Committee on 31 May 2024 8 Rosalind Kainvah was appointed to the Board and as Chair of the Remuneration and Social Responsibility Committee on 30 May 2024
- Marianna Daryabegui was appointed to the Board on 30 May 2024
- 10 Rani Koya and Liv Monica Stubholt stepped down from the Board on 30 May 2024

#### Incentive outcomes for the year ended 31 December 2024

#### Annual bonus 2024 – paid in 2025

The Committee's belief is that any short-term annual bonus should be tied to the overall performance of the Group, measured through a Company Performance Contract ('CPC'). An Executive Director's annual bonus may also be tied to additional objectives that cover their own specific area of key accountabilities and responsibilities. For Amjad Bseisu and Jonathan Copus, the 2024 bonus was based wholly on performance against the CPC. The maximum bonus entitlement for the year was 125% of salary for both Amjad Bseisu and Jonathan Copus.

#### **Company Performance Contract**

Details of the CPC for both Amjad Bseisu and Jonathan Copus in 2024 are set out in the following table, showing the performance conditions and respective weightings against which the bonus outcome was assessed. For 2024, payout against the CPC was subject to a modifier based on the Committee's assessment of the Group's HSE&A performance during the year.

						Payout
Measure	Weight	Threshold	Target	Maximum	Actual	(% max.)
Production						
(Kboed)	20.0%	41.0	43.6	46.0	40.7	0.0%
Expenditure						
Cash opex/capex/abex (\$m)	10.0%	751	683	649	638.3	100.0%
Regulatory, ESG and culture		Flaring	reduction.	decommissi	onina	
	12.5%		,	employee m	•	92.0%
Liquidity management Reduce net debt year-on-year from 2023, whilst maintaining		·				
adequate liquidity (\$m)	10.0%	481	408	322	386	77.6%
Balance sheet management	10.0%	Projects	to support l	iquidity and	growth <sup>1</sup>	100.0%
Growth	0.0504	- " 0			Deliver	
Deliver against growth projects	6.25%	Deliver 3	Deliver 4	Deliver 5	4-5	80.0%
Growth Deliver against business development projects	6.25%	Deliver 1	Deliver 2	Deliver 3+	Deliver 2	60.0%
Growth					Project	
Deliver against NSF project	5.0%	Mar-25	Feb-25	Dec-24	Delayed	0.0%
Growth Deliver against M&A project					Some progress	
Donvor agamee man project	15.0%	Deliver 1	Deliver 1	Deliver 1	made	36.0%
Growth			Investor	relations/		
	5.0%	com	pany secre	tariat objecti	ves <sup>1</sup>	54.0%
Total CPC outcome before HSE&A deductor (% of maximum)						56.1%
HSE&A performance deductor						90.0%
Total CPC outcome (% of maximum)						50.5%
Notes:						

Rounding has been applied to percentages. In relation to the financial measures, threshold, target and stretch performance pays out at 0%, 60% and 100% of maximum respectively and on a straight-line basis in between threshold and target performance and between target and stretch performance. For other measures, threshold performance pays out at 30%

1 Each of these measures was based on objective targets which were assessed by the Remuneration Committee following year-end. It is the Committee's view that the specific targets remain commercially sensitive and therefore we have chosen not to disclose these in full

#### 2024 Annual bonus outcome

Director	Salary	Max. bonus (% salary)	outcome (% max.)	outcome (% salary)	2024 bonus (£)	Paid as cash (£)	Deferred in shares (£)
Amjad Bseisu	£600,000	125.0%	50.5%	63.1%	£378,600	£378,600	£0
Jonathan Copus <sup>1</sup>	£400,000	125.0%	50.5%	63.1%	£147,234	£147,234	£0

#### 2022 PSP awards that vest in 2025 (based on performance to 31 December 2024)

The PSP award made to Executive Directors on 25 April 2022 was based on performance to the year ended 31 December 2024 and will vest on 25 April 2025. The performance targets for this award and actual performance against those targets over the three-year financial period were as follows:

Measure	Weight	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Vesting outcome (% max.)
		50 <sup>th</sup>	75 <sup>th</sup>	10 <sup>th</sup>	
Relative TSR <sup>1</sup>	80%	percentile	percentile	percentile	0%
		10%	12%	8%	
Emission reduction	20%	reduction	reduction	reduction	0%
Total PSP vesting (% of maximum)					0%

Straight-line vesting between Threshold and Maximum.

1 The TSR comparators for the 2022 PSP cycle were Africa Oil, Aker BP ASA, BW Energy, Capricorn Energy (formerly Cairn Energy), Diversified Energy, DNO, Energean, Genel Energy, Harbour Energy (formerly Premier Oil), Hibiscus Petroleum, Hurricane Energy, Jadestone, Kosmos, Maurel & Prom, Okea, Orrôn Energy (formerly Lundin Petroleum), Pharos Energy, Santos, Serica and Tullow Oil. Orrön Energy and Hurricane Energy were tracked as comparators until June 2022 and June 2023, respectively, and thereafter the median of the remaining comparator group was tracked instead

The table below shows the number of nil cost options awarded on 25 April 2022 that will vest on 25 April 2025 and their value as at 31 December 2024.

	Number of	vesting outcome	Number of shares	Valuation share price	Value at 31 Dec 24
Measure	shares held	(% max.)	vesting	(£)	(£)
Amjad Bseisu	3,343,689	0%	0	£n/a	£0
Salman Malik	1,619,078	0%	0	£n/a	£0

#### Scheme interests awarded during the year ended 31 December 2024

#### April 2024 PSP award grant

After due consideration of Business performance in 2023, the Remuneration and Social Responsibility Committee awarded the Executive Directors the following performance shares on 24 April 2024. As set out in last year's report, in order to reflect the volatility of the Company's share price and ensure Executive Directors do not benefit from potential future 'windfall gains', the grant level was scaled back from the normal 250% of salary to 185% of salary.

Director	Face value awarded (% salary¹)	Face value at grant (£)	Number of shares granted <sup>2</sup>
Amjad Bseisu	185%	£947,783	6,054,872
Jonathan Copus	185%	£738,271	4,718,390
Salman Malik	185%	£812,098	5,190,229 <sup>3</sup>

- 1 PSP awards are calculated with reference to the salary in effect at the end of the previous financial year, where available 2 Based on the average middle market quote for the three days preceding the date of grant on 24 April 2024 of 15.65 pence
- 3 Salman Malik's award was subsequently pro-rated for time (see page 114)

Performance measures, weightings and targets applying to the 2024 PSP share awards are set out below. The performance period for the award is 1 January 2024 to 31 December 2026, with any shares vesting thereafter subject to a mandatory two-year holding period.

Measure	Weight	Threshold (25% vesting)	Maximum (100% vesting)
Relative TSR <sup>1</sup>	80%	50 <sup>th</sup> percentile	75 <sup>th</sup> percentile or higher
Emission reduction	20%	10% reduction	12% reduction or more

1 The TSR comparators for the 2024 PSP cycle are Africa Oil, Aker BP, BW Energy, Capricorn Energy, DNO, Energean, Genel Energy, Gulf Keystone Petroleum, Harbour Energy, Hibiscus Petroleum, Ithaca Energy, Jadestone, Jersey Oil & Gas, Kistos, Kosmos Energy, Maurel & Prom, Okea, Pharos Energy, Serica Energy and Tullow Oil

<sup>1</sup> The bonus figure shown for Jonathan Copus reflects the proportion of the financial year served as an Executive Director

#### Statement of Directors' shareholding and share interests

The interests of the Directors in the share capital of the Company as at 31 December 2024 are shown below. The table shows for unvested awards the maximum number of shares that could be released if awards were to vest in full. These awards first vest on the third anniversary of the award date, subject to the achievement of performance conditions (as described elsewhere in this or previous reports). Awards granted to Executive Directors are subject to an additional two-year holding period which, unless the Committee determines otherwise, will apply up to the fifth anniversary of the date of grant.

Director	31 Dec 2023	Granted	Lapsed	31 Dec 2024	Vesting period	Expiry date
Amjad Bseisu	3,343,689	-	_	3,343,689	25 Apr 2022 - 24 Apr 2025	24 Apr 2032
•	8,102,723	_	_	8,102,723	25 Apr 2023 – 24 Apr 2026	25 Apr 2033
	-	6,054,872	_	6,054,872	24 Apr 2024 – 23 Apr 2027	24 Apr 2034
Jonathan Copus	-	4,718,390	-	4,718,390	24 Apr 2024 – 23 Apr 2027	24 Apr 2034
Salman Malik <sup>1</sup>	1,619,078	_	_	1,619,078	25 Apr 2022 - 24 Apr 2025	24 Apr 2032
	7,224,166	_	1,970,227	5,253,939	25 Apr 2023 – 24 Apr 2026	25 Apr 2033
	-	5,190,229	3,171,807	2,018,422	24 Apr 2024 – 23 Apr 2027	24 Apr 2034

#### Notes

#### Statement of Directors' shareholdings and share interests

Executive Directors are currently required to build up and hold shares in the Company worth 200% of salary and are expected to retain 50% of shares from vested awards under the PSP (other than sales to settle any tax or social security withholdings due) until they hold at least 200% of salary in shares (this includes shares which are beneficially owned directly or indirectly by family members of an Executive Director).

Director <sup>5</sup>	Legally owned shares	Value of legally owned shares as a % of salary <sup>12</sup>		Vested but not exercised under the PSP	Sharesave	Executive deferrals	Total at 31 Dec 2024	Value of legally owned shares as a % of salary\(^2\)
Amjad Bseisu³	234,732,857	4423%	17,501,284	5,303,351	0	72,475	257,609,967	4474%
Jonathan Copus	0	0%	4,718,390	0	0	0	4,718,390	0%
Gareth Penny <sup>4</sup>	137,047	_	_	_	_	-	137,047	_
Farina Khan	211,235	_	_	_	_	-	211,235	_
Michael Borrell	0	_	_	_	_	_	0	_
Rosalind Kainyah	0	_	_	_	_	-	0	_
Marianne Daryabegui	0	_	_	_		_	0	

- 1 Shares are valued by taking the average closing share price on each trading day of the period 1 October 2024 to 31 December 2024
- 2 The value of shareholding as a percentage of salary is calculated by combining the number of legally owned shares with a forward projection that 50% of unvested share awards
- will vest. The resultant projected number of shares is then valued by applying the share valuation process detailed in note 1 above

  3 As at 31 December 2024, 201,881,058 shares were held by Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu. 32,674,840 shares were also held by The Amjad and Suha Bseisu Foundation and the remaining 176,959 shares were held by Amjad Bseisu directly 62,500 shares are held by Gareth Penny, 74,547 shares are held by Kate Penny, his wife
- 5 As at their dates of stepping down from the Board, Salman Malik held 1,651,676 shares, while Rani Koya and Liv Monica Stubholt did not have a shareholding

#### Leaver arrangements for Salman Malik

Salman Malik stepped down from the EnQuest Board on 30 May 2024, remaining employed in the role of Chief Executive Officer of Veri Energy. Salman subsequently transitioned to be a Non-Executive Director of Veri Energy with effect from 30 June 2024. In accordance with the Policy, Salman retained 1,619,078 shares in the 2022 PSP which will lapse in full on 25 April 2025. Salman's interests in the 2023 and 2024 PSP cycles were pro-rated for time (to 5,253,939 shares and 2,018,422 shares, respectively) and remain subject to the performance conditions as set out in previous reports. He did not receive an annual bonus in respect of the 2024 financial year.

#### Exit payments and payments to past Directors

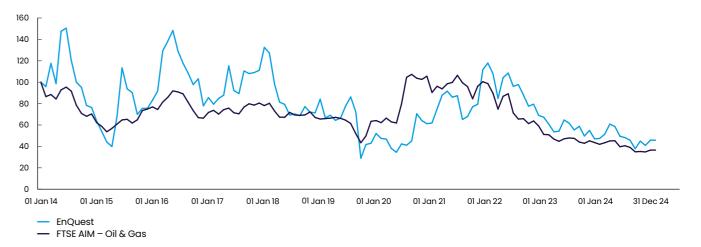
There has been a payment of £444,636 made to Salman Malik who stepped down from the EnQuest Board on the 31st of May 2024. Salman subsequently left the Company in June 2024. This payment was part of his PILON (Payment in Lieu of Notice) arrangements.

#### Information not subject to audit

#### Total Shareholder Return and Chief Executive total remuneration

The following graph shows the Company's performance, measured by TSR, compared with the performance of the FTSE AIM All-Share Oil & Gas, also measured by TSR. The FTSE AIM All-Share Oil & Gas index has been selected for this comparison as it is the index whose constituents most closely reflect the size and activities of EnQuest.

#### Historical Chief Executive pay - 'single figure' history



The table below sets out details of the Chief Executive's pay for 2024 and the previous nine years and the payout of incentive awards as a proportion of the maximum opportunity for each period. The Chief Executive's pay is calculated as per the 'single figure' of remuneration shown elsewhere in this report. During this time, Amjad Bseisu's total remuneration has been:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CEO 'single figure' (£000)	884	941	998	1,306	1,275	1,244	1,658	1,728	1,2211	1,0302
Annual bonus (% of max.)	27	33	57	79	81	60	65	74	67	50
PSP vesting (% max.)	77	56	11	56	50	64	44	75	20	0

- 1 Confirmed outcome updated after applying share price on PSP vesting date in 2024
- 2 Forecast outcome based on applying three-month average share price to expected PSP awards scheduled to vest in April 2025

The CEO pay ratio has been calculated using the 'Option A' methodology which compares the single total figure of remuneration of the CEO to UK employees for the 12 months ending 31 December 2024 on a full-time equivalent basis. This methodology has been chosen as it offers the most accurate and preferred approach for companies to apply based on institutional investor guidelines.

Financial year <sup>1</sup>	Methodology	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2024 <sup>2</sup>	А	11:1	9:1	8:1
2023	Α	13:1	11:1	9:1
2022	Α	25:1	20:1	17:1
2021	Α	15:1	13:1	11:1
2020	Α	14:1	12:1	10:1
2019	Α	23:1	14:1	11:1

- 1 For 2019-2023, the pay ratios shown are as disclosed in the relevant year's report
  2 For 2024, the single figure of total remuneration of the individuals at P25, P50 and P75 was £96,202, £117,375 and £ 131,913 respectively. The base salaries of the same individuals were

Total remuneration is as defined in the single total figure of remuneration for Executive Directors. EnQuest has determined the P25, P50 and P75 individuals with reference to a ranking of total remuneration and by identifying those employees with the most typical pay structure of a UK-based employee. All employees have been included as at 31 December 2024, with remuneration of part-time employees and those employees on statutory leave included on a full-time equivalent basis. The reduction in the CEO pay ratio in 2024 can be attributed primarily to the nil value of the PSP at vest.

<sup>1</sup> Salman Malik's 2023 and 2024 PSP awards were pro-rated for time

In setting both the CEO remuneration and the remuneration structures for the wider UK workforce, EnQuest has adopted a remuneration structure which includes the same elements for employees at all levels (base pay, benefits, pension, cash bonus and share awards). While all employees receive a base salary that is market competitive for their role and commensurate with our business size, differences exist in the quantum of variable pay that is achievable by the senior executive team and by individuals at senior management levels within the Group. At these levels, where there is a greater opportunity to influence Group performance, there is a greater emphasis on aligning executives with shareholders. Based on this distinction, the Group believes that the median pay ratio is consistent with the wider pay, reward and progression policies impacting UK employees.

#### Relative spend on pay

The table below shows the actual expenditure of the Group on total employee pay, as well as profitability and distributions to shareholders, and the change between the current and previous years:

	2023 (\$m)	2024 (\$m)	Change
Adjusted EBITDA <sup>1</sup>	825	673	-18.4 %
EnQuest net debt	481	386	-19.8 %
Distribution to shareholders	0	9	n/a %
Total employee pay	88	91	3.2 %

1 Adjusted EBITDA has been chosen as an appropriate measure of return to shareholders and net debt as a measure of EnQuest's commitment to its lenders (see Glossary -Non-GAAP measures on page 193 for how these are calculated)

#### Change in Directors' pay relative to the workforce

These tables show the change in remuneration of EnQuest Directors and employees over time. Executive Director remuneration includes base salary, benefits (including employer pension contribution and/or allowance) and annual bonus. Non-Executive Director remuneration includes base fee and any additional fees paid, and any other benefits. Data is shown on a full-time equivalent basis. UK employees have been chosen as the most appropriate comparator group as the majority of the EnQuest workforce is UK based and their pay structure is comparable to the Directors' pay based on annualised amounts paid in 2023 and 2024.

	Base salar	y/fees				Benefits				
Director <sup>1</sup>	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020
Amjad Bseisu	17%	4%	3%	5%	(3)%	0%	10%	0%	0%	0%
Jonathan Copus	n/a									
Salman Malik	0%	6%	n/a	n/a	n/a	0%	(27)%	n/a	n/a	n/a
Gareth Penny	0%	0%	n/a	n/a	n/a	n/a	n/m	n/a	n/a	n/a
Farina Khan	20%	(23)%	42%	0%	n/a	n/a	n/a	n/a	n/a	n/a
Michael Borrell	13%	n/a								
Rosalind Kainyah	n/a									
Marianne Daryabegui	n/a									
Rani Koya	0%	(20)%	n/a							
Liv Monica Stubholt	0%	(29)%	42%	n/a						
UK employees (avg.)	4%	4%	3%	0%	3%	0%	10%	0%	0%	3%

	Bonus <sup>2</sup>					
	2023 to 2024	2022 to 2023	2021 to 2022	2022 to 2021	2019 to 2020	
Amjad Bseisu	(12)%	(7)%	17%	9%	(25)%	
Jonathan Copus	n/a	n/a	n/a	n/a	n/a	
Salman Malik	n/a	18%	n/a	n/a	n/a	
UK employees (avg.)	2%	10%	(7)%	3%	(21)%	

n/a - not applicable; n/m - not meaningful

- 1 Changes in Directors and responsibilities during the 2023 and 2024 financial years which are relevant to the calculations above are as follows: a. Salman Malik stepped down from the Board on 30 May 2024
- b. Michael Borrell was appointed to the Board on 5 September 2023 and as Chair of the Sustainability and Risk Committee on 31 May 2024 c. Rosalind Kainyah was appointed to the Board and as Chair of the Remuneration and Social Responsibility Committee on 30 May 2024
- d. Marianna Daryabegui was appointed to the Board on 30 May 2024 e. Rani Kova stepped down from the Board on 30 May 2024
- f. Liv Monica Stubholt stepped down from the Board on 30 May 2024
- 2 The vast majority of UK-based employees directly support the North Sea business and have a proportion of their bonus based on the performance of the business unit reflected in their annual bonus payment. The figures shown are reflective of any bonus earned during the respective financial year. Non-Executive Directors are not eligible to participate in the annual bonus scheme and therefore no data is shown for them in the annual bonus table

#### Statement of implementation of the Remuneration Policy for the year ending 31 December 2025

#### Base salaries and 2025 pay review

As stated in the annual statement to this report, the remuneration for the Executive Directors is geared towards variable pay linked to long-term performance targets, with base salaries currently set in relation to benchmarks for the energy industry and comparable sized companies. In the view of the Committee, it is therefore important to ensure that the base salaries of the Executive Directors are reviewed annually and that any increase reflects the change in scale and complexity of the role, as well as the performance of the Executive Director. Following its latest review, the Committee determined that there would be no increase for Executive Directors with effect from 1 January 2025:

	Salary for 2024	Salary for 2025	Increase
Amjad Bseisu	£600,000	£600,000	0%
Jonathan Copus	£400,000	£400,000	0%

The Committee also agreed that there would be no salary uplift for employees in 2025.

#### Pension and other benefits

The Group will continue to pay a cash benefit in lieu of pension of the lesser of 10% of salary or £50,000 (the CEO receives the pension benefit at the capped level). The Group will also continue to pay private medical insurance, life assurance and personal accident insurance, the costs of which are determined by third-party providers.

For the year ended 31 December 2025, annual bonus opportunities for the Executive Directors will remain unchanged and in line with the Policy of 75% of salary at target and 125% of salary at maximum. Any amount of bonus earned above 100% of salary will be deferred into EnQuest shares for two years, subject to continued employment.

As in previous years, annual bonuses will be based on a combination of financial and operational results and the achievement of key accountability objectives. The bonus for both Executive Directors will continue to be based wholly on achievement against the Company Performance Contract ('CPC').

CPC metric categories and weightings are set out in the table below. Reflecting concerns around commercial sensitivity, precise targets have not been disclosed in advance; to the extent that the targets are no longer commercially sensitive, they will be disclosed in next year's report. Each specific metric will have threshold, target and stretch performance levels defined.

Metric category	Weight
Production	20.0%
Expenditure	10.0%
Regulatory, ESG and culture	10.0%
Liquidity management	10.0%
Balance sheet management	10.0%
Growth	40.0%

Performance in HSEA is central to EnQuest's overall results and so, as in previous years, this category may be used as an overlay on overall Group performance.

#### Performance share awards

Amiad Bseisu and Jonathan Copus will each receive a 2025 PSP award of 185% of salary, lower than the normal award of 250%, recognising the current share price relative to historic levels. As noted in the Chair's statement on page 108, the 2025 PSP will be based on a blend of relative TSR, absolute TSR and emissions reduction targets weighted 40%, 40% and 20%, respectively.

The relative TSR comparator group has been reduced to the ten most relevant companies, reflecting factors such as size, country of listing and geography of operations. Targets for the absolute TSR measure have been set with reference to a range of relevant internal and external reference points. Finally, targets for the emissions reduction measure are aligned with our long-term ambitions in this area while taking into account the strong performance made by EnQuest to date.

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Relative TSR <sup>1</sup>	40%	50th percentile	75th percentile
Absolute TSR <sup>2</sup>	40%	17.0p	22.0p
Emissions reduction <sup>3</sup>	20%	25% reduction	41.3% reduction

Straight-line vesting between Threshold and Maximum

- 1 The TSR comparators for the 2025 PSP cycle are: Capricorn Energy, Energean, Gulf Keystone Petroleum, Harbour Energy, Hibiscus Petroleum, Ithaca Energy, Jersey Oil & Gas, Kistos,
- 2 Average share price over the period 1 October 2027 to 31 December 2027, plus any dividends paid FY25-FY27
- 3 Reduction at the end of 2027 relative to 2018 baseling

#### **Non-Executive Director fees**

The fees for the Non-Executive Directors with effect from 1 January 2025 are as follows:

	Fee for 2024	Fee for 2025	Increase
Chairman	£200,000	£200,000	0%
Director	£60,000	£60,000	0%
Senior Independent Director additional fee	£10,000	£10,000	0%
Committee Chair additional fee	£10,000	£10,000	0%

#### **Rosalind Kainyah**

Chair of the Remuneration and Social Responsibility Committee 26 March 2025

# The energy transition remains a challenge and an opportunity; the Committee will continue to support the Board.

Chair of the Sustainability and Risk Committee





#### **Dear shareholders**

Oversight of risk and sustainability is a critical element of the Sustainability and Risk Committee's mandate. It ensures that the Group operates within an appropriate controls framework and sustainability initiatives are robust, forward-thinking, and capable of withstanding challenges. To emphasise this dual role, in 2024, the Board renamed the Sustainability Committee as the Sustainability and Risk Committee. Addressing risk and sustainability within the same forum allows the Group to identify potential obstacles, mitigate negative outcomes, and capitalise on opportunities for long-term growth and resilience. This approach is designed to enhance the efficiency of oversight by the Board whilst empowering relevant teams to conduct detailed work in relation to all technical matters, asset integrity, review of reserves as well as the key areas of risk, energy transition, health and safety, environment and assurance.

On behalf of the Board and my fellow Committee members, I am therefore pleased to present the report for the Sustainability and Risk Committee

#### Climate, new energy and decarbonisation

During 2024, the Committee continued to focus on climate change, and EnQuest's alignment with current and upcoming sustainability disclosures. Reviewing our peer group and TCFD compliance requirements, it was agreed that EnQuest should expand Scope 3 disclosures to include Sold Product 'Category 11', Business Travel 'Category 6', Operational Waste 'Category 5' and Commuting Emissions 'Category 7'.

In terms of emissions, the UK Government's North Sea Transition Deal ('NSTD') requires the industry to deliver material  $CO_2$  equivalent reductions 10% by 2025, 25% by 2027 and 50% by 2030, against a 2018 baseline. EnQuest's emission reduction initiatives have been exceptionally effective and have exceeded near term reduction requirements. Based on the corporate 2025 operational forecasts, it is anticipated that EnQuest's emission reductions will comfortably achieve both the 2025 and 2027 targets, and the Group is on track to meet the required 50% reduction by 2030.

The Committee reviewed progress made over the last year in terms of asset decarbonisation and the short- and medium-term decarbonisation pipeline and is evaluating new decarbonisation opportunities. In 2024, a strategic roadmap laid out the steps required to achieve EnQuest's Scope 1 and Scope 2 Net Zero Commitment; it has been agreed that this roadmap will be updated to align with the Transition Plan Taskforce ('TPT') Net Zero Roadmap in the first quarter of 2025.

#### **HSE & Asset integrity ('HSEA')**

The health and safety of our personnel remains a key priority for the Group. Throughout 2024, the Committee continued to undertake detailed analysis of specific risk areas to ensure that asset integrity and the safety of our personnel are not compromised.

The Committee believes that significant progress has been made in relation to this risk focus area. Asset integrity management within the Group is risk based, proportionate and focused and relevant risks are considered as part of the budget process. Engagement with the Health and Safety Executive ('HSE') and Offshore Petroleum Regulator for Environment and Decommissioning ('OPRED') remained positive throughout 2024 with no enforcement action following an active inspection programme. The business has continued to build on its Process Safety Leadership foundations in terms of people, process and plant.

Personal safety performance was excellent in Malaysia with zero lost time incidents in 2024. However, performance was challenged in the North Sea, particularly in respect of lagging indicators associated with routine tasks at site. The Committee and Board spent considerable time reviewing the performance to understand the underlying trends and improvement plans and the Committee considers that the learning culture within the Group ensures that the causes of incidents are established, shared and action plans adequately implemented to prevent recurrence. Reflecting the desire for improved performance, the Group's integrated HSEA Continuous Improvement Plan focuses on the key areas to drive enhanced performance during 2025 and future years.

#### **Risk Management Framework**

The Group has a robust Risk Management Framework, which the Committee reviews regularly to ensure that it adequately recognises the full extent of risks and associated controls in a complex and rapidly changing landscape for the sector. In 2024, the Committee discussed the evolved treatment of risk and other upcoming changes in the Financial Reporting Council's 2024 Corporate Governance Code. The Committee also reviewed and approved risk management improvements in specific risk areas. Notably, in December 2024, the Committee held a joint meeting with the Audit Committee to consider how risks were allocated between each Committee and also how the Directors would make a declaration in the 2026 Annual Report on the effectiveness of material controls. The joint Committees reviewed activities undertaken and the necessary processes to allow the Board to provide the required risk management and internal controls disclosures.

#### **Technical and reserves**

During the year, the Committee reviewed several business development opportunities (including our acquisitions in Malaysia and Vietnam), and the technical assumptions underpinning these opportunities and was satisfied with the process and outcome of the exercises.

With the renewed focus of the Sustainability and Risk Committee, I am confident that this Committee will continue to make a very positive impact with regard to the Group's asset strategy, risk management framework, investment opportunities and net zero ambition.

#### **Michael Borrell**

Chair of the Sustainability and Risk Committee 26 March 2025

#### Sustainability and Risk Committee membership

The Committee having appointed new members, provides its membership in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Michael Borrell	30 August 2023	3/3
Rosalind Kainyah <sup>1</sup>	30 May 2024	2/2
Marianne Daryabegui <sup>1</sup>	30 May 2024	2/2
Notes		

 Rosalind and Marianne have attended all Committee meetings since their appointments in May 2024

#### **Committee responsibilities**

The main responsibilities of the Committee are to:

- Undertake in-depth analysis of specific risks in relation to the Company, as may be requested by the Board or determined by the Committee from time to time;
- Support the implementation and progression of the Group's Risk Management framework;
- Conduct detailed reviews of key non-financial risks not reviewed within the Audit Committee; and
- Undertake such other specific actions as the Board may require in relation to technical, reserves, business development, HSE, risk and sustainability issues.

The Committee's full terms of reference can be found on the Group's website, www.enquest.com/investors/corporate-governance.

#### Committee activities during the year

Over the year, the Sustainability and Risk Committee covered the following matters:

- Considered the impact of HSEA processes and culture and the Group's Risk Management Framework;
- Continued to refine the Group's Risk Management Framework and continuous improvement planning;
- Reviewed the Group Risk Register, assurance map and Risk Report (focusing on the most critical risks and emerging and changing risk profiles. This included obtaining assurance that the risks associated with climate change are appropriately assessed and incorporated within relevant risk areas);
- Undertook in-depth reviews of 'setting achievable business targets', 'reserves estimation and replacement', 'HSSE including asset integrity', 'project execution and delivery' and, 'investment decisions', in each case identifying improvements to certain controls:
- Received routine updates on HSEA (including reviewing the Group's performance along with ongoing and planned HSEA activities), which continues to be a key focus area for the Committee;
- Received routine updates on the Group's emission reduction targets and strategy for further enhancing its contributions to the United Nations SDG 12:
- Received routine updates on the Group's reserves, business development efforts and business planning; and
- Received routine updates on the market opportunities to promote the Group's strategy.

For further information on these risks, please see the Risks and uncertainties section on pages 54 to 71.

#### Priorities for the coming year

In 2025, the Committee will continue to focus on detailed analysis of key risk areas, including those relating to the Group's activity on technical and reserves matters, business development and safety, sustainability and risk in support of the Group's strategic purpose to provide creative solutions through the energy transition. The Committee will support the HSE continuous improvement priorities to improve personal safety performance of contractors, deliver a process safety competency roadmap and progress emission reduction commitments.

Directors' report Corporate Governance Financial Statements

The Directors of EnQuest present their Annual Report together with the Group and Company audited financial statements.

Company Secretary

Kate Christ



#### **Corporate governance statement**

The Group's corporate governance statement is set out on pages 94 to 97 and the Audit Committee report is set out on pages 101 to 106. Both are incorporated into the Directors' report by reference.

#### **Directors**

The biographical details of all persons who served as Directors of the Company during the financial year ended 31 December 2024 are set out on pages 90 to 91.

#### **Directors' indemnity provisions**

Under the Company's Articles, the Directors of the Company may be indemnified out of the assets of the Company against certain costs, charges, expenses, losses or liabilities which may be sustained or incurred in or about the execution of their duties. Such qualifying third-party indemnity provisions were in force during the financial year ended 31 December 2024 and remain in force as at the date of approving this Directors' report. Former Directors also received indemnities for the period for which they were Directors of the Company. Such indemnities are in a form consistent with the limitations imposed by law.

#### Substantial interests in shares

The table below shows the holdings in the Company's issued share capital at 31 December 2024, which had been notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules ('DTR'). The Company has not received any notifications between 31 December 2024 and the date of this report:

Name	capital held at 31 December 2024 <sup>2</sup>
Bseisu consolidated interests <sup>1</sup>	12.62
Aberforth Partners LLP	8.31
Cobas Asset Management	6.78
Hargreaves Lansdown Asset	5.20
Helikon Investments (UK)	5.02
Baillie Gifford & Co Ltd	3.41
Avanza Bank AB	3.23
Schroder Investment Management Ltd	3.07

#### Notes

- 1 See Directors' interests on page 121 for breakdown of holding
- 2 Rounding applies

#### **Directors' interests**

The interests of the Directors and their connected persons in the Ordinary shares of the Company, which are unchanged between 31 December 2024 and 26 March 2025, are shown below:

Name	Shares owned outright 26 March 2024
Amjad Bseisu <sup>1</sup>	234,732,857
Jonathan Copus	-
Gareth Penny²	137,047
Michael Borrell	-
Rosalind Kainyah	-
Marianne Daryabegui	-
Farina Khan	211,235

#### Notes

- 201,881,058 shares are held by Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu. 32,674,840 shares are also held by The Amjad and Suha Bseisu Foundation and 176,959 shares are held directly by Amjad Bseisu
   62,500 shares are held by Gareth Penny, and 74,547 shares are held by his wife,
- Kate Penny

The Company's share capital during the year consisted of Ordinary shares of £0.05 each ('Ordinary shares'). Each Ordinary share carries one vote. At the start of 2024, there were 1,912,304,113 Ordinary shares in issue.

At the 2024 Annual General Meeting ('AGM,') an ordinary resolution was passed authorising the Directors to allot new Ordinary shares up to a nominal value of £31,928,879, equivalent to one-third (33.33%) of the issued share capital of the Company. This resolution also authorised the Directors to allot up to two-thirds (66.67%) of the total issued share capital of the Company, although only in the case of a rights issue. A further special resolution was passed to effect a disapplication of pre-emption rights for a maximum of 20% of the issued share capital of the Company. These authorities are valid until the 2025 AGM or 30 June 2025, whichever is sooner. The Directors propose to renew each of these authorities at the 2025 AGM to be held on 27 May 2025.

The Company was also authorised by shareholders at the 2024 AGM to purchase its own Ordinary shares in the market of up to a limit of 10% of its issued share capital, subject to certain conditions laid out in the authorising resolution. The Company announced on 29 April 2024 that it had commenced a share repurchase programme of its Ordinary shares of 5 pence each of up to \$15 million. Following completion of the share buyback programme on 31 December 2024, the Company has c.7% of the authority received from shareholders at the 2024 AGM remaining to purchase its own shares. See note 19 on page 166 for further details. At the 2025 AGM, shareholders will be asked to renew authorities relating to the issue and purchase of Company shares. Details of the resolutions are contained in the Notice of AGM, which can be found on the Company's website at https://www.enquest.com/investors/shareholder-information/annual-general-meetings.

At 31 December 2024 there were 1,885,029,503 Ordinary shares in issue, with 25,000,000 being held in Treasury. All of the Company's issued Ordinary shares have been fully paid up. Further information regarding the rights attaching to the Company's Ordinary shares can be found in note 19 to the financial statements on page 166. No person has any special rights with respect to control of the Company.

The Company's Ordinary shares are listed on the London Stock Exchange.

#### Company share schemes

Shares are held in an employee benefit trust ('EBT') for the purpose of satisfying awards made under the various employee share plans. In 2024, the EBT was allotted 3,620,226 Ordinary shares. At year end, the EBT held 0.6% of the issued share capital of the Company (2023: 1.4%) for the benefit of employees and their dependants. 25,000,000 Ordinary shares are being held in Treasury, to be issued to the EBT as required. The voting rights in relation to these shares are exercised by the Trustees, who may vote the shares they hold at their discretion. In addition, as required to be disclosed in accordance with Listing Rule 6.6.1 R, the trustees of the EBT have waived its rights to receive dividends on the shares it holds.

#### **Employee engagement**

Employees are informed about noteworthy business issues and other matters of concern via country-level Town Hall meetings, Global Town Hall meetings (whereby staff in all geographic locations are invited to attend), email and other in-person and electronic communications, particularly the Company's intranet and internal 'Viva Engage' channel.

Face-to-face briefing meetings are used along with virtual communications to ensure all employees have the opportunity to participate. Appropriate consultations take place with employees when business change is undertaken.

Gareth Penny was the Designated Director for Employee Engagement for most of the year. Rosalind Kainyah took over the position in October 2024. During his time as Designated Director, Gareth met with staff in Aberdeen, London, Shetland and Malaysia and had discussions with Employee Forum representatives across the organisation. Rosalind, during her tenure, has met staff in both Aberdeen and London, held meetings with the Employee Forum and hosted a breakout session for staff on a Board visit to the Aberdeen office. As a Designated Director, Rosalind has the responsibility to ensure the Board gets a clear understanding of the views of employees in accordance with the requirement of the Corporate Governance Code.

EnQuest offers employees the opportunity to participate directly in the success of the Company through participation in share schemes, such as the Save As You Earn ('SAYE') Share Scheme. 54.5% of eligible employees currently participate in the Company's SAYE schemes. Eligibility for participation in other share schemes depends on a number of factors, such as seniority within the Company.

#### **Articles of Association**

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders. The Company's Articles, found on the Company's website at https://www.enquest.com/investors/corporate-governance, contain provisions on the appointment, retirement and removal of Directors, along with their powers and duties.

Directors are submitted for re-election at every AGM and appointments are made by a separate resolution. The Company also reserves the right to remove a Director before expiration of their term by special resolution.

The Company only has Ordinary shares in issue. In accordance with the Company's Articles, any share in the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or in the absence of such determination, as the Directors may determine). There are no specific rights or obligations attaching to the Ordinary shares and there are no restrictions on the transfer of shares.

**Directors' report** continued Corporate Governance Financial Statements

#### **Annual General Meeting**

The Company's AGM will be held at Sofitel St James, 6 Waterloo Place, London SW1Y 4AN United Kingdom on 27 May 2025. Formal notice of the AGM, including details of special business, is set out in the Notice of AGM which accompanies this Annual Report. It is available on the Group's website at https://www.enquest.com/ investors/shareholder-information/annual-general-meetings.

The Company's Ordinary shares are traded on the London Stock Exchange. The Company's share registrar is MUFG Corporate Markets (previously known as Link Asset Services), details of which can be found in the Company information section on the inside back cover of the Annual Report.

#### **Political donations**

At the 2024 AGM, a resolution was passed giving the Company authority to make political donations and/or incur political expenditure as defined in Sections 362 to 379 of the Companies Act 2006. Although the Company does not make and does not intend to make political donations or to incur political expenditure, the legislation is very broadly drafted and may catch such activities as funding seminars or functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support.

No political donations were made in 2024 by the Company, or any of its subsidiaries (2023: no donations).

The Company has not declared or paid any dividends since incorporation. However, during 2024 an up to \$15.0 million share buy-back, of which \$9.0 million was realised, was executed. In 2025 the Board of Directors are proposing a final ordinary dividend of 0.616 pence per share (equivalent to c.\$15 million), see note 8 on page 154.

Any future shareholder distributions will be reviewed in the context of the Company's expected future cash flows and the Board's aims of preserving a balanced programme of value-led and growthfocused organic and inorganic investment. Future distributions remain subject to the earnings and financial condition of the Company meeting the conditions for shareholder distributions which the Company has agreed with its lenders and such other factors as the Board of Directors of the Company consider appropriate, including the requirements of the Companies Act.

#### Change of control agreements

The Company (or other members of the Group) are not party to any significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid, except in respect of:

- (a) the senior facility agreement, which includes provisions that, upon a change of control, permit each lender not to provide certain funding under that facility and to cancel its commitment to provide that facility and to require repayment of the credit which may already have been advanced to the Company and the other borrowers under the facility;
- (b) the deeds of indemnity, originally dated 10 June 2021 (as amended and restated on 30 November 2024) and deeds of indemnity dated 30 November 2024, pursuant to which the sureties have agreed to consider requests to issue, procure or participate in surety bonds, each include provisions that, upon a change of control, permit each surety to require the indemnitors to provide cash cover in respect of the liability assumed by the sureties (and costs and fees of the sureties) in relation to the Company and the other indemnitors under the deeds;

(c) the indenture governing the Company's high yield notes originally due 2027, which at the date of this report have an aggregate nominal amount of approximately \$465.0 million, under which if the Company undergoes certain events defined as constituting a change of control, each holder of the high yield notes may require the Company to repurchase all or a portion of its notes at 101% of their principal amount, plus any accrued and unpaid interest.

#### Directors' statement of disclosure of information to auditor

The Directors in office at the date of the approval of this Directors' report have each confirmed that, so far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each of the Directors has taken all the steps he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### Responsibility statements under the DTR

The Directors who held office at the date of the approval of the Directors' report confirm that, to the best of their knowledge, the financial statements, prepared in accordance with UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and the Directors' report, Operating review and Financial review, which together constitute the management report (for the purposes of DTR 4.1.8R), include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

#### **Independent auditor**

Having reviewed the independence and effectiveness of the auditor, the Audit Committee has recommended to the Board that the existing auditor, Deloitte, be reappointed. Deloitte has expressed its willingness to continue as auditor. An ordinary resolution to reappoint Deloitte as auditor of the Company and authorising the Directors to set its remuneration will be proposed at the forthcoming AGM. Information on the Company's policy on audit tendering and rotation is on page 106.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 03 to 86. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the financial review on pages 34 to 39. The Board's assessment of going concern and viability for the Group is set out on pages 37 and 38. In addition, note 27 to the financial statements on page 174 includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

#### Greenhouse gas ('GHG') emissions

EnQuest has reported on all of the emission sources within its operational control required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within the EnQuest consolidated financial statements. EnQuest has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1 and data gathered to fulfil the requirements under the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019'. The Streamlined Energy & Carbon Reporting ('SECR') report includes assets which are in the operational control of EnQuest.

Total emissions tCO <sub>2</sub> e <sup>2</sup>	Emissions		2024 <sup>5</sup> SECR	2023 <sup>5</sup> SECR	2018 <sup>6</sup> baseline
Scope 1         Total emissions tCO₂e         996,749         967,073         1,617,366           Scope 2         Extraction emissions tCO₂e³         890,175         894,844         1,562,507           Scope 2         Extraction emissions tCO₂e³         499         679         1,515           Scope 3         Extraction intensity ratio kgCO₂e²a³         106,573         72,229         54,859           Scope 1         Terminal (SVT) emissions tCO₂e²a³         71,184         74,113         86,011           Scope 3         Terminal (SVT) emissions tCO₂e²a²         553,735         744         74,86           Scope 3         Emissions tCO₂e (All Operations)³         5,553,735         744         74,86           Scope 3         Emissions tCO₂e (All Operations)³         5,553,735         744         74,87           Scope 3         Emissions tCO₂e (All Operations)³         5,553,735         744         74,80           Scope 3         Extraction kWh         3,651,965,090         3,870,72,239           Scope 4         Extraction kWh         3,651,965,090         3,870,72,239           Scope 1         Extraction intensity ratio kWh/Boe²         8,92,516         8,857,45           Scope 3         Forminal (SVT) kWh²²         2,02,34         3,857,45 <tr< td=""><td></td><td>Total emissions tCO₂e²</td><td>6,622,087</td><td>1,042,610</td><td>1,704,893</td></tr<>		Total emissions tCO₂e²	6,622,087	1,042,610	1,704,893
Scope 1         Extraction emissions tCO₂e²         890,175         894,844         1,562,507           Scope 2         Extraction emissions tCO₂e²         489         679         1,515           Scope 1         Terminal (sVT) emissions tCO₂e²³         106,573         72,229         54,859           Scope 2         Terminal (sVT) emissions tCO₂e²³         71,184         74,13         86,011           Scope 3         Emissions tCO₂e (All Operations)²         5,553,735         744         N/A           Scope 3         Emissions tCO₂e (All Operations)²         5,553,735         744         N/A           Presty Consumption         Total kWh         4,442,944,699         4,353,231,637           Scope 1         Extraction kWh         3,651,965,090         3,678,072,239           Scope 2         Extraction kWh         925,516         1,855,745           Extraction intensity ratio kWh/Boe²         189,84         18,367           Scope 1         Terminal (SVT) kWh²³         389,088,003         362,925,296           Terminal (SVT) kWh²³         389,088,003         389,088,003         362,296           Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²¾8         2,224         2,223           Scope 1         UK on Shore tCO₂e²         106,678         7,224<	Scope 1		996,749	967,073	1,617,366
Scope 2 Extraction emissions tCO,e²         Extraction intensity tratio kgCO₂e/Boe²         46.8 44.70 47.55 46.85 56.85	Scope 2	Total emissions tCO₂e	71,603	74,792	87,526
Scope 2 Extraction emissions tCO,e²         Extraction intensity tratio kgCO₂e/Boe²         46.8 44.70 47.55 46.85 56.85	Scope 1	Extraction emissions tCO <sub>2</sub> e <sup>2</sup>	890,175	894,844	1,562,507
Scope 1         Terminal (SVT) emissions tCO₂e²³         106,573         72,229         54,859           Scope 2         Terminal (SVT) emissions tCO₂e²³         71,184         74,131         86,011           Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³         5,53,735         744         M.A           Scope 3         Emissions tCO₂e (All Operations)³         5,553,735         744         M.A           Energy Consumptor         2024         2023         2023           Energy Consumptor         \$5,553,735         744         M.A           Energy Consumptor         \$5,553,735         744         M.A           Energy Consumptor         \$20,516         \$20,516         \$5,52,213           Scope 1         Extraction kWh         \$3,551,965,090         \$3,676,072,239           Scope 2         Extraction kWh         \$92,516         \$1,856,745 <th< td=""><td></td><td></td><td>419</td><td>679</td><td></td></th<>			419	679	
Scope 2 Terminal (SVT) emissions tCO₂e².3 (SVT) emissions tCO₂e².8 (SVT) intensity ratio kgCO₂e/Boe³ throughput²²²² (SVT) emissions tCO₂e² (All Operations)⁵         71,184         74,113         86,011           Scope 3 Emissions tCO₂e² (All Operations)⁵         5,553,735         744         N/A           Energy Consumption*         \$2024 (SVT)	·	Extraction intensity ratio kgCO <sub>2</sub> e/Boe <sup>2</sup>	46.28	44.70	47.54
Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²3.8   5.03   3.42   4.65	Scope 1	Terminal (SVT) emissions tCO <sub>2</sub> e <sup>2,3</sup>	106,573	72,229	54,859
Scope 3   Emissions tCO <sub>2</sub> e (All Operations) <sup>5</sup>   5,553,735   744   N/A	Scope 2	Terminal (SVT) emissions tCO <sub>2</sub> e <sup>2,3</sup>	71,184	74,113	86,011
Scope 1   Straction kWh   Stope   Stope   Stope   Stope   Straction kWh   Stope   Stope   Stope   Straction kWh   Stope   Straction intensity ratio kWh/Boe²   189.84   183.67   Stope   Terminal (SVT) kWh²³   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   389,08,803   402,954,286   402,95		Terminal (SVT) intensity ratio kgCO <sub>2</sub> e/Boe <sup>3</sup> throughput <sup>2,3,8</sup>	5.03	3.42	4.65
Part	Scope 3	Emissions tCO <sub>2</sub> e (All Operations) <sup>5</sup>	5,553,735	744	N/A
Total kWh					
Scope 1         Extraction kWh         3,651,965,090         3,678,072,239           Scope 2         Extraction kWh         925,516         1,855,745           Scope 1         Terminal (SVT) kWh²³         401,045,291         270,349,367           Scope 2         Terminal (SVT) kWh²³         389,008,803         402,954,286           Scope 3         Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           Scope 3         UK onshore tCO₂e²         106,578         Scope Sc	Energy Consur	nption <sup>1</sup>		SECR	
Scope 2         Extraction kWh Extraction intensity ratio kWh/Boe²         925,716 189.84 183.67           Scope 1         Terminal (SVT) kWh²³         389,008,803 402,954,286           Scope 2         Terminal (SVT) kWh²³         389,008,803 402,954,286           Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²³.8         22.38 15.72           Scope 1         UK onshore tCO₂e²         106,578 29.85					
Extraction intensity ratio kWh/Boe²         189.84         183.67           Scope 1         Terminal (SVT) kWh²³         401,045,291         270,349,367           Scope 2         Terminal (SVT) kWh²³         389,008,803         402,954,286           Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         22.38         15.72           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         20.24         2023           W Familial (SVT) intensity ratio kgCO₂e/Boe³ throughput²³³8         106,578         7.22           W Familial (SVT) intensity ratio kgCO₂e²         106,578         7.242           W K onshore tCO₂e²         106,578         7.242           W K onshore tCO₂e²         10         0           W K offshore kWh         24,41,162,46         453           Non-UK tCO₂e²         1,126,20         105           Scope 1 <t< td=""><td>Scope 1</td><td></td><td></td><td></td><td></td></t<>	Scope 1				
Scope 1         Terminal (SVT) kWh².³         401,045,291         270,349,367           Scope 2         Terminal (SVT) kWh².³         389,008,803         402,954,286           Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput².³8         22.38         15.72           W a companie of the	Scope 2			•	
Scope 2         Terminal (SVT) kWh².³ Terminal (SVT) intensity ratio kgCO₂e/Boe³ throughput²³.8         389,008,803         402,954,286           Lead of the propertion of the					
Terminal (SVT) intensity ratio kgCO2e/Boe3 throughput2338   22.38   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   2023   2024   2023   20	Scope 1				270,349,367
UK and Overseas Breakdown   SECR (operational control) scope   SECR (operational con	Scope 2				
UK and Overseus Breakdown         SECR (operational control) scope         72,242         242         242         242         242         243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         277,277         276,243         277,277         277,277         276,243         277,277         276,243         277,277         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243         276,243		Terminal (SVT) intensity ratio kgCO <sub>2</sub> e/Boe <sup>3</sup> throughput <sup>2,3,8</sup>		22.38	15.72
UK and Overseas Breakdown         Coperational control scope control				2024	2023
UK and Overseas Breakdown         control) scope         control) scope           Scope 1         UK onshore tCO2e²         106,578         72,242           UK offshore tCO2e²         606,184         618,587           Non-UK tCO2e         283,987         276,243           Scope 2         UK onshore tCO2e²         0         0           UK offshore tCO2e²         0         0           Non-UK tCO2e         314         416           Scope 3         UK onshore tCO2e².5         14,170         187           UK offshore tCO2e².5         1,126,920         105           Scope 1         UK onshore kWh         401,066,953         270,417,800           UK offshore kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         389,515,744         404,226,950           Non-UK kWh         418,575         583,081           Scope 3         UK onshore kWh         18,796,373,969         0           UK offshore kWh         18,796,373,969         0					
UK offshore tCO2e²         606,184         618,587           Non-UK tCO2e         283,987         276,243           Scope 2         UK onshore tCO2e²         71,289         74,377           UK offshore tCO2e²²         0         0           Non-UK tCO2e         314         416           Scope 3         UK onshore tCO2e².5         1,170         187           UK offshore tCO2e².5         4,412,646         453           Non-UK tCO2e².5         1,126,920         105           Scope 1         UK onshore kWh         2,414,152,936         2,488,418,862           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           UK offshore kWh         0         0           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           Non-UK kWh         389,515,744         404,226,950           Non-UK kWh         1,875         583,081           Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0	UK and Overse	as Breakdown			
UK offshore tCO2e²         606,184         618,587           Non-UK tCO2e         283,987         276,243           Scope 2         UK onshore tCO2e²         71,289         74,377           UK offshore tCO2e²²         0         0           Non-UK tCO2e         314         416           Scope 3         UK onshore tCO2e².5         1,170         187           UK offshore tCO2e².5         4,412,646         453           Non-UK tCO2e².5         1,126,920         105           Scope 1         UK onshore kWh         2,414,152,936         2,488,418,862           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           UK offshore kWh         0         0           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           Non-UK kWh         389,515,744         404,226,950           Non-UK kWh         1,875         583,081           Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0	Scope 1	UK onshore tCO₂e <sup>2</sup>		106,578	72,242
Scope 2         UK onshore tCO2e2         71,289         74,377           UK offshore tCO2e2         0         0           Non-UK tCO2e         314         416           Scope 3         UK onshore tCO2e2.5         14,170         187           UK offshore tCO2e2.5         4,412,646         453           Non-UK tCO2e2.5         1,126,920         105           Scope 1         UK onshore kWh         401,066,953         270,417,800           UK offshore kWh         2,414,152,936         2,488,418,862           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           UK offshore kWh         0         0           Non-UK kWh         418,575         583,081           Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0	•	<u> -</u>			
UK offshore tCO <sub>2</sub> e <sup>2</sup> 0       0         Non-UK tCO <sub>2</sub> e       314       416         Scope 3       UK onshore tCO <sub>2</sub> e <sup>2,5</sup> 14,170       187         UK offshore tCO <sub>2</sub> e <sup>2,5</sup> 4,412,646       453         Non-UK tCO <sub>2</sub> e <sup>2,5</sup> 1,126,920       105         Scope 1       UK onshore kWh       401,066,953       270,417,800         UK offshore kWh       2,414,152,936       2,488,418,862       2,488,418,862       2,488,418,862       2,488,418,862       2,488,418,862       2,488,418,862       389,515,744       404,226,950       404,226,950       0		Non-UK tCO <sub>2</sub> e		283,987	276,243
Non-UK tCO2e         314         416           Scope 3         UK onshore tCO2e25         14,170         187           UK offshore tCO2e25         4,412,646         453           Non-UK tCO2e25         1,126,920         105           Scope 1         UK onshore kWh         401,066,953         270,417,800           UK offshore kWh         2,414,152,936         2,488,418,862           Non-UK kWh         1,237,790,492         1,189,584,945           Scope 2         UK onshore kWh         0         0           UK offshore kWh         0         0           Non-UK kWh         418,575         583,081           Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0	Scope 2	UK onshore tCO <sub>2</sub> e <sup>2</sup>		71,289	74,377
Scope 3       UK onshore tCO2e25       14,170       187         UK offshore tCO2e25       4,412,646       453         Non-UK tCO2e25       1,126,920       105         Scope 1       UK onshore kWh       401,066,953       270,417,800         UK offshore kWh       2,414,152,936       2,488,418,862         Non-UK kWh       1,237,790,492       1,189,584,945         Scope 2       UK onshore kWh       0       0         UK offshore kWh       0       0         Non-UK kWh       418,575       583,081         Scope 3       UK onshore kWh       26,521,819,398       0         UK offshore kWh       18,796,373,969       0		<u> -</u>		=	
UK offshore tCO <sub>2</sub> e <sup>2.5</sup> 4,412,646       453         Non-UK tCO <sub>2</sub> e <sup>2.5</sup> 1,126,920       105         Scope 1       UK onshore kWh       401,066,953       270,417,800         UK offshore kWh       2,414,152,936       2,488,418,862         Non-UK kWh       1,237,790,492       1,189,584,945         Scope 2       UK onshore kWh       389,515,744       404,226,950         UK offshore kWh       0       0         Non-UK kWh       418,575       583,081         Scope 3       UK onshore kWh       26,521,819,398       0         UK offshore kWh       18,796,373,969       0					
Non-UK tCO2e25       1,126,920       105         Scope 1       UK onshore kWh UK offshore kWh Non-UK kWh       401,066,953       270,417,800         Scope 2       UK onshore kWh UK offshore kWh UK offshore kWh Non-UK kWh       389,515,744       404,226,950         Scope 3       UK onshore kWh UK offshore kWh UK offshore kWh UK offshore kWh       26,521,819,398       0         UK onshore kWh UK offshore kWh       18,796,373,969       0	Scope 3	-		,	_
Scope 1       UK onshore kWh UK offshore kWh UK offshore kWh Non-UK kWh       2,414,152,936 2,488,418,862 2,488,418,862 2,488,418,945         Scope 2       UK onshore kWh UK offshore kWh UK offshore kWh Non-UK kWh       389,515,744 404,226,950 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		-			
UK offshore kWh Non-UK kWh       2,414,152,936       2,488,418,862       2,488,418,862       1,189,584,945       1,189,584,945       389,515,744       404,226,950       404,226,950       0		-			
Scope 2     UK onshore kWh UK offshore kWh UK offshore kWh     389,515,744 404,226,950 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Scope I				
Scope 2         UK onshore kWh UK offshore kWh Non-UK kWh         389,515,744 040,226,950 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0					
UK offshore kWh Non-UK kWh       0 418,575       0 583,081         Scope 3       UK onshore kWh UK offshore kWh       26,521,819,398 0       0 18,796,373,969       0 0	Scope 2				
Non-UK kWh         418,575         583,081           Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0	scope 2				
Scope 3         UK onshore kWh         26,521,819,398         0           UK offshore kWh         18,796,373,969         0				=	•
UK offshore kWh 18,796,373,969 0	Scope 3	UK onshore kWh			· · · · · · · · · · · · · · · · · · ·
Non-UK kWh 1,505,098,478 0					
		Non-UK kWh		1,505,098,478	0

- 1 When it is considered that the portfolio of assets under a company's operational control has changed significantly, the baseline, which is based on verified scope data, is
- recalculated to an appropriate comparative period for which good data is available. As such, the baseline is currently 2018

  2 tCO<sub>2</sub>e = tonnes of CO<sub>2</sub> equivalent. kgCO<sub>2</sub>e = kilogrammes of CO<sub>2</sub> equivalent. Boe = barrel of oil equivalent. EnQuest is required to report the aggregate gross (100%) emissions for those assets over which it has operational control. As such, the extraction intensity ratio is calculated by taking the aggregate gross (100%) reported Scope I and 2 kg/CQ-e from those assets divided by the aggregate gross (100%) hydrocarbon production from the same assets. The throughput ratio is calculated by taking the aggregate gross (100%) hydrocarbon production from the same assets. The throughput ratio is calculated by taking the aggregate gross (100%) hydrocarbon production from the same assets. reported Scope 1 and 2 kgCO<sub>2</sub>e from SVT divided by the aggregate total throughput at the terminal
- 3 Note on uncertainty: The uncertainty for total emissions within the verified scope is calculated as 5%. SVT emissions in isolation are not within 5% due to the steam and electricity meters for SVT not having supportable uncertainties
- 4 Kilo-watt hour (kWh) data is reported on a net calorific value basis throughout
  5 Scope 3 emission Category 5 'waste generated in operations' for 2024 was 481 tCO<sub>2</sub>e (2023: 567 tCO<sub>2</sub>e). In 2024, the Group reported the following Scope 3 categories for the first time and, as such, there is no comparative data available: Category 6 'business travel' 13,829 tCO2e, Category 7 'employee commuting' 340 tCO2e and Category 11 'use of sold products' 5 539 085 tCO<sub>2</sub>e
- 6 2022 was the first year that the PM8/Seligi (Malaysian) asset was included within the verified scope due to availability of supportable metering uncertainty documentation. The 2018 baseline figures in the tables above are quoted for all assets in the operational control of EnQuest but it is declared for transparency that the PM8/Seliai asset contribution was
- 7 Scope 3 emission Category 5 'waste generated in operations' was reported for the first time in 2023. As this is a waste category, there is no associated kWh measure 8 Intensity ratios are calculated against Scope 1 and Scope 2 emissions only and, as such, exclude Scope 3 emissions

EnQuest PLC Annual Report and Accounts 2024 122-123

#### **Energy efficiency strategy**

EnQuest recognises that industry, alongside other key stakeholders such as governments, regulators and consumers, must contribute to reducing the impact on climate change of carbon-related emissions. The Group is committed to playing its part in the achievement of national emission reduction targets and the drive to net zero. EnQuest aims to reduce emissions generated through its operations by utilising a detailed project delivery process. The status of emission reduction opportunities and projects is discussed at regular Emissions Reduction Workshops and reviewed at Board level via the Sustainability and Risk Committee. Emission reduction projects managed through this established process include compressor re-mapping at the Greater Kittiwake Area, the commissioning of waste heat recovery units on Kraken and the delivery of both a flare purge reduction and a flare passing valve replacement programme on Magnus. In the longer term, Veri Energy, EnQuest's wholly owned subsidiary, is developing cost-effective and efficient plans to repurpose the terminal site and connected offshore infrastructure to fulfil its ambition of creating a new energy and decarbonisation hub at the Sullom Voe Terminal ('SVT').

#### SECR (operational control) scope

EnQuest has a number of financial interests (for example, joint ventures and joint investments), as covered in this Annual Report for which it does not have operational control. In line with SECR and ISO 14064-1 guidance, only those assets where EnQuest has operational control greater than 50% are captured within the SECR reporting boundary. Where EnQuest has less than 50% operational control of an asset, it is not included within the SECR reporting boundary. Hence, the SECR operational control boundary is different to EnQuest's financial boundary. In line with SECR guidance, this is fully disclosed.

#### ISO-14064 verified scope

EnQuest has voluntarily opted to have emissions reported within the SECR scope verified to the internationally recognised ISO 14064–1 standard by a UKAS accredited verification body. This increases the robustness of the reported emissions and provides the reader with more confidence in the stated figures. This goes beyond the minimum requirements of the SECR guidance.



#### **Further disclosures**

The Company has set out disclosures in the Strategic report in accordance with Section 414C(11) of the Companies Act (2006) – information required by Schedule 7 to the Accounting Regulations to be contained in the Directors' report. These disclosures and any further disclosure requirements as required by the Companies Act 2006; Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008; The Companies (Miscellaneous Reporting) Regulations 2018; the FCA's Listing Rules; and DTR are found on the following pages of the Company's Annual Report and are incorporated into the Directors' report by reference.

Disclosure number	Page
Future developments	8-15
Acquisitions and disposal	22-25
Fair treatment of disabled employees	51
Anti-slavery disclosure	39
Corporate governance statement	94
Gender diversity	51, 99
Financial risk and financial instruments	174
Important events subsequent to year end	n/a
Branches outside of the UK	178
Stakeholder engagement	84
Research and development	n/a
Related party transactions	174
Dividend waiver	121

The Directors' report was approved by the Board and signed on its behalf by the Company Secretary on 26 March 2025.

#### **Kate Chris**

Company Secretary

## **Statement of Directors' Responsibilities**

for the Group Financial Statements

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare Group financial statements for each financial year. Under that law, the Directors are required to prepare Group financial statements under United Kingdom international accounting standards ('IFRS').

Under Company law, the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, International Accounting Standard 1 ('IAS') requires that the Directors:

- · Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information:
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance

**Financial Statements** 

The Directors are also responsible for preparing the Strategic Report, Directors' report, the Directors' Remuneration Report and the Corporate governance statement in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules.

#### Fair, balanced and understandable

In accordance with the principles of the UK Corporate Governance Code, the Directors are responsible for establishing arrangements to evaluate whether the information presented in the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and making a statement to that effect. This statement is set out on page 102 of the Annual Report.

Independent auditor's report Corporate Governance Financial Statements

#### Report on the audit of the financial statements

#### 1. Opinion

#### In our opinion:

- the financial statements of EnQuest PLC (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group Income Statement;
- · the group Balance Sheet;
- the group Statement of Changes in Equity;
- · the group Statement of Cash Flows;
- the related notes 1 to 30 to the group Financial Statements;
- · the parent company Balance Sheet;
- the parent company Statement of Changes in Equity; and
- the related notes 1 to 13 to the parent company Financial Statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 4f to the group financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Summary of our audit approach

3. Sulfilliary of our du	summary of our dudit approach		
Key audit matters	The key audit matters that we identified in the current year were:		
	Valuation of oil and gas related assets and liabilities		
	Valuation of decommissioning liability		
	Within this report, key audit matters are identified as follows:		
	Newly identified		
	Increased level of risk		
	Similar level of risk		
	Decreased level of risk		
Materiality	The materiality that we used for the group financial statements was \$20.3m which was determined on the basis of 3.0% of adjusted EBITDA (management have presented a reconciliation of profit from operations before tax and interest to adjusted EBITDA in the glossary to the financial statements on page 189).		
Scoping	EnQuest PLC has two components, being the North Sea and Malaysia. They account for 100% of the group's revenue, 100% of its adjusted EBITDA and 100% of its net assets, therefore account balances of both components were scoped in.		
Significant changes in our approach	There were no significant changes in our approach compared to the prior year.		

# 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the reasonableness of the assumptions used in the cash flow forecasts, in particular commodity prices, production
  profiles and cash costs;
- assessing the historical accuracy of forecasts prepared by management across production, operating expenditure and capital expenditure;
- · assessing the financing facilities throughout the going concern period, including repayment terms and financial covenants;
- considering the levels of cash and covenant headroom throughout the going concern period, including sensitivity analysis and reverse stress testing;
- · assessing the mathematical accuracy of the forecasts and the going concern model, involving our modelling specialists; and
- · assessing the appropriateness of the group's and parent company's going concern related financial statement disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5.1. Valuation of oil and gas related assets and liabilities (<>)



#### Key audit matter description

Management is required to assess the carrying value of oil and gas related assets and liabilities, in line with the relevant accounting standard, at each balance sheet date. In order to appropriately value these assets and liabilities, management is required to forecast future cash flows. These forecast cash flows are used consistently

- · Impairment assessment of oil and gas assets;
- · Impairment assessment of goodwill;
- · Impairment assessment of the parent company investments;
- · Valuation of Magnus contingent consideration; and
- · Valuation of the deferred tax asset.

The forecast future cash flows contain a high level of management judgement and estimation, particularly in relation to the following significant assumptions:

- · Forecast commodity prices;
- · Discount rate applied; and
- · Reserve estimates and production profiles.

Commodity prices, reserve estimates and production profiles are also impacted by climate-related risks, which increases the level of estimation uncertainty.

Given the level of management judgement and estimation applied in determining the recoverable value of the oil and gas related assets and liabilities, including estimation uncertainty within the significant assumptions outlined above, we consider this to be a key audit matter related to the potential risk of fraud.

Impairment assessment of oil and gas assets, goodwill and parent company investments Management performed an impairment assessment for oil and gas assets and goodwill carrying value, by reference to IAS 36 Impairment of Assets. As at 31 December 2024, the net book value of property, plant and equipment, which primarily relates to oil and gas assets was \$2,298 million (2023: \$2,297 million) and management have recorded a pre-tax impairment of \$71 million (2023: \$117 million) against certain oil and gas assets, including related right of use assets, as disclosed in note 9.

As at 31 December 2024, the net book value of goodwill was \$134 million (2023: \$134 million). No goodwill impairment charge has been recorded in 2024 (2023: nil), as disclosed in note 10.

Management also performed an assessment of the carrying values of the parent company's investment in subsidiaries by reference to IAS36 Impairment of Assets and IFRS9 Financial Instruments. As at 31 December 2024, the net book value of investments recognised in the parent company balance sheet was \$372 million (2023: \$300 million) and management have recorded an impairment reversal of \$71 million (2023: \$74 million impairment charge), as disclosed in note 3 to the parent company financial statements.

#### Valuation of Magnus contingent consideration

The valuation of Magnus contingent consideration was \$451 million (2023: \$488 million) as at 31 December 2024, based on the estimated future cash flows for the Magnus oil and gas asset, as disclosed in note 21.

Given the interrelationship with production and the profit-share agreement, considerations have been made to the relationship of the key accounting estimates relating to commodity prices.

#### Valuation of the deferred tax asset

As at 31 December 2024, a deferred tax asset of \$506m (2023: \$540m) was recognised, based on the expected utilisation of historical tax losses, underpinned by forecasts of future profitability. The forecast cash flows used to value the deferred tax asset are consistent with the cash flows used for impairment purposes. Further details on the deferred tax asset are disclosed in note 6(c).

Given the interrelated nature of the key areas noted above, management have applied consistent assumptions across all of these valuations where appropriate.

Further details on this matter have been disclosed in the audit committee report on page 104 and 105 and in the "critical accounting judgements and key sources of estimation uncertainty" section of note 2.

Procedures on internal controls and valuation models

# 5.1. Valuation of oil and gas related assets and liabilities (>) continued

#### How the scope of our audit responded to the key audit matter

Our procedures comprised the following:

obtaining an understanding of relevant controls over management's process for identifying indicators of impairment and for performing their impairment assessment and related valuations;

Strategic Report Corporate Governance

**Financial Statements** 

- assessing management's forecasting accuracy through a retrospective review of previous forecasts;
- · assessing whether forecast cash flows were consistent with board approved forecasts and budgets, and forecasts used elsewhere, including for going concern and viability purposes;
- · challenging the reasonableness of the operating and capital cost assumptions within the models;
- · assessing, with input from our tax specialists, whether the models appropriately incorporate tax cash flows, including the Energy Profits Levy;
- · working with our modelling specialists to evaluate the arithmetical accuracy of the models;
- · challenging management's determination of oil and gas cash generating units for impairment purposes, in comparison to the requirements of IAS36;
- assessing the reasonableness of the various valuations on an aggregate basis, as part of our stand-back procedures:
- evaluating compliance with the relevant accounting standards, including IAS12 Income Taxes, IAS36 Impairment of Assets and IFRS13 Fair Value Measurements; and
- · evaluating the adequacy of management's disclosures in relation to impairment and related valuations, including related sensitivity analysis and climate-related disclosures.

#### Procedures related to the key assumptions used for valuation purposes

Our procedures related to the key assumptions in this key audit matter are:

#### Forecast commodity prices

- · assessing the appropriateness of management's forecast commodity prices, through benchmarking against forward curves, peer information, market data and climate aligned price scenarios;
- · performing sensitivity analysis on the pricing assumptions to determine the impact on the valuation conclusions of reasonably possible changes;
- evaluating whether management's pricing assumptions have adequately considered the impact of the risk of lower oil and gas demand due to climate change; and
- · assessed future commodity price differentials applied relative to observed differentials experienced from liftings from 2024.

#### Discount rate

- · evaluating, with input from our valuations specialists, the group's discount rates used in impairment tests and valuations
- · comparing discount rate of peer UKCS upstream companies; and
- assessing whether country risks are appropriately reflected in the group's discount rate.

#### Reserves estimates and production profiles

- · comparing management's reserves estimates and production profiles to those of their independent reserves expert;
- · assessing the technical competence, capabilities and objectivity of management's internal and external experts;
- · evaluating, with involvement from our oil and gas reserves specialist, the reasonableness of reserves estimates and production profiles; and
- · working with our oil and gas reserves specialist to challenge management on significant changes in the reserves estimates and production profiles.

#### **Key observations**

We are satisfied with management's conclusions in respect of the valuation of oil and gas related assets and liabilities, including the related impairment charges.

In reaching this conclusion, we observed that:

- · Future commodity price assumptions are within our acceptable range for all years;
- · Impairment discount rates were within our acceptable range, calculated by our valuations specialist;
- · Reserves estimates and production profiles were concluded as reasonable, based on estimates from management's reserves expert:
- · The carrying value of the oil and gas assets and goodwill, including the related impairment charge, is reasonable;
- · The carrying value of the investment in subsidiaries, including the related impairment reversal, is reasonable;
- The carrying value of the Magnus contingent consideration is reasonable; and
- The deferred tax asset recognition is appropriate and the carrying value is a reasonable estimate.

# 5.2. Valuation of decommissioning liability (



#### Key audit matter description

The group is required by law to decommission the oil and gas assets and associated infrastructure at the end of their operating life. An estimate of the future cost of decommissioning is required to be provided for in accordance with IAS37 Provisions, Contingent Liabilities and Contingent Assets.

The decommissioning provision at 31 December 2024 is \$760 million (2023: \$781 million). The provision represents the present value of decommissioning costs which are expected to be incurred during the decommissioning period, which is assumed to run to 2050, assuming no further development of the group's assets. Further details on the key sources of estimation uncertainty underpinning the valuation of decommissioning provisions can be found in note 2. This key audit matter is considered to be a risk due to fraud.

Decommissioning liabilities are inherently judgemental areas, particularly in relation to cost estimates and the related assumptions. The key management estimates containing the most estimation uncertainty, and therefore the focus of our key audit matter, are:

- · internal well cost estimates included in the decommissioning model; and
- · discount rate applied, calculated as a risk-free rate using an average of year-end 5-, 10- and 20-year UK Gilts, weighted to reflect expected timing profile of future decommissioning spend.

Further details on this matter have been disclosed in the audit committee report on page 104 and in note 22.

#### How the scope of our audit responded to the key audit matter

Our procedures comprised the following:

#### Procedures on internal controls and the decommissioning model

- obtaining an understanding of the relevant controls relating to the decommissioning provision;
- · assessing the technical competence, capabilities and objectivity of management's internal and external experts;
- · assessing the decommissioning provision for compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets:
- · working with our modelling specialists to evaluate the arithmetical accuracy of the decommissioning model;
- assessing available benchmarking reports for indications of developments in industry practice and prevailing
- · challenging the cost reduction factors applied to the decommissioning model, through comparison with available evidence for the factors applied including industry benchmarking reports;
- · testing a sample of actual decommissioning spend incurred during the period, by agreeing to invoices and payments from bank statements;
- · assessing the historical forecasting accuracy of management for decommissioning expenditure, by comparing actual spend with historical estimates;
- re-calculating the closing decommissioning provision from the gross decommissioning cost estimate, and agreeing this to the group's financial records; and
- · evaluating the adequacy of management's disclosures, including the key sources of estimation uncertainty and associated sensitivity analysis of decommissioning assumptions.

#### Procedures on cost estimates and related assumptions Internal well cost estimates

- · challenging the group's assumptions within the cost estimate by referencing to available third-party data and benchmarking to industry publications, peer and market rates; and
- $\bullet \ \ \text{assessing the assumed durations for plug and abandonment of wells, by comparison to available}$ benchmarking data and potential contradictory evidence available from active decommissioning projects or operator estimates.

#### Discount rate

- evaluating the group's discount rates used in valuing the decommissioning liability with reference to external risk free market rates; and
- recalculating the discount rate by agreeing key inputs, being the year-end 5-,10- and 20- year UK Gilt rates and expected timing profile of future decommissioning spend, to supporting evidence and confirming the calculations are applied in accordance with the method and are mathematically accurate.

#### **Key observations**

- · The key assumptions within the well cost estimates are reasonable;
- · The decommissioning discount rate is reasonable; and
- · We are satisfied that the group's decommissioning provision is reasonable and prepared in accordance with the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

We are satisfied the disclosures in the financial statements are adequate.

### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Corporate Governance

**Financial Statements** 

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	\$20.3 million (2023: \$23 million)	\$16.8 million (2023: \$11.4 million)
Basis for determining materiality	3.0% of adjusted EBITDA, (2023: 2.8% of adjusted EBITDA).	2.9% of net assets (2023: 3% of net assets)
Rationale for the benchmark applied	Adjusted EBITDA was considered to be the most relevant benchmark as it is a key performance measure used by the group and by investors. It represents a consistent profit measure used widely by stakeholders.	The parent company acts principally as a holding company and therefore net assets is a key measure for this business.



Component performance materiality range \$7.1m to \$12.8m

Audit Committee reporting threshold \$1.02m

- Adjusted EBITDA \$673m
- Group materiality

#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole

	Group financial statements	Parent company financial statements
Performance materiality	70% (2023: 70%) of group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale	In determining performance materiality, we considered the following factors:	
for determining performance  • our risk assessment, including our assessment, including our assessment.		ent of the group's overall control environment;
materiality	<ul> <li>our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods;</li> </ul>	
	<ul> <li>management's willingness to correct errors identified in the prior year and current year</li> </ul>	
	macro-economic factors such as commodity price volatility and geo-political instability.	

#### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$1.02m (2023: \$1.15m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

8. Other information

7. An overview of the scope of our audit 7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. In the current year we performed an audit of one or more account balances of the North Sea and Malaysia components. Audit procedures were performed by the group audit team for the North Sea component and by the Malaysia component team for the Malaysia component.

The performance materiality applied for the Malaysia component was \$7.1 million (2023: \$8.1 million). The performance materiality applied for the North Sea component was \$12.8 million (2023: \$14.5 million).

The North Sea and Malaysia components, where we performed an audit of one or more account balances, accounted for 100% of the group's revenue, 100% of the group's adjusted EBITDA and 100% of the group's net assets, consistent with the prior year.

#### 7.2. Our consideration of the control environment

We obtained an understanding of relevant controls in relation to a number of key business cycles, including impairment, decommissioning, financial reporting and close and revenue, as well as IT systems that were relevant to the audit, being the financial reporting system. Additionally, we tested relevant controls relating to revenue cut-off. Significant progress has been made in addressing the control weaknesses that were identified in relation to the general IT control environment in the prior year but we did not place reliance on these IT controls for the purposes of our audit testing. Overall, we did not plan to take a control reliance approach in the current year, other than in respect of revenue as outlined above.

#### 7.3. Our consideration of climate-related risks

We performed enquiries of management to understand the impact of climate-related risks and controls relevant to the group. We performed a review of the climate change risk assessment and related documentation prepared by management and considered the completeness and accuracy of the climate-related risks identified and summarised in the Task Force on Climate-related Financial Disclosures report from page 74 to 83.

As disclosed in note 2, management identified key judgements and estimates with elevated climate-related risk, relating to property, plant and equipment and goodwill, valuation of contingent consideration and deferred tax as well as the timing and valuation of the decommissioning provision.

We considered whether the risks identified by management within their climate change risk assessment and related documentation are complete and challenged assumptions impacting the financial statements. The key piece of climate-related regulation enacted to date and impacting the group continues to relate to carbon costs and emission allowances. The key market-related matter which could have a material impact on the valuation of the items noted above is in respect of future demand for, and pricing of, oil and gas as the energy mix evolves in response to climate change risk and other matters. There continues to be a climate-related risk relating to the early cessation of production of oil and gas assets, which would impact all of the judgements and estimates outlined above. This is disclosed in the annual report on page 57.

We performed a review of the climate disclosures within the Annual Report, including the climate-related financial disclosures referred to in note 2, with the involvement of our climate specialists. We considered whether these were materially consistent with the financial disclosures and consistent with our understanding of the climate-related risks, assumptions and judgements during the year. Both of our key audit matters are considered to contain climate-related risks, being the risks to commodity prices and cessation of production, which could have a material impact on the valuation of oil and gas related assets and liabilities and valuation of the decommissioning provision. The procedures performed for these key audit matters are discussed in detail in the key audit matters section above.

#### 7.4. Working with other auditors

We engaged Deloitte Malaysia as our component auditor, directed and supervised by the group engagement team in the UK. Detailed referral instructions were sent to the component audit team as part of planning procedures.

The group engagement team directed and supervised the component team throughout the year via attendance at planning meetings, regular communication between the teams and attendance at closing meetings. The group engagement team reviewed and challenged the reporting deliverables and audit file as part of concluding procedures.

We are satisfied that the level of involvement of the lead audit partner and team in the component audit has been appropriate and has enabled us to conclude that sufficient appropriate audit evidence has been obtained in support of our opinion on the group financial statements as a whole.

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Strategic Report Corporate Governance

**Financial Statements** 

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/ auditors responsibilities. This description forms part of our auditor's report.

#### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- · any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
- · identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- · detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- · the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including the component audit teams and relevant internal specialists, including tax, valuations, IT, modelling and oil and gas reserves specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- · valuation of oil and gas related assets and liabilities; and
- · valuation of decommissioning provision.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006 and the Listing Rules of the UK Listing Authority and the relevant tax compliance regulations in the jurisdictions in which the group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included environmental laws and regulations in the countries in which the group operates as well as licence terms for the group's oil and gas assets.

#### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of oil and gas related assets and liabilities and the valuation of the decommissioning provision as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- · enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other
  adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
  evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Strategic Report Corporate Governance Financial Statements

# Independent auditor's report continued

# Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- · the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 37;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 38;
- the directors' statement on fair, balanced and understandable set out on page 102;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 54 to 71;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 105; and
- the section describing the work of the audit committee set out on pages 101 to 106.

# 14. Matters on which we are required to report by exception

### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- · we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

# Strategic Report Corporate Governance Financial Statements

# 15. Other matters which we are required to address

#### 15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by shareholders on 21 May 2020 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, covering the years ending 31 December 2020 to 31 December 2024.

### 15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

### David Paterson ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom 26 March 2025

136-137

# **Group Income Statement**

For the year ended 31 December 2024

	Notes	2024 \$'000	2023 \$'000
Revenue and other operating income	4(a)	1,180,709	1,487,419
Cost of sales	4(b)	(787,383)	(946,752)
Gross profit/(loss)		393,326	540,667
Net impairment charge to oil and gas assets	9	(71,414)	(117,396)
General and administration expenses	4(c)	(5,702)	(6,348)
Other (expenses)/income	4(d)	(4,682)	(19,550)
Profit/(loss) from operations before tax and finance income/(costs)		311,528	397,373
Finance costs	5	(159,422)	(172,087)
Finance income	5	14,508	6,493
Profit/(loss) before tax		166,614	231,779
Income tax	6	(72,841)	(262,612)
Profit/(loss) for the year attributable to owners of the parent		93,773	(30,833)
Total comprehensive profit/(loss) for the year, attributable to owners of the parent		93,773	(30,833)

There is no comprehensive income attributable to the shareholders of the Group other than the profit/(loss) for the period. Revenue and operating profit/(loss) are all derived from continuing operations.

Earnings per share	7		
Basic		0.050	(0.016)
Diluted		0.049	(0.016)

The attached notes 1 to 30 form part of these Group financial statements.

# **Group Balance Sheet**

At 31 December 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS	110103	Ψ 000	<b>\$ 555</b>
Non-current assets			
Property, plant and equipment	9	2,297,954	2,296,740
Goodwill	10	134,400	134,400
Intangible assets	11	20,563	18,323
Deferred tax assets	6(c)	506,481	540,122
Trade and other receivables	15	2,102	_
Other financial assets	18	38,459	36,282
		2,999,959	3,025,867
Current assets			
Intangible assets	11	1,138	876
Inventories	12	48,976	84,797
Trade and other receivables	15	230,971	225,486
Current tax receivable		1,256	1,858
Cash and cash equivalents	13	280,239	313,572
Other financial assets	18	69	113,326
		562,649	739,915
TOTAL ASSETS		3,562,608	3,765,782
EQUITY AND LIABILITIES			
Equity			
Share capital and premium	19	392,054	393,831
Treasury shares	19	(4,425)	-
Share-based payments reserve		13,949	13,195
Capital redemption reserve	19	2,006	-
Retained earnings	19	138,882	49,702
TOTAL EQUITY		542,466	456,728
Non-current liabilities			
Loans and borrowings	17	621,440	747,812
Lease liabilities	23	288,262	288,892
Contingent consideration	21	452,891	461,271
Provisions	22	710,976	715,436
Deferred income	24	138,095	138,416
Trade and other payables	16	_	32,917
Deferred tax liabilities	6(c)	104,698	77,643
		2,316,362	2,462,387
Current liabilities			
Loans and borrowings	17	43,417	27,364
Lease liabilities	23	46,994	133,282
Contingent consideration	21	20,403	46,525
Provisions	22	55,130	79,861
Trade and other payables	16	414,390	347,409
Other financial liabilities	18	21,580	26,679
Current tax payable		101,866	185,547
		703,780	846,667

Strategic Report Corporate Governance

Financial Statements

**3,020,142** 3,309,054

**3,562,608** 3,765,782

The attached notes 1 to 30 form part of these Group financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 26 March 2025 and signed on its behalf by:

Jonathan Copus

**TOTAL LIABILITIES** 

TOTAL EQUITY AND LIABILITIES

**Chief Financial Officer** 

# **Group Statement of Changes in Equity**

For the year ended 31 December 2024

Balance at 31 December 2024		131,508	260,546	(4,425)	13,949	2,006	138,882	542,466
Share-based payment	20	-	-	-	983	-	-	983
Repurchase and cancellation of shares	19	(2,006)	-	(4,425)	-	2,006	(4,593)	(9,018)
Issue of shares to Employee Benefit Trust	19	229	-	-	(229)	-	-	-
Total comprehensive income for the year		-	-	-	_	-	93,773	93,773
Profit for the year		_	_	_	_	_	93,773	93,773
Balance at 31 December 2023		133,285	260,546	-	13,195	_	49,702	456,728
Share-based payment		_	_	_	3,320	_	_	3,320
Issue of shares to Employee Benefit Trust		1,635	-	-	(1,635)	-	-	-
Total comprehensive expense for the year		_	-	_	-	_	(30,833)	(30,833)
Loss for the year		-	-	-	-	-	(30,833)	(30,833)
Balance at 1 January 2023		131,650	260,546	-	11,510	-	80,535	484,241
	Notes	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	payments reserve \$'000	redemption reserve \$'000	Retained earnings \$'000	Total \$'000
					Share- based	Capital		

The attached notes 1 to 30 form part of these Group financial statements.

# **Group Statement of Cash Flows**

For the year ended 31 December 2024

	Notes	2024 \$'000	2023 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		,	
Cash generated from operations	29	685,946	854,746
Cash received from insurance		· _	5,190
Cash (paid)/received on purchase of financial instruments		(10,306)	(5,795
Cash paid in relation to amounts previously provided for		(9,063)	-
Decommissioning spend		(60,544)	(58,911
Income taxes paid		(97,264)	(40,986
Net cash flows from/(used in) operating activities		508,769	754,244
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(249,165)	(141,741
Proceeds from farm-down	11, 24	1,263	141,360
Vendor financing facility repaid/(loaned)	18(f), 24	107,518	(141,360
Purchase of intangible oil and gas assets	11	(3,686)	(10,467
Purchase of other intangible assets	11	(1,138)	(876
Payment of Magnus contingent consideration – Profit share	21	(48,465)	(65,506
Payment of Golden Eagle contingent consideration – Acquisition	21	-	(50,000
Interest received		10,100	5,895
Net cash flows (used in)/from investing activities		(183,573)	(262,695
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		31,662	190,657
Repayment of loans and borrowings		(162,304)	(427,736
Payment for repurchase of shares		(9,018)	_
Payment of obligations under financing leases	23	(130,065)	(135,675
Interest paid		(83,162)	(105,877
Net cash flows (used in)/from financing activities		(352,887)	(478,631
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(27,691)	12,918
Net foreign exchange on cash and cash equivalents		(5,642)	(957
Cash and cash equivalents at 1 January		313,572	301,611
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		280,239	313,572
Reconciliation of cash and cash equivalents			
Total cash at bank and in hand	13	226,317	313,028
Restricted cash	13	53,922	544
Cash and cash equivalents per balance sheet		280,239	313,572

Strategic Report Corporate Governance

**Financial Statements** 

The attached notes 1 to 30 form part of these Group financial statements.

# **Notes to the Group Financial Statements**

For the year ended 31 December 2024

# 1. Corporate information

EnQuest PLC ('EnQuest' or the 'Company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales and listed on the London Stock Exchange. The address of the Company's registered office is shown on the inside back cover of the Group Annual Report and Accounts.

EnQuest PLC is the ultimate controlling party. The principal activities of the Company and its subsidiaries (together the 'Group') are to responsibly optimise production, leverage existing infrastructure, deliver a strong decommissioning performance and explore new energy and decarbonisation opportunities.

The Group's financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 26 March 2025.

A listing of the Group's companies is contained in note 28 to these Group financial statements.

#### 2. Basis of preparation

The consolidated financial statements have been prepared in accordance with United Kingdom international accounting standards ('IFRS') in conformity with the requirements of the Companies Act 2006. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

For the year ended 31 December 2024, the Group removed the separate disclosure of remeasurements and exceptional items from the presentation of the Group income statement to simplify their presentation for users of accounts and bring them more in line with peers. The Group continues to present various Alternative Performance Measures ('APMs') when assessing and discussing the Group's financial performance, balance sheet and cash flows that are not defined or specified under IFRS but consistent with the measurement basis applied to the financial statements. The Group uses these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, to provide stakeholders with additional useful information to aid the understanding of the Group's underlying financial performance, balance sheet and cash flows by adjusting for certain items, such as those previously classified as remeasurements and exceptional items, which impact upon IFRS measures or, by defining new measures. See the Glossary – Non-GAAP Measures on page 189 for more information.

The Group financial information has been prepared on a historical cost basis, except for the fair value remeasurement of certain financial instruments, including derivatives and contingent consideration, as set out in the accounting policies. The presentation currency of the Group financial information is US Dollars ('\$') and all values in the Group financial information are rounded to the nearest thousand (\$'000) except where otherwise stated.

# Going concern

The financial statements have been prepared on the going concern basis.

In recent years, EnQuest has focused on deleveraging and optimising its capital structure, to simplify its balance sheet and maximise available financial transactional capacity.

In 2024, the Group deleveraged further, reducing EnQuest net debt by \$95.1 million, to \$385.8 million at 31 December 2024. This was driven by robust adjusted free cash flow generation and repayment of the first of two vendor loans that was provided to RockRose as part of the 2023 Bressay farm-down. In the period EnQuest fully repaid its Reserve Based Lending ('RBL') facility (from \$140.0 million) and completed a \$160.0 million tap of its high yield bonds. By using this tap to repay a \$150.0 million term loan facility, additional RBL capacity was opened. At 31 December 2024, EnQuest's net debt to adjusted EBITDA ratio was 0.6x. The Group ended 2024 with a positive RBL redetermination, which expanded RBL capacity by 34%. Cash and available facilities at 28 February 2025 totalled \$549.0 million.

Against this robust backdrop, EnQuest continues to closely monitor and manage its funding position and liquidity requirements throughout the year, including monitoring forecast covenant results. Cash forecasts are regularly produced and sensitivities considered for, but not limited to, changes in crude oil prices (adjusted for hedging undertaken by the Group), production rates and costs. These forecasts and sensitivity analyses allow management to mitigate liquidity or covenant compliance risks in a timely manner.

The Group's latest approved business plan underpins management's base case ('Base Case'). It is in line with EnQuest's production guidance (including the acquisition and contribution of the Block 12W in Vietnam – completion expected in the second quarter of 2025) and an oil price assumption of \$75.0/bbl is used for 2025 and 2026.

A reverse stress test has been performed on the Base Case. This indicates that an oil price of c.\$40.0/bbl is required to maintain covenant compliance over the going concern period. The low level of this required price reflects the Group's strong liquidity position.

The Base Case has also been subjected to further testing through a scenario that explores the impact of the following plausible downside risks (the 'Downside Case'):

- 10% discount to Base Case prices resulting in Downside Case prices of \$67.50/bbl for 2025 and 2026;
- Production risking of 5.0%; and
- 2.5% increase in operating costs.

The Base Case and Downside indicate that the Group is able to operate as a going concern and remain covenant compliant for 12 months from the date of publication of its full-year results.

After making appropriate enquiries and assessing the progress against the forecast, the Directors have a reasonable expectation that the Group will continue in operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

# New standards and interpretations

The following new standards became applicable for the current reporting period. No material impact was recognised upon application:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

# 2. Basis of preparation continued

### Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Strategic Report Corporate Governance

**Financial Statements** 

IFRS 18 Presentation of financial statements

IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments to IAS 21 Lack of Exchangeability

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. The Directors noted IFRS 18 may change the presentation and disclosure information in the financial statements when effective.

### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of EnQuest PLC and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- · has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

### Joint arrangements

Oil and gas operations are usually conducted by the Group as co-licensees in unincorporated joint operations with other companies. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the consent of the relevant parties sharing control. The joint operating agreement is the underlying contractual framework to the joint arrangement, which is historically referred to as the joint venture. The Annual Report and Accounts therefore refers to 'joint ventures' as a standard term used in the oil and gas industry, which is used interchangeably with joint operations.

Most of the Group's activities are conducted through joint operations, whereby the parties that have joint control of the arrangement have the rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its share of assets, liabilities, income and expenses of the joint operation in the consolidated financial statements on a line-by-line basis. During 2024, the Group did not have any material interests in joint ventures or in associates as defined in IAS 28.

# Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The Group's financial statements are presented in US Dollars, the currency which the Group has elected to use as its presentation currency.

In the financial statements of the Company and its individual subsidiaries, transactions in currencies other than a company's functional currency are recorded at the prevailing rate of exchange on the date of the transaction. At the year end, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the rate of exchange at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the rate of exchange at the date the fair value was determined. All foreign exchange gains and losses are taken to profit and loss in the Group income statement.

### **Emissions liabilities**

The Group operates in an energy intensive industry and is therefore required to partake in emission trading schemes ('ETS'). The Group recognises an emission liability in line with the production of emissions that give rise to the obligation. To the extent the liability is covered by allowances held, the liability is recognised at the cost of these allowances held and if insufficient allowances are held, the remaining uncovered portion is measured at the spot market price of allowances at the balance sheet date. The expense is presented within 'production costs' under 'cost of sales' and the accrual is presented in 'trade and other payables'. Any allowance purchased to settle the Group's liability is recognised on the balance sheet as an intangible asset. Both the emission allowances and the emission liability are derecognised upon settling the liability with the respective regulator.

For the year ended 31 December 2024

# 2. Basis of preparation continued

### Use of judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The accounting judgements and estimates that have a significant impact on the results of the Group are set out below and should be read in conjunction with the information provided in the Notes to the financial statements. The Group does not consider contingent consideration and deferred taxation (including EPL) to represent a significant estimate or judgement as the estimates and assumptions relating to projected earnings and cash flows used to assess contingent consideration and deferred taxation are the same as those applied in the Group impairment process as described below in *Recoverability of asset carrying values*. Judgements and estimates, not all of which are significant, made in assessing the impact of climate change and the transition to a lower carbon economy on the consolidated financial statements are also set out below. Where an estimate has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, this is specifically noted.

### Climate change and energy transition

As covered in the Group's principal risks on oil and gas prices on page 59, the Group recognises that the energy transition is likely to impact the demand, and hence the future prices, of commodities such as oil and natural gas. This in turn may affect the recoverable amount of property, plant and equipment and goodwill, valuation of contingent consideration and deferred tax, as well as an acceleration of cessation of production and subsequent decommissioning expenditure, in the oil and gas industry. The Group acknowledges that there are a range of possible energy transition scenarios that may indicate different outcomes for oil prices. There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate.

The Group has assessed the potential impacts of climate change and the transition to a lower carbon economy in preparing the consolidated financial statements, including the Group's current assumptions relating to demand for oil and natural gas and their impact on the Group's long-term price assumptions. See *Recoverability of asset carrying values: Oil prices*.

While the pace of transition to a lower carbon economy is uncertain, oil and natural gas demand is expected to remain a key element of the energy mix for many years based on stated policies, commitments and announced pledges to reduce emissions. Therefore, given the useful lives of the Group's current portfolio of oil and gas assets, a material adverse change is not expected to the carrying values of EnQuest's assets and liabilities within the next financial year as a result of climate change and the transition to a lower carbon economy.

Management will continue to review price assumptions as the energy transition progresses and this may result in impairment charges or reversals in the future.

# Critical accounting judgements and key sources of estimation uncertainty

The Group has considered its critical accounting judgements and key sources of estimation uncertainty, and these are set out below.

### Recoverability of asset carrying values

Judgements: The Group assesses each asset or cash-generating unit ('CGU') (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine whether any indication of impairment exists. Assessment of indicators of impairment or impairment reversal and the determination of the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment purposes require significant management judgement. For example, individual oil and gas properties may form separate CGUs, whilst certain oil and gas properties with shared infrastructure may be grouped together to form a single CGU. Alternative groupings of assets or CGUs may result in a different outcome from impairment testing. See note 10 for details on how these groupings have been determined in relation to the impairment testing of goodwill.

Estimates: Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to dispose ('FVLCD') and value in use ('VIU'). The assessments require the use of estimates and assumptions, such as the effects of inflation and deflation on operating expenses, cost profile changes including those related to emission reduction initiatives such as alternative fuel provision at Kraken, discount rates, capital expenditure, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil and natural gas. Such estimates reflect management's best estimate of the related cash flows based on management's plans for the assets and their future development.

As described above, the recoverable amount of an asset is the higher of its VIU and its FVLCD. When the recoverable amount is measured by reference to FVLCD, in the absence of quoted market prices or binding sale agreement, estimates are made regarding the present value of future post-tax cash flows. These estimates are made from the perspective of a market participant and include prices, life of field production profiles based on reserves and resources to which it is considered probable that a market participant would attribute value to them, operating costs, capital expenditure, decommissioning costs, tax attributes, risking factors applied to cash flows, and discount rates.

Details of impairment charges and reversals recognised in the income statement and details on the carrying amounts of assets are shown in note 9, note 10 and note 11.

The estimates for assumptions made in impairment tests in 2024 relating to discount rates and oil prices are discussed below. Changes in the economic environment or other facts and circumstances may necessitate revisions to these assumptions and could result in a material change to the carrying values of the Group's assets within the next financial year.

# 2. Basis of preparation continued

#### Discount rates

For discounted cash flow calculations, future cash flows are adjusted for risks specific to the CGU. FVLCD discounted cash flow calculations use the post-tax discount rate. The discount rate is derived using the weighted average cost of capital methodology. The discount rates applied in impairment tests are reassessed each year and, in 2024, the post-tax discount rate was estimated at 10.0% (2023: 11.0%) reflecting the impact from the Group's reduced debt position and clarity over the UK fiscal system.

Strategic Report Corporate Governance

**Financial Statements** 

#### Oil prices

The price assumptions used for FVLCD impairment testing were based on latest internal forecasts as at 31 December 2024. These price forecasts reflect EnQuest's views of global supply and demand, including the potential financial impacts on the Group of climate change and the transition to a low carbon economy as outlined in the Basis of Preparation, and are benchmarked with external sources of information such as analyst forecasts. The Group's price forecasts are reviewed and approved by management, the Audit Committee and the Board of Directors.

EnQuest revised its oil price assumptions for FVLCD impairment testing compared to those used in 2023, with nearer-term prices reflecting current market dynamics and external forecasts. A summary of the Group's revised price assumptions is provided below. These assumptions, which represent management's best estimate of future prices, sit within the range of external forecasts. When compared to the International Energy Agency's ('IEA') forecast prices under its Announced Pledges Scenario ('APS'), which assumes all climate commitments made by governments and industries around the world by the end of August 2024 for both 2030 targets and longer-term net zero or carbon neutrality pledges will be met in full and on time, EnQuest's short- and medium-term assumptions are below those assumed under the APS, while its longer-term prices are slightly higher. When compared with latest available Paris-consistent climate scenario modelling data released by the World Business Council of Sustainable Development ('WBCSD'), EnQuest's assumption is broadly aligned with the top end of a range of Paris-consistent scenarios. A 10% reduction in crude oil price assumptions, which management believes to be a reasonably possible change as further considered later in this note, is comfortably within the range of WBCSD Paris-consistent scenarios. Discounts or premiums are applied to price assumptions based on the characteristics of the oil produced and the terms of the relevant sales contracts.

An inflation rate of 2% (2023: 2%) is applied from 2028 onwards to determine the price assumptions in nominal terms (see table below).

The price assumptions used in 2023 were \$80.0/bbl (2024), \$80.0/bbl (2025), \$75.0/bbl (2026) and \$77.0/bbl real thereafter, inflated at 2.0% per annum from 2027.

	2025	2026	2027	2028> <sup>(i)</sup>
Brent oil (\$/bbl)	75.0	75.0	75.0	77.0

(i) Inflated at 2% from 2028

# Oil and natural gas reserves

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil and gas properties. The business of the Group is to responsibly optimise production, leverage existing infrastructure, deliver a strong decommissioning performance and explore new energy and decarbonisation opportunities. Factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, and drilling of new wells all impact on the determination of the Group's estimates of its oil and gas reserves and result in different future production profiles affecting prospectively the discounted cash flows used in impairment testing and the calculation of contingent consideration, the anticipated date of decommissioning and the depletion charges in accordance with the unit of production method, as well as the going concern assessment. Economic assumptions used to estimate reserves change from period to period as additional technical and operational data is generated. This process may require complex and difficult geological judgements to interpret the data.

The Group uses proven and probable ('2P') reserves (see page 32) and, for the Kraken CGU, 2C resources associated with the Bressay gas well as an alternative fuel provision for the Kraken FPSO as the basis for calculations of expected future cash flows from underlying assets because this represents the reserves and resources management intends to develop and it is probable that a market participant would attribute value to them. Third-party audits of EnQuest's reserves and resources are conducted annually.

For the year ended 31 December 2024

### 2. Basis of preparation continued

#### Sensitivity analyses

Changes in price and its consequential impact on impairment, contingent consideration and deferred tax, along with the discount rate impact on impairment and decommissioning are considered to be the only key sources of estimation uncertainty, although other sensitivities that the Group believes are useful for users of these accounts but are not considered to have a significant risk of resulting in material changes to carrying amounts in the next 12 months, may also be provided.

Management tested the impact of a change in cash flows in FVLCD impairment testing arising from a 10% reduction in crude price assumptions, which it believes to be a reasonably possible change given the prevailing macroeconomic environment.

Price reductions of this magnitude in isolation could indicatively lead to a further reduction in the carrying amount of EnQuest's oil and gas properties by approximately \$221.6 million, which is approximately 10% of the net book value of property, plant and equipment as at 31 December 2024.

The oil price sensitivity analysis above does not, however, represent management's best estimate of any impairments that might be recognised as it does not fully incorporate consequential changes that may arise, such as reductions in costs and changes to business plans, phasing of development, levels of reserves and resources, and production volumes. As the extent of a price reduction increases, the more likely it is that costs would decrease across the industry. The oil price sensitivity analysis therefore does not reflect a linear relationship between price and value that can be extrapolated.

Management also tested the impact of a one percentage point change in the discount rate of 10.0% used for FVLCD impairment testing of oil and gas properties, which is considered a reasonably possible change given the prevailing macroeconomic environment. If the discount rate was one percentage point higher across all tests performed, the net impairment charge in 2024 would have been approximately \$51.2 million higher. If the discount rate was one percentage point lower, the net impairment charge would have been approximately \$55.9 million lower.

#### Goodwill

Irrespective of whether there is any indication of impairment, EnQuest is required to test annually for impairment of goodwill acquired in business combinations. The Group carries goodwill of approximately \$134.4 million on its balance sheet (2023: \$134.4 million), principally relating to the acquisition of Magnus oilfield. Sensitivities and additional information relating to impairment testing of goodwill are provided in note 10.

### Deferred tax

The Group assesses the recoverability of its deferred tax assets at each period end. Sensitivities and additional information relating to deferred tax assets/liabilities are provided in note 6(d).

# 75% Magnus acquisition contingent consideration

**Estimates:** The Group reassessed the fair value discount rate associated with the Magnus contingent consideration and estimated it to be 11.3% as at the end of 2024 (2023: 11.3%), as calculated in line with IFRS 13. Sensitivities and additional information relating to the 75% Magnus acquisition contingent consideration are provided in note 21.

# Provisions

Estimates: Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's oil and gas production facilities and pipelines. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, estimates of the extent and costs of decommissioning activities, the emergence of new restoration techniques and experience at other production sites. The expected timing, extent and amount of expenditure may also change, for example, in response to changes in oil and gas reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The timing and amount of future expenditures relating to decommissioning and environmental liabilities are reviewed annually. The rate used in discounting the cash flows is reviewed half-yearly. The nominal discount rate used to determine the balance sheet obligations at the end of 2024 was 4.5% (2023: 3.5%), reflecting the UK Gilt interest rate environment. The weighted average period over which decommissioning costs are generally expected to be incurred is estimated to be approximately 13 years. Costs at future prices are determined by applying inflation rates at 2.0% per annum thereafter (2023: 2.5% (2024) and a long-term inflation rate of 2% thereafter) to decommissioning costs.

Further information about the Group's provisions is provided in note 22. Changes in assumptions could result in a material change in their carrying amounts within the next financial year. A one percentage point decrease in the nominal discount rate applied, which is considered a reasonably possible change given the prevailing macroeconomic environment, could increase the Group's provision balances by approximately \$59.4 million (2023: \$68.0 million). The pre-tax impact on the Group income statement would be a charge of approximately \$58.7 million (2023: \$67.1 million).

### 3. Segment information

The Group's organisational structure reflects the various activities in which EnQuest is engaged. Management has considered the requirements of IFRS 8 Operating Segments in regard to the determination of operating segments and concluded that at 31 December 2024, the Group had two significant operating segments: the North Sea and Malaysia. Operations are managed by location and all information is presented per geographical segment. The Group's segmental reporting structure remained in place throughout 2024. The North Sea's activities include Upstream, Midstream, Decommissioning and Veri Energy. Veri Energy is not considered a separate operating segment as it does not yet earn revenues and is not yet a material part of the Group from a capital and human resources allocation perspective. Malaysia's activities include Upstream and Decommissioning. The Group's reportable segments may change in the future depending on the way that resources may be allocated and performance assessed by the Chief Operating Decision Maker, who for EnQuest is the Chief Executive. The information reported to the Chief Operating Decision Maker does not include an analysis of assets and liabilities, and accordingly this information is not presented, in line with IFRS 8 paragraph 23.

Strategic Report Corporate Governance

**Financial Statements** 

Adjustments

Year ended 31 December 2024 \$'000	North Sea	Malaysia	All other segments	Total segments	and eliminations <sup>(i), (iii)</sup>	Consolidated
Revenue and other operating income:						
Revenue from contracts with customers	1,063,829	123,728	-	1,187,557	-	1,187,557
Other operating income/(expense)	2,709	-	260	2,969	(9,817)	(6,848)
Total revenue and other operating income/(expense)	1,066,538	123,728	260	1,190,526	(9,817)	1,180,709
Income/(expenses) line items:						
Depreciation and depletion	(252,208)	(17,042)	(41)	(269,291)	-	(269,291)
Net impairment (charge)/reversal to oil and gas assets	(71,414)	-	-	(71,414)	_	(71,414)
Exploration write-off and impairments	_	(183)	-	(183)	_	(183)
Segment profit/(loss)(ii), (iii)	274,354	45,536	9,013	328,903	(17,375)	311,528
Other disclosures:						
Capital expenditure <sup>(iv)</sup>	313,557	32,774	15	346,346	_	346,346
Year ended 31 December 2023 \$'000	North Sea	Malaysia	All other segments	Total segments	Adjustments and eliminations <sup>(i), (iii)</sup>	Consolidated
Revenue and other operating income:						
Revenue from contracts with customers	1,325,200	142,510	-	1,467,710	_	1,467,710
Other operating income/(expense)	2,229	_	281	2,510	17,199	19,709
Total revenue and other operating income/(expense)	1,327,429	142,510	281	1,470,220	17,199	1,487,419
Income/(expenses) line items:						
Depreciation and depletion	(278,280)	(19,923)	(105)	(298,308)	_	(298,308)
Net impairment (charge)/reversal to oil and gas assets	(117,396)	_	-	(117,396)	_	(117,396)
Exploration write-off and impairments	_	(5,640)	-	(5,640)	_	(5,640)
Segment profit/(loss)(ii), (iii)	330,501	46,192	4,474	381,167	16,206	397,373
Other disclosures:						
Capital expenditure(iv)	149,093	11,817	12	160,922		160,922

(i) Finance income and costs and gains and losses on derivatives are not allocated to individual segments as the underlying instruments are managed on a Group basis

(ii) Tax is not included as this is not disclosed to the Chief Operating Decision Maker within the segment profit/(loss)
(iii) Inter-segment revenues are eliminated on consolidation. All other adjustments are part of the reconciliations presented further below

(iv) Capital expenditure consists of property, plant and equipment and intangible exploration and appraisal assets

# Reconciliation of profit/(loss):

	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
Segment profit/(loss) before tax and finance income/(costs)	328,903	381,167
Finance costs	(159,422)	(172,087)
Finance income	14,508	6,493
(Loss)/gain on derivatives <sup>(i)</sup>	(17,375)	16,206
Profit/(loss) before tax	166,614	231,779

(i) Includes \$17.6 million realised losses on derivatives (2023: \$8.4 million) and \$0.3 million unrealised gains on derivatives (2023: \$24.6 million). See note 18(b) for further detail

Revenue from three customers relating to the North Sea operating segment each exceeds 10% of the Group's consolidated revenue arising from sales of crude oil, with amounts of \$394.8 million, \$156.0 million and \$115.7 million per each single customer (2023: two customers; \$491.2 million and \$201.3 million per each single customer).

For the year ended 31 December 2024

# 4. Revenue and expenses

# (a) Revenue and other operating income

### Accounting policy

#### Revenue from contracts with customers

The Group generates revenue through the sale of crude oil, gas and condensate to third parties, and through the provision of infrastructure to its customers for tariff income. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The normal credit term is 30 days or less upon performance of the obligation.

#### Sale of crude oil, gas and condensate

The Group sells crude oil, gas and condensate directly to customers. The sale represents a single performance obligation, being the sale of barrels equivalent to the customer on taking physical possession or on delivery of the commodity into an infrastructure. At this point the title passes to the customer and revenue is recognised. The Group principally satisfies its performance obligations at a point in time; the amounts of revenue recognised relating to performance obligations satisfied over time are not significant. Transaction prices are referenced to quoted prices, plus or minus an agreed fixed premium or discount rate to an appropriate benchmark, if applicable.

### Tariff revenue for the use of Group infrastructure

Tariffs are charged to customers for the use of infrastructure owned by the Group. The revenue represents the performance of an obligation for the use of Group assets over the life of the contract. The use of the assets is not separable as they are interdependent in order to fulfil the contract and no one item of infrastructure can be individually isolated. Revenue is recognised as the performance obligations are satisfied over the period of the contract, generally a period of 12 months or less, on a monthly basis based on throughput at the agreed contracted rates.

### Other operating income

Other operating revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured.

The Group enters into commodity derivative trading transactions which can be settled net in cash. Accordingly, any gains or losses are not considered to constitute revenue from contracts with customers in accordance with the requirements of IFRS 15, rather are accounted for in line with IFRS 9 and included within other operating income (see note 18).

	Year ended 31 December	
	2024 \$'000	2023 \$'000
Revenue from contracts with customers:		
Revenue from crude oil sales	1,020,266	1,127,419
Revenue from gas and condensate sales <sup>(1)</sup>	164,647	338,973
Tariff revenue	2,644	1,318
Total revenue from contracts with customers	1,187,557	1,467,710
Realised (losses)/gains on commodity derivative contracts (see note 18)	(12,907)	(11,264)
Unrealised gains/(losses) on commodity derivative contracts (see note 18)	3,090	28,463
Other	2,969	2,510
Total revenue and other operating income	1,180,709	1,487,419

(i) Includes onward sale of third-party gas purchases not required for injection activities at Magnus (see note 4(b))

### Disaggregation of revenue from contracts with customers

	31	Year ended 31 December 2024 \$'000		Year ended 31 December 20 \$'000			
	North Sea	Malaysia	Total	North Sea	Malaysia	Total	
Revenue from contracts with customers:							
Revenue from crude oil sales	900,310	119,956	1,020,266	987,610	139,809	1,127,419	
Revenue from gas and condensate sales <sup>(i)</sup>	162,951	1,696	164,647	336,902	2,071	338,973	
Tariff revenue	568	2,076	2,644	689	629	1,318	
Total revenue from contracts with customers	1,063,829	123,728	1,187,557	1,325,201	142,509	1,467,710	

(i) Includes onward sale of third-party gas purchases not required for injection activities at Magnus (see note 4(b))

# 4. Revenue and expenses continued

# (b) Cost of sales

# Accounting policy

Production imbalances, movements in under/over-lift and movements in inventory are included in cost of sales. The over-lift liability is recorded at the cost of the production imbalance to represent a provision for production costs attributable to the volumes sold in excess of entitlement. The under-lift asset is recorded at the lower of cost and net realisable value ('NRV'), consistent with IAS 2, to represent a right to additional physical inventory. An under-lift of production from a field is included in current receivables and an over-lift of production from a field is included in current liabilities.

Strategic Report Corporate Governance

**Financial Statements** 

	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
Production costs	307,634	308,331
Tariff and transportation expenses	70,449	41,736
Realised loss/(gain) on derivative contracts related to operating costs (see note 18)	4,735	(2,839)
Unrealised losses/(gains) on derivative contracts related to operating costs (see note 18)	2,823	3,832
Change in lifting position	3,528	(2,669)
Crude oil inventory movement	(1,356)	(1,575)
Depletion of oil and gas assets <sup>(i)</sup>	263,251	292,199
Movement in contractor dispute provision	-	1,818
Other cost of operations <sup>(ii)</sup>	136,319	305,919
Total cost of sales	787,383	946,752

(i) Includes \$27.9 million (2023: \$28.6 million) Kraken FPSO right-of-use asset depreciation charge and \$23.5 million (2023: \$24.0 million) of other right-of-use assets depreciation charge (ii) Includes \$125.7 million (2023: \$294.0 million) of purchases and associated costs of third-party gas not required for injection activities at Magnus, which is sold on

# (c) General and administration expenses

Total general and administration expenses	5,702	6,348
Recharge of costs to operations and joint venture partners	(102,919)	(102,768)
Other general and administration costs	26,748	25,490
Depreciation <sup>(j)</sup>	6,040	6,109
Staff costs (see note 4(e))	75,833	77,517
	2024 \$'000	2023 \$'000
	31 December	31 December

(i) Includes \$3.4 million (2023: \$3.4 million) right-of-use assets depreciation charge on buildings

# (d) Other (expenses)/income

Total other (expenses)/income	(4,682)	(19,550)
Other	19,273	13,188
Reversal of provisions	-	101
Insurance income	1,663	4,127
Unsuccessful exploration expenditure (see note 11)	(183)	(5,640)
Drilling rig contract cancellation costs <sup>(ii)</sup>	(14,629)	-
Change in Thistle decommissioning provision (see note 22)	(412)	(1,605)
Change in decommissioning provisions (see note 22)	(6,666)	(31,159)
Fair value changes in contingent consideration (see note 21) <sup>(1)</sup>	(15,904)	10,811
Rental income from office sublease	2,201	2,286
Net foreign exchange gains/(losses)	9,975	(11,659)
	\$'000	\$'000
	31 December 2024	31 December 2023
	Year ended	year ended

(i) In previous periods, the element of the movement in the fair value of the Magnus contingent consideration due to the passage of time ("unwinding of discount") has been recorded within finance costs, with remaining fair value movements recorded within other income or expense. Following a review of this presentation and comparing this to market practice, it has been concluded that it would be more appropriate for the impact from both the unwind of discount and other changes in fair value to be combined within other income/expense, with comparative information restated. This restatement results in a \$58.9 million charge for 2023 being reclassified from finance costs to other income/expense, with no impact on net income or closing retained earnings for that year

expense, with no impact on net income or closing retained earnings for that year

(ii) Drilling rig contract at Kraken was terminated due to a deferral of infill drilling

For the year ended 31 December 2024

### 4. Revenue and expenses continued

#### (e) Staff costs

# Accounting policy

Short-term employee benefits, such as salaries, social premiums and holiday pay, are expensed when incurred.

The Group's pension obligations consist of defined contribution plans. The Group pays fixed contributions with no further payment obligations once the contributions have been paid. The amount charged to the Group income statement in respect of pension costs reflects the contributions payable in the year. Differences between contributions payable during the year and contributions actually paid are shown as either accrued liabilities or prepaid assets in the balance sheet.

	31 December 2024 \$'000	31 December 2023 \$'000
Wages and salaries	66,700	63,458
Social security costs	5,899	5,457
Defined contribution pension costs	5,265	5,038
Expense of share-based payments (see note 20)	983	3,320
Other staff costs	12,300	11,079
Total employee costs	91,147	88,352
Contractor costs	37,493	38,304
Total staff costs	128,640	126,656
General and administration staff costs (see note 4(c))	75,833	77,517
Non-general and administration costs	52,807	49,139
Total staff costs	128,640	126,656

The monthly average number of persons, excluding contractors, employed by the Group during the year was 673, with 336 in the general and administration staff costs and 337 directly attributable to assets (2023: 697 of which 343 in general and administration and 354 directly attributable to assets). Compensation of key management personnel is disclosed in note 26 and in the Directors' Remuneration Report on pages 111 to 114.

# (f) Auditor's remuneration

The following amounts for the year ended 31 December 2024 and for the comparative year ended 31 December 2023 were payable by the Group to Deloitte:

	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
Fees payable to the Company's auditor for the audit of the parent company and Group financial statements	1,367	1,239
The audit of the Company's subsidiaries	173	149
Total audit	1,540	1,388
Audit-related assurance services(i)	589	314
Total audit and audit-related assurance services	2,129	1,702
Total auditor's remuneration	2,129	1,702

<sup>(</sup>i) Audit-related assurance services in both years include the review of the Group's interim results, G&A assurance review and the provision of customary comfort letters in respect of the debt refinancing

### 5. Finance costs/income

### Accounting policy

Borrowing costs are recognised as interest payable within finance costs at amortised cost using the effective interest method.

Strategic Report Corporate Governance

**Financial Statements** 

	Year ended	Year ended
	31 December	31 December
	2024 \$'000	2023 \$'000
Finance costs:		
Loan interest payable	18,524	30,708
Bond interest payable	54,971	58,999
Unwinding of discount on decommissioning provisions (see note 22)	30,290	24,236
Unwinding of discount on other provisions (see note 22)	911	1,145
Debt refinancing fees (see note 17)	4,809	_
Finance charges payable under leases (see note 23)	27,673	43,801
Finance fees on loans and bonds including amortisation of capitalised fees	14,473	7,899
Other financial expenses <sup>(i)</sup>	7,771	5,299
Total finance costs	159,422	172,087
Finance income:		
Bank interest receivable	11,110	6,493
RockRose loan interest (see note 18(f))	3,263	_
Other financial income	135	-
Total finance income	14,508	6,493

(i) 2023 includes unwinding of discount on Golden Eagle contingent consideration of \$1.7 million. See note 21

# 6. Income tax

### (a) Income tax

# Accounting policy

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

The Group's operations are subject to a number of specific tax rules which apply to exploration, development and production. In addition, the tax provision is prepared before the relevant companies have filed their tax returns with the relevant tax authorities and, significantly, before these have been agreed. As a result of these factors, the tax provision process necessarily involves the use of a number of estimates and judgements, including those required in calculating the effective tax rate.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. However, deferred tax is not accounted for if a temporary difference arises from initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is measured on an undiscounted basis using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legal right exists to offset current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that the Group intends to make a single net payment.

### **Production taxes**

In addition to corporate income taxes, the Group's financial statements also include and disclose production taxes on net income determined from oil and gas production.

Production tax relates to Petroleum Revenue Tax ('PRT') within the UK and is accounted for under IAS 12 Income Taxes since it has the characteristics of an income tax as it is imposed under government authority and the amount payable is based on taxable profits of the relevant fields. Current and deferred PRT is provided on the same basis as described above for income taxes.

### Investment allowance

The UK taxation regime provides for a reduction in ring-fence supplementary charge tax where investment in new or existing UK assets qualify for a relief known as investment allowance. Investment allowance must be activated by commercial production from the same field before it can be claimed. The Group has both unactivated and activated investment allowances which could reduce future supplementary charge taxation. The Group's policy is that investment allowance is recognised as a reduction in the charge to taxation in the years claimed.

#### Strategic Report Corporate Governance Financial Statements

### 6. Income tax continued

### **Energy Profits Levy**

The Energy (Oil & Gas) Profits Levy Act 2022 ('EPL') applies an additional tax on the profits earned by oil and gas companies from the production of oil and gas on the United Kingdom Continental Shelf until 31 March 2028. This is accounted for under IAS 12 Income Taxes since it has the characteristics of an income tax as it is imposed under government authority and the amount payable is based on taxable profits of the relevant UK companies. Current and deferred tax is provided on the same basis as described above for income taxes

The major components of income tax expense/(credit) are as follows:

	31 December 2024	31 December 2023
	\$'000	\$'000
Current UK income tax		
Current income tax charge	-	_
Adjustments in respect of current income tax of previous years	-	(14)
Current overseas income tax		
Current income tax charge	11,432	24,685
Adjustments in respect of current income tax of previous years	(746)	(2,567)
UK Energy Profits Levy		
Current year charge	10,262	175,118
Adjustments in respect of current charge of previous years	(8,803)	(11,605)
Total current income tax	12,145	185,617
Deferred UK income tax		
Relating to origination and reversal of temporary differences	42,745	160,712
Adjustments in respect of deferred income tax of previous years	(9,103)	4,974
Deferred overseas income tax		
Relating to origination and reversal of temporary differences	7,071	(3,761)
Adjustments in respect of deferred income tax of previous years	31	1,430
Deferred UK Energy Profits Levy		
Relating to origination and reversal of temporary differences	11,156	(58,661)
Adjustments in respect of changes in tax rates	6,889	-
Adjustments in respect of deferred charge of previous years	1,907	(27,699)
Total deferred income tax	60,696	76,995
Income tax expense reported in profit or loss	72,841	262,612

### (b) Reconciliation of total income tax charge

A reconciliation between the income tax charge and the product of accounting profit multiplied by the UK statutory tax rate is as follows:

	Year ended 31 December	Year ended 31 December
	2024	2023
	\$'000	\$′000
Profit/(loss) before tax	166,614	231,779
UK statutory tax rate applying to North Sea oil and gas activities of 40% (2023: 40%)	66,646	92,712
Supplementary corporation tax non-deductible expenditure	5,809	10,580
Non-deductible expenditure <sup>(i)</sup>	26,114	69,494
Non-taxable gain on sale of assets	505	-
Petroleum revenue tax (net of income tax benefit)	(8,938)	(8,200)
Tax in respect of non-ring-fence trade	7,298	7,418
Deferred tax asset not recognised in respect of non-ring-fence trade	12,243	11,696
Deferred tax asset recognised on previously unrecognised losses	(48,115)	_
UK Energy Profits Levy <sup>(ii)</sup>	(13,921)	116,457
UK Energy Profits Levy – changes in tax rates <sup>(ii)</sup>	6,889	-
UK Energy Profits Levy – abolishment of Investment Allowance <sup>(ii)</sup>	35,339	-
Adjustments in respect of prior years	(16,713)	(35,481)
Overseas tax rate differences	2,045	(1,114)
Share-based payments	(1,407)	(90)
Other differences	(953)	(860)
At the effective income tax rate of 44% (2023: 113%)	72,841	262,612

<sup>(</sup>i) Predominantly in relation to non-qualifying expenditure relating to the initial recognition exemption utilised under IAS 12 upon acquisition of Golden Eagle given that at the time of

# 6. Income tax continued

# (c) Deferred income tax

Year ended Year ended

Deferred income tax relates to the following:

	Group balo	Group balance sheet		) for the year profit or loss
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deferred tax liability				
Accelerated capital allowances	911,501	877,800	33,701	(86,015)
	911,501	877,800		
Deferred tax asset				
Losses	(717,900)	(695,888)	(22,012)	206,213
Decommissioning liability	(263,705)	(265,800)	2,095	(27,176)
Other temporary differences <sup>(i)</sup>	(331,679)	(378,591)	46,912	(16,027)
	(1,313,284)	(1,340,279)	60,696	76,995
Net deferred tax (assets)(ii)	(401,783)	(462,479)		
Reflected in the balance sheet as follows:				
Deferred tax assets	(506,481)	(540,122)		
Deferred tax liabilities	104,698	77,643		
Net deferred tax (assets)	(401,783)	(462,479)		

(i) Predominantly includes \$199.2 million related to Magnus acquisition contingent consideration in note 21 and \$107.7 million on deferred income in note 24

(ii) The total amounts for EPL included in net deferred assets are \$160.7 million for accelerated capital allowances and \$73.4 million for other items, which predominantly includes \$18.7 million Magnus acquisition contingent consideration (note 21) and \$52.5 million deferred income (note 24)

### Reconciliation of net deferred tax assets/(liabilities)

At 31 December	401,783	462,479
Tax expense during the period recognised in profit or loss	(60,696)	(76,995)
At 1 January	462,479	539,474
	2024 \$'000	2023 \$'000

# (d) Tax losses

The Group's deferred tax assets at 31 December 2024 are recognised to the extent that taxable profits are expected to arise in the future against which tax losses and allowances in the UK can be utilised. In accordance with IAS 12 Income Taxes, the Group assesses the recoverability of its deferred tax assets at each period end. Sensitivities have been run on the oil price assumption, with a 10% change being considered a reasonable possible change for the purposes of sensitivity analysis (see note 2). A 10% reduction in oil price would result in a deferred tax asset derecognition of \$62.1 million while a 10% increase in oil price would not result in any change as the Group is currently recognising all UK tax losses (with the exception of those noted below).

The Group has unused UK mainstream corporation tax losses of \$496.1 million (2023: \$442.1 million) and ring-fence tax losses of \$1,117.5 million (2023: \$1,163.0 million) associated with the Bentley acquisition, for which no deferred tax asset has been recognised at the balance sheet date as recovery of these losses is to be established. In addition, the Group has not recognised a deferred tax asset for the adjustment to bond valuations on the adoption of IFRS 9. The benefit of this deduction is taken over ten years, with a deduction of \$2.2 million being taken in the current period and the remaining benefit of \$6.3 million (2023: \$8.5 million) remaining unrecognised.

The Group has unused Malaysian income tax losses of \$14.7 million (2023: \$14.3 million) arising in respect of the Tanjong Baram RSC for which no deferred tax asset has been recognised at the balance sheet date due to uncertainty of recovery of these losses.

No deferred tax has been provided on unremitted earnings of overseas subsidiaries. The Finance Act 2009 exempted foreign dividends from the scope of UK corporation tax where certain conditions are satisfied.

the transaction, it affected neither accounting profit nor taxable profit

Total current year EPL charge only. This consists of an EPL current tax charge of \$10.3 million (2023: \$175.1 million charge) and deferred EPL charge of \$18.0 million (2023: \$58.7 million credit). The impact of the substantially enacted Autumn Statement changes referred to in part (e) below are included within these amounts and have been disclosed separately above

For the year ended 31 December 2024

#### 6. Income tax continued

### (e) Changes in legislation

In June 2023, the UK introduced legislation implementing the Organisation for Economic Co-operation and Development's ('OECD') proposals for a global minimum corporation tax rate (Pillar Two) which is effective for periods beginning on or after 31 December 2023. This legislation will ensure that profits earned internationally are subject to a minimum tax rate of 15%. The Group has performed an assessment of the exposure to Pillar Two income taxes from 1 January 2024 and it does not have an exposure to Pillar Two income taxes in any jurisdictions. The Group has applied the mandatory exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar Two income taxes in accordance with the amendments to IAS 12 published by the International Accounting Standards Board ('IASB') on 23 May 2023.

In the Autumn Statement on 22 November 2023, the UK Government confirmed that it will bring in legislation for the Energy Security Investment Mechanism ('ESIM') which would remove the EPL if both average oil and gas prices fall to, or below, \$71.40 per barrel for oil and £0.54 per therm for gas, for two consecutive quarters, and agreed to index link the trigger floor price to the CPI from April 2024. From April 2024, the ESIM threshold prices were revised to \$74.21 per barrel for oil and £0.57 per therm for gas. EnQuest does not currently forecast that the floor price will be met for both oil and gas prices and therefore there is currently no impact from this on tax carrying values.

In the Autumn Statement on 30 October 2024, the UK Government confirmed that from 1 November 2024 the rate of Energy Profits Levy ('EPL') would be increased from 35% to 38%. They also announced that the EPL Investment Allowance would be abolished from 1 November 2024 (although First Year Allowances would be retained) and decarbonisation relief would be reduced from 80% to 66%. The impact of these changes on the current year financial statements is an increase in the tax charge and deferred tax for EPL of \$42.2 million. The announcement to extend the EPL period to 31 March 2030 was not substantively enacted at 31 December 2024 and therefore is not included in the tax balances included in these financial statements. It is expected that this extension, which was substantively enacted on 3 March 2025, will result in the recognition of an additional deferred tax liability of approximately \$115.9 million.

# 7. Earnings per share

The calculation of basic earnings per share is based on the profit after tax and on the weighted average number of Ordinary shares in issue during the period. Diluted earnings per share is adjusted for the effects of Ordinary shares granted under the share-based payment plans, which are held in the Employee Benefit Trust, unless it has the effect of increasing the profit or decreasing the loss attributable to each share.

During the year to 31 December 2024, the Group repurchased 55,894,836 Ordinary shares, of which 25,000,000 Ordinary shares have been classified in the balance sheet as Treasury shares with the balance cancelled (see note 8). The Treasury shares have been excluded for the purposes of calculating the basic and diluted earnings per share at 31 December 2024.

Basic and diluted earnings per share are calculated as follows:

	after tax of Ordinary shares per						Earnin per sh	•
			Year ended 31 December		Year ended 31 December			
	2024 \$'000	2023 \$'000	2024 million	2023 million	2024	2023 \$		
Basic	93,773	(30,833)	1,891.9	1,871.9	0.050	(0.016)		
Dilutive potential of Ordinary shares granted under share-based incentive schemes	_	_	24.3	32.4	(0.001)	_		
Diluted <sup>(i)</sup>	93,773	(30,833)	1,916.2	1,904.3	0.049	(0.016)		

<sup>(</sup>j) Potential Ordinary shares are not treated as dilutive when they would decrease a loss per share and as a result the weighted average number of Ordinary shares used as the denominator in the calculation of diluted EPS is the same as that used for calculating basic EPS in 2023

# 8. Distributions paid and proposed

The Company paid no dividends during the year ended 31 December 2024 (2023: none). At 31 December 2024, there were no proposed dividends (2023: none). During 2024, a share buy-back programme was executed with a total of 55,894,836 shares (\$9.0 million) repurchased as at 31 December 2024.

Having continued to reduce EnQuest net debt and optimise the debt structure, EnQuest is now positioned to balance deploying capital for growth and returns to shareholders. As such, the Board is pleased to propose a final ordinary dividend of 0.616 pence per share (equivalent to c.\$15 million). This final dividend is subject to approval by shareholders at the Annual General Meeting on 27 May 2025 and so not recognised as a liability as at 31 December 2024. If approved, the dividend will be paid on 6 June 2025 to shareholders on the register at 2 May 2025. Shares will trade ex-dividend from 1 May 2025.

### 9. Property, plant and equipment

# **Accounting policy**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment charges.

#### net

Cost comprises the purchase price or cost relating to development, including the construction, installation and completion of infrastructure facilities such as platforms, pipelines and development wells and any other costs directly attributable to making that asset capable of operating as intended by management. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Strategic Report Corporate Governance

**Financial Statements** 

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the other operating income or expense line item in the Group income statement when the asset is derecognised.

### Development assets

Expenditure relating to development of assets, including the construction, installation and completion of infrastructure facilities such as platforms, pipelines and development wells, is capitalised within property, plant and equipment.

#### Carry arrangements

Where amounts are paid on behalf of a carried party, these are capitalised. Where there is an obligation to make payments on behalf of a carried party and the timing and amount are uncertain, a provision is recognised. Where the payment is a fixed monetary amount, a financial liability is recognised.

#### Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are capitalised during the development phase of the project until such time as the assets are substantially ready for their intended use.

### Depletion and depreciation

Oil and gas assets are depleted, on a field-by-field basis, using the unit of production method based on entitlement to proven and probable reserves, taking account of estimated future development expenditure relating to those reserves. Changes in factors which affect unit of production calculations are dealt with prospectively. Depletion of oil and gas assets is taken through cost of sales.

Depreciation on other elements of property, plant and equipment is provided on a straight-line basis, and taken through general and administration expenses, at the following rates:

Office furniture and equipment Five years
Fixtures and fittings Ten years
Right-of-use assets(1) Lease term

(i) Excludes Kraken FPSO which is depleted using the unit of production method in accordance with the related oil and gas assets

Each asset's estimated useful life, residual value and method of depreciation is reviewed and adjusted if appropriate at each financial year end. Any changes in estimate are accounted for on a prospective basis.

# Impairment of tangible (excluding goodwill)

At each balance sheet date, discounted cash flow models comprising asset-by-asset life-of-field projections and risks specific to assets, using Level 3 inputs (based on IFRS 13 fair value hierarchy), have been used to determine the recoverable amounts for each CGU. The life of a field depends on the interaction of a number of variables; see note 2 for further details. Estimated production volumes and cash flows up to the date of cessation of production on a field-by-field basis, including operating and capital expenditure, are derived from the Group's business plan. Oil price assumptions and discount rate assumptions used were as disclosed in note 2. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Group income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the Group income statement.

# 9. Property, plant and equipment continued

		Office		
		furniture,	Right-of-	
	Oil and gas	fixtures and	use assets (note 23)	Total
	assets \$'000	fittings \$'000	(note 23) \$'000	Total \$'000
Cost:				
At 1 January 2023	9,037,851	67,321	876,859	9,982,031
Additions	120,820	1,257	28,378	150,455
Change in decommissioning provision	53,333	-	-	53,333
Disposal	_	_	(243)	(243)
Reclassification from intangible assets (note 11)	31,803	_	_	31,803
At 1 January 2024	9,243,807	68,578	904,994	10,217,379
Additions	325,813	394	16,453	342,660
Change in decommissioning provision (note 22)	(741)	-	-	(741)
At 31 December 2024	9,568,879	68,972	921,447	10,559,298
Accumulated depreciation, depletion and impairment:				
At 1 January 2023	7,000,950	56,625	447,481	7,505,056
Charge for the year	239,640	2,689	55,979	298,308
Net impairment charge/(reversal) for the year	123,473	-	(6,077)	117,396
Disposal	_	-	(121)	(121)
At 1 January 2024	7,364,063	59,314	497,262	7,920,639
Charge for the year	211,873	2,683	54,735	269,291
Net impairment charge/(reversal) for the year	75,428	-	(4,014)	71,414
At 31 December 2024	7,651,364	61,997	547,983	8,261,344
Net carrying amount:				
At 31 December 2024	1,917,515	6,975	373,464	2,297,954
At 31 December 2023	1,879,744	9,264	407,732	2,296,740
At 1 January 2023	2,036,901	10,696	429,378	2,476,975

The amount of borrowing costs capitalised during the year ended 31 December 2024 was nil (2023: nil), reflecting the short-term nature of the Group's capital expenditure programmes.

### Impairments

Impairments to the Group's producing assets and reversals of impairments are set out in the table below:

		Impairment (charge)/reversal		Recoverable amount <sup>(i)</sup>	
	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000	
North Sea  Net pre-tax impairment (charge)/reversal	(71,414) (71,414)		1,172,487	1,323,009	

<sup>(</sup>i) Recoverable amount has been determined on a fair value less costs of disposal basis (see note 2 for further details of judgements, estimates and assumptions made in relation to impairments). The amounts disclosed above are in respect of assets where an impairment (or reversal) has been recorded. Assets which did not have any impairment or reversal are excluded from the amounts disclosed

For information on judgements, estimates and assumptions made in relation to impairments, along with sensitivity analysis, see Use of judgements, estimates and assumptions: recoverability of asset carrying values within note 2.

The 2024 net impairment charge of \$71.4 million relates to producing assets in the UK North Sea (charges of \$2.0 million for GKA and Scolty/Crathes CGU, \$62.5 million for Golden Eagle and \$20.1 million for Alba offset by an impairment reversal of \$13.2 million at Kraken). Impairment charges/reversals were primarily driven by EPL revisions, lower near-term oil price assumptions and changes in production profiles, partially offset by a lower discount rate.

The 2023 net impairment charge of \$117.4 million related to producing assets in the UK North Sea (charges of \$17.2 million for GKA and Scolty/Crathes CGU, \$122.5 million for Golden Eagle and \$9.1 million for Alba offset by an impairment reversal of \$31.4 million at Kraken). Impairment charges/reversals were primarily driven by changes in production and cost profile updates, partially offset by higher forecast oil prices.

#### 10. Goodwill

### **Accounting policy**

#### Cost

Goodwill arising on a business combination is initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity at the date of acquisition. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

#### Impairment of goodwill

Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. In accordance with IAS 36 Impairment of Assets, goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates should be assessed.

For the purposes of impairment testing, goodwill acquired is allocated to the CGU (or group of CGUs) that is expected to benefit from the synergies of the combination. Each unit or units to which goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Impairment is determined by assessing the recoverable amount of the CGU (or groups of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or groups of CGUs) is less than the carrying amount of the CGU (or group of CGUs) containing goodwill, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. For information on significant estimates and judgements made in relation to impairments, see Use of judgements, estimates and assumptions: recoverability of asset carrying values within note 2.

A summary of goodwill is presented below:

	2024 \$'000	2023 \$'000
Cost and net carrying amount		
At 1 January	134,400	134,400
At 31 December	134,400	134,400

The majority of the goodwill, relates to the 75% acquisition of the Magnus oil field and associated interests. The remaining balance relates to the acquisition of the GKA and Scolty Crathes fields.

### Impairment testing of goodwill

Goodwill, which has been acquired through business combinations, has been allocated to the UK North Sea segment grouping of CGUs, and this is therefore the lowest level at which goodwill is reviewed. The UK North Sea is a combination of oil and gas assets, as detailed within property, plant and equipment (note 9).

The recoverable amounts of the segment and fields have been determined on a fair value less costs of disposal basis. See notes 2 and 9 for further details. An impairment charge of nil was taken in 2024 (2023: nil) based on a fair value less costs to dispose valuation of the North Sea segment grouping of CGUs, as described above.

# Sensitivity to changes in assumptions

The Group's recoverable value of assets is highly sensitive, *inter alia*, to oil price achieved and production volumes. A sensitivity has been run on the oil price assumptions, with a 10% change being considered to be a reasonable possible change for the purposes of sensitivity analysis (see note 2). A 10% reduction in oil price would result in an impairment charge of \$66.7 million (2023: 10% reduction would not result in an impairment charge). A 17% reduction in oil price would fully impair goodwill (2023: 20%) however Management do not consider this to be a reasonable expectation.

### 11. Intanaible assets

# **Accounting policy**

### Exploration and appraisal assets

Exploration and appraisal assets have indefinite useful lives and are accounted for using the successful efforts method of accounting. Pre-licence costs are expensed in the period in which they are incurred. Expenditure directly associated with exploration, evaluation or appraisal activities is initially capitalised as an intangible asset. Such costs include the costs of acquiring an interest, appraisal well drilling costs, payments to contractors and an appropriate share of directly attributable overheads incurred during the evaluation phase. For such appraisal activity, which may require drilling of further wells, costs continue to be carried as an asset, whilst related hydrocarbons are considered capable of commercial development. Such costs are subject to technical, commercial and management review to confirm the continued intent to develop, or otherwise extract value. When this is no longer the case, the costs are written off as exploration and evaluation expenses in the Group income statement. When exploration licences are relinquished without further development, any previous impairment loss is reversed and the carrying costs are written off through the Group income statement. When assets are declared part of a commercial development, related costs are transferred to property, plant and equipment. All intangible oil and gas assets are assessed for any impairment prior to transfer and any impairment loss is recognised in the Group income statement.

During the year ended 31 December 2024, there was no impairment of historical exploration and appraisal expenditures (2023: nil). During 2023, \$31.8 million of intangible assets associated with the Kraken field were transferred to property, plant and equipment, reflecting updated drilling plans following assessment of previous seismic survey information. Also during 2023, Malaysia drilled an exploration well on the PM409 licence. The results indicated that there were no commercial prospects and as a result costs of \$5.6 million were written off through the income statement during 2023 with an additional \$0.2 million written off during 2024.

### Other intangibles

UK emissions allowances ('UKAs') purchased to settle the Group's liability related to emissions are recognised on the balance sheet as an intangible asset at cost. The UKAs will be derecognised upon settling the liability with the respective regulator.

	Exploration and appraisal assets \$'000	UK emissions allowances \$'000	Total \$'000
Cost:			
At 1 January 2023	154,937	1,199	156,136
Additions	10,467	876	11,343
Write-off of relinquished licences previously impaired	(485)	_	(485)
Write-off of unsuccessful exploration expenditure	(5,640)	_	(5,640)
Transfer to property, plant and equipment (note 9)	(31,803)	_	(31,803)
Disposal	_	(1,199)	(1,199)
At 1 January 2024	127,476	876	128,352
Additions	3,686	1,138	4,824
Write-off of unsuccessful exploration expenditure	(183)	-	(183)
Disposal	(1,263)	(876)	(2,139)
At 31 December 2024	129,716	1,138	130,854
Accumulated impairment:			
At 1 January 2023	(109,638)	_	(109,638)
Write-off of relinquished licences previously impaired	485	_	485
At 1 January 2024 and 31 December 2024	(109,153)	_	(109,153)
Net carrying amount:			
At 31 December 2024	20,563	1,138	21,701
At 31 December 2023	18,323	876	19,199
At 1 January 2023	45,299	1,199	46,498

# 12. Inventories

### Accounting policy

Inventories of consumable well supplies and inventories of hydrocarbons are stated at the lower of cost and NRV, cost being determined on an average cost basis.

	2024 \$'000	2023 \$'000
Hydrocarbon inventories	22,544	21,189
Well supplies	26,432	63,608
	48,976	84,797

During 2024, a net gain of \$6.9 million was recognised within cost of sales in the Group income statement relating to inventory (2023: net gain of \$2.2 million). During the current year, following a review of the balance of well supplies held within inventory, it was concluded that some items met the definition of property, plant & equipment, and were reclassified during the current year end and presented as PP&E additions within PP&E (note 9).

The inventory valuation at 31 December 2024 is stated net of a provision of \$28.5 million (2023: \$36.3 million) to write-down well supplies to their estimated net realisable value.

# 13. Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash at bank, cash in hand, cash deposited in relation to decommissioning security arrangements and highly liquid interest-bearing securities with original maturities of three months or fewer.

Strategic Report Corporate Governance

**Financial Statements** 

	2024 \$'000	2023 \$'000
Available cash	226,317	313,028
Restricted cash	53,922	544
Cash and cash equivalents	280,239	313,572

The carrying value of the Group's cash and cash equivalents is considered to be a reasonable approximation to their fair value due to their short-term maturities.

#### Restricted cash

During 2024, additional security was required to be provided in accordance with the Group's decommissioning security arrangements. EnQuest renewed its surety bond facilities and added three new providers with \$53.4 million of cash required to be placed on deposit (31 December 2023: nil). The remaining \$0.5 million of restricted cash relates to bank guarantees for the Group's Malaysian assets (31 December 2023: \$0.5 million).

# 14. Financial instruments and fair value measurement

# **Accounting policy**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are offset and the net amount is reported in the Group balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

#### Financial assets

Financial assets are classified, at initial recognition, as amortised cost, fair value through other comprehensive income ('FVOCI'), or fair value through profit or loss ('FVPL'). The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. The Group does not currently hold any financial assets at FVOCI. i.e. debt financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

#### Financial assets at amortised cost

Trade receivables, other receivables and joint operation receivables are measured initially at fair value and subsequently recorded at amortised cost, using the effective interest rate ('EIR') method, and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired and EIR amortisation is included within finance costs.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held in a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Prepayments, which are not financial assets, are measured at historical cost.

# 14. Financial instruments and fair value measurement continued

# 14. Financial instruments and fair value measurement continued

### Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ('ECL'), where material, for all financial assets held at the balance sheet date. ECLs are based on the difference between the contractual cash flows due to the Group, and the discounted actual cash flows that are expected to be received. Where there has been no significant increase in credit risk since initial recognition, the loss allowance is equal to 12-month expected credit losses. Where the increase in credit risk is considered significant, lifetime credit losses are provided. For trade receivables, a lifetime credit loss is recognised on initial recognition where material.

The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating) and are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are joint venture partners and there are no indications of change in risk. Generally, trade receivables are written off when they become past due for more than one year and are not subject to enforcement activity.

#### Financial liabilities

Financial liabilities are classified, at initial recognition, as amortised cost or at FVPL.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Group income statement.

### Financial liabilities at amortised cost

Loans and borrowings, trade payables and other creditors are measured initially at fair value net of directly attributable transaction costs and subsequently recorded at amortised cost, using the EIR method. Loans and borrowings are interest bearing. Gains and losses are recognised in profit or loss when the liability is derecognised and EIR amortisation is included within finance costs.

#### Financial instruments at FVPL

The Group holds derivative financial instruments classified as held for trading, not designated as effective hedging instruments. The derivative financial instruments include forward currency contracts and commodity contracts, to address the respective risks; see note 27. The Group also enters into forward contracts for the purchase of UKAs to manage its exposure to carbon emission credit prices. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial instruments at FVPL are carried in the Group balance sheet at fair value, with net changes in fair value recognised in the Group income statement.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. Financial instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group also holds contingent consideration (see note 21) and a listed equity investment (see note 18). The movements of both are recognised within the Group income statement.

### Fair value measurement

The following table provides the fair values and fair value measurement hierarchy of the Group's other financial assets and liabilities:

Strategic Report Corporate Governance

**Financial Statements** 

31 December 2024	Notes	Carrying Value \$'000	Total \$'000	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
Financial assets measured at fair value:						
Derivative financial assets measured at FVPL						
Gas commodity contracts	18(a)	69	69	-	69	-
Other financial assets measured at FVPL						-
Quoted equity shares		6	6	6	_	-
Total financial assets measured at fair value		75	75	6	69	_
Financial assets measured at amortised cost:						
Vendor financing facility	18(f)	38,453	38,453	-	38,453	_
Total financial assets measured at amortised cost <sup>(i)</sup>		38,453	38,453	-	38,453	-
Liabilities measured at fair value:						
Derivative financial liabilities measured at FVPL						
Commodity derivative contracts	18(a)	10,497	10,497	-	10,497	-
Forward foreign currency contracts	18(a)	2,354	2,354	-	2,354	-
Forward UKA contracts	18(a)	8,729	8,729	-	8,729	-
Other financial liabilities measured at FVPL						
Contingent consideration	21	473,294	473,294	_	-	473,294
Total liabilities measured at fair value		494,874	494,874	-	21,580	473,294
Liabilities measured at amortised cost						
Interest-bearing loans and borrowings <sup>(i)</sup>	17	33,972	33,972	-	33,972	-
Retail bond 9.00% <sup>(ii)</sup>	17	169,371	161,461	161,461	-	-
High yield bond 11.625% <sup>(ii)</sup>	17	461,514	466,102	466,102	-	_
Total liabilities measured at amortised cost <sup>(iii)</sup>		664,857	661,535	627,563	33,972	-

(i) Amortised cost is a reasonable approximation of the fair value

(ii) Carrying value includes accrued interest

(iii) Excludes related fee

31 December 2023	Notes	Carrying Value \$'000	Total \$'000	Quoted prices in active markets (Level 1) \$'000	Significant observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000
Financial assets measured at fair value:						
Derivative financial assets measured at FVPL						
Gas commodity contracts	18(a)	4,499	4,499	-	4,499	_
Other financial assets measured at FVPL						
Quoted equity shares		6	6	6	_	_
Total financial assets measured at fair value		4,505	4,405	6	4,499	_
Financial assets measured at amortised cost:						
Vendor financing facility	18(f)	145,103	145,103	_	145,103	_
Total financial assets measured at amortised cost <sup>(i)</sup>		145,103	145,103	-	145,103	-
Liabilities measured at fair value:						
Derivative financial liabilities measured at FVPL						
Oil commodity derivative contracts	18(a)	18,418	18,418	_	18,418	_
Forward UKA contracts	18(a)	8,261	8,261	_	8,261	_
Other financial liabilities measured at FVPL						
Contingent consideration	21	507,796	507,796	-	_	507,796
Total liabilities measured at fair value		534,475	534,475	_	26,679	507,796
Liabilities measured at amortised cost						
Interest-bearing loans and borrowings <sup>(i)</sup>	17	319,784	319,784	_	319,784	_
Retail bond 9.00%	17	169,669	158,683	158,683	_	_
High yield bond 11.625%	17	294,276	292,419	292,419	_	
Total liabilities measured at amortised cost <sup>(ii)</sup>		783,729	770,886	451,102	319,784	_

(i) Amortised cost is a reasonable approximation of the fair value

(ii) Excludes related fees

#### Strategic Report Corporate Governance Financial Statements

# 14. Financial instruments and fair value measurement continued

#### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (i.e. prices) or indirectly (i.e. derived from prices) observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Derivative financial instruments are valued by counterparties, with the valuations reviewed internally and corroborated with readily available market data (Level 2). Contingent consideration is measured at FVPL using the Level 3 valuation processes, details of which and a reconciliation of movements are disclosed in note 21. There have been no transfers between Level 1 and Level 2 during the period (2023: no transfers).

For the financial assets and liabilities measured at amortised cost but for which fair value disclosures are required, the fair value of the bonds classified as Level 1 was derived from quoted prices for that financial instrument, while interest-bearing loans and borrowings and the vendor financing facility were calculated at amortised cost using the effective interest method to capture the present value (Level 3). A reconciliation of movements is disclosed in note 29.

# 15. Trade and other receivables

Total non-current	2,102	-
Other receivables	2,102	
Non-current		
Total current	230,971	225,486
Accrued income	66,926	82,426
Prepayments	7,822	2,781
Other receivables	4,729	3,715
VAT receivable	7,574	3,314
Under-lift position	16,806	22,309
Joint venture receivables	106,963	79,036
Trade receivables	20,151	31,905
Current		
	\$'000	\$'000

The carrying values of the Group's trade, joint venture and other receivables as stated above are considered to be a reasonable approximation to their fair value largely due to their short-term maturities. Under-lift is valued at the lower of cost or NRV at the prevailing balance sheet date (note 4(b)).

Trade receivables are non-interest-bearing and are generally on 15 to 30-day terms. Joint venture receivables relate to amounts billable to, or recoverable from, joint venture partners. Receivables are reported net of any ECL with no losses recognised as at 31 December 2024 or 2023.

Non-current trade and other receivables represents capitalised fees associated with the Group's Reserve Based Lending Facility that were reclassed to trade and other receivables to better reflect the variable nature of the facility following the repayment in full of the outstanding principal (\$140.0 million) in February 2024.

# 16. Trade and other payables

	2024 \$'000	2023 \$'000
Current		
Trade payables	138,822	75,981
Accrued expenses	209,225	228,664
Over-lift position	16,849	18,824
Joint venture creditors	46,187	20,262
Other payables	3,307	3,678
Total current	414,390	347,409
Non-current		
Joint venture creditors	_	32,917
Total non-current	_	32,917

The carrying value of the Group's current trade and other payables as stated above is considered to be a reasonable approximation to their fair value largely due to the short-term maturities. Certain trade and other payables will be settled in currencies other than the reporting currency of the Group, mainly in Sterling. Trade payables are normally non-interest-bearing and settled on terms of between ten and 30 days.

Accrued expenses include accruals for capital and operating expenditure in relation to the oil and gas assets and interest accruals.

The carrying value of the Group's 2023 non-current trade and other payables as stated above was considered to be a reasonable approximation to their fair value as this represented a specific bi-lateral agreement between counterparties with the liability extinguished in full over time in accordance with the agreed schedule. The outstanding amount at 31 December 2024 is now presented within current trade and other payables.

### 17. Loans and borrowings

	2024 \$'000	\$'000
Loans	33,972	311,231
Bonds	630,885	463,945
	664,857	775,176

The Group's borrowings are carried at amortised cost as follows:

2024			2023		
Principal \$'000	Fees \$'000	Total \$'000	Principal \$'000	Fees \$'000	Total \$'000
-	-	-	140,000	(4,920)	135,080
-	-	-	150,000	(3,633)	146,367
33,972	-	33,972	29,784	-	29,784
465,000	(10,661)	454,339	305,000	(10,724)	294,276
167,101	-	167,101	169,669	-	169,669
9,445	-	9,445	-	-	_
675,518	(10,661)	664,857	794,453	(19,277)	775,176
		43,417			27,364
		621,440			747,812
		664,857			775,176
	33,972 465,000 167,101 9,445	Principal Fees \$'000 \$'000  33,972 - 465,000 (10,661) 167,101 - 9,445 -	Principal \$'000 \$'000  33,972 33,972 465,000 (10,661) 454,339 167,101 167,101 9,445 9,445 675,518 (10,661) 664,857 43,417 621,440	Principal \$'000         Fees \$'000         Total \$'000         Principal \$'000           -         -         -         140,000           -         -         -         150,000           33,972         -         33,972         29,784           465,000         (10,661)         454,339         305,000           167,101         -         167,101         169,669           9,445         -         9,445         -           675,518         (10,661)         664,857         794,453           43,417         621,440         -	Principal \$'000         Fees \$'000         Total \$'000         Principal \$'000         Fees \$'000           -         -         -         140,000         (4,920)           -         -         -         150,000         (3,633)           33,972         -         33,972         29,784         -           465,000         (10,661)         454,339         305,000         (10,724)           167,101         -         167,101         169,669         -           9,445         -         9,445         -         -           675,518         (10,661)         664,857         794,453         (19,277)           43,417         621,440         -         -         -

(i) Capitalised fees were reclassed in the current period to trade and other receivables to better reflect the variable nature of the facility

(ii) Accrued interest on borrowings has been reclassed in the current period to better reflect the total borrowings balance (comparative information has not been restated as it is not material). Accrued interest includes bond interest accruals of \$9.4 million

See liquidity risk – note 27 for the timing of cash outflows relating to loans and borrowings.

EnQuest PLC Annual Report and Accounts 2024

2024

2023

For the year ended 31 December 2024

### 17. Loans and borrowings continued

### Reserve Based Lending facility ('RBL')

In October 2022, the Group agreed an amended and restated RBL facility with commitments of \$500.0 million, reducing in accordance with an amortisation schedule, a sub-limit for drawings in the form of Letters of Credit of \$75.0 million and a standard accordion facility which allowed the Group to increase commitments by an amount of up to \$300.0 million on no more than three occasions. The maturity of the facility is April 2027. Funds can only be drawn under the RBL to a maximum amount of the lesser of (i) the total commitments and (ii) the borrowing base amount. Interest accrues at 4.00% until July 2025 when it increases to 4.50%, plus a combination of an agreed credit adjustment spread and the Secured Overnight Financing Rate ('SOFR'). The Group fully repaid the \$140.0 million of its drawn Reserve Based Lending Facility in February 2024. At 31 December 2024, \$176.4 million remained available for drawdown under the RBL (2023: \$166.2 million). Effective from 1 January 2025, the amount available to drawdown increased to \$237.1 million as a result of the annual redetermination process.

At 31 December 2024, the Letter of Credit utilisation was \$54.1 million (2023; \$43.5 million).

#### Term loan facility

In August 2023, the Group agreed a second lien US Dollar term loan facility of \$150.0 million which was drawn down in full in September 2023 and incurred interest at SOFR +7.90%. In October 2024, the term loan, plus the early redemption fee of \$4.7 million, was fully repaid utilising the proceeds from the high yield bond tap. The early redemption fee and the remaining unamortised costs of \$2.9 million were expensed within finance costs.

### SVT working capital facility

EnQuest has extended the £42.0 million revolving loan facility with a joint operations partner to fund the short-term working capital cash requirements of SVT and associated interests until April 2027. The facility is guaranteed by BP EOC Limited (joint operations partner) until the earlier of: a) the date on which production from Magnus permanently ceases; or b) if the operating agreements for both SVT and associated infrastructure are amended to allow for cash calling. The facility is able to be drawn down against, in instalments, and accrues interest at 2.05% per annum plus GBP Sterling Over Night Index Average ('SONIA').

#### Vendor Loan facility

In August 2024, the Group entered into a deferred payment facility agreement with a third-party vendor providing capacity for refinancing the payment of existing invoices up to an amount of £23.7 million, with interest payable monthly at a rate of 9.50% per annum. At 31 December 2024, nil was drawn down on the facility, with \$20.7 million drawn by the end of February 2025.

### High yield bond 11.625%

In October 2022, the Group concluded an offer of \$305.0 million for a US Dollar high yield bond. In October 2024, the Group concluded a tap of an additional \$160.0 million of the US Dollar high yield bond on the same terms and conditions as the existing bond. The notes accrue a fixed coupon of 11.625% payable semi-annually in arrears with a maturity date of November 2027. Associated fees of \$3.4 million were capitalised and are being amortised over the period of the bond.

The above carrying value of the bond as at 31 December 2024 is \$454.3 million (2023: \$294.3 million). This includes bond principal of \$465.0 million (2023: \$305.0 million) and unamortised issue premium on the tap of \$1.4 million less the unamortised original issue discount of \$2.4 million (2023: \$3.3 million) and unamortised fees of \$9.7 million (2023: \$7.4 million). The fair value of the high yield bond is disclosed in note 14.

# Retail bond 9.00%

On 27 April 2022, the Group issued a new 9.00% retail bond following a successful partial exchange and cash offer. The principal of the retail bond 9.00% raised by the partial exchange and cash offer totalled £133.3 million. The notes accrue a fixed coupon of 9.00% payable semi-annually in arrears and are due to mature in October 2027.

The above carrying value of the bond as at 31 December 2024 is \$167.1 million (2023: \$169.7 million). All fees associated with this offer were recognised in the income statement in 2022. The fair value of the retail bond 9.00% is disclosed in note 14.

### 18. Other financial assets and financial liabilities

# (a) Summary as at year end

	202	2024		2023	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	
Fair value through profit or loss:					
Derivative commodity contracts	69	10,497	4,499	18,418	
Forward foreign currency contracts	-	2,354	-	_	
Derivative UKA contracts	-	8,729	_	8,261	
Amortised cost:					
Other receivables (Vendor financing facility) (notes 18(f), 24)	-	-	108,827	_	
Total current	69	21,580	113,326	26,679	
Fair value through profit or loss:					
Quoted equity shares	6	-	6	_	
Amortised cost:					
Other receivables (Vendor financing facility) (notes 18(f), 24)	38,453	-	36,276	_	
Total non-current	38,459	-	36,282	_	
Total other financial assets and liabilities	38,528	21,580	149,608	26,679	

Strategic Report Corporate Governance

**Financial Statements** 

# (b) Income statement impact

The income/(expense) recognised for derivatives are as follows:

		Revenue and other operating income		
Year ended 31 December 2024	Realised \$'000	Unrealised \$'000	Realised \$'000	Unrealised \$'000
Commodity options	(19,899)	10,617	-	_
Commodity swaps	7,467	(7,340)	-	-
Commodity futures	(475)	(187)	-	-
Foreign exchange contracts	-	-	2,859	(2,354)
UKA contracts	-	-	(7,594)	(469)
	(12,907)	3,090	(4,735)	(2,823)

		Revenue and other operating income-		
Year ended 31 December 2023	Realised \$'000	Unrealised \$'000	Realised \$'000	Unrealised \$'000
Commodity options	(21,463)	19,148	_	_
Commodity swaps	12,474	9,315	_	_
Commodity futures	(2,275)	_	-	-
Foreign exchange contracts	_	_	5,695	_
UKA contracts	_	_	(2,856)	(3,832)
	(11,264)	28,463	2,839	(3,832)

# (c) Commodity contracts

The Group uses derivative financial instruments to manage its exposure to the oil price, including put and call options, swap contracts and futures.

For the year ended 31 December 2024, losses totalling \$9.8 million (2023: gains of \$17.2 million) were recognised in respect of commodity contracts measured as FVPL. This included losses totalling \$12.9 million (2023: losses of \$11.3 million) realised on contracts that matured during the year, and mark-to-market unrealised gains totalling \$3.1 million (2023: gains of \$28.5 million).

The mark-to-market value of the Group's open commodity contracts as at 31 December 2024 was a net liability of \$10.4 million (2023: net liability of \$13.9 million).

# (d) Foreign currency contracts

The Group enters into a variety of foreign currency contracts, primarily in relation to Sterling. During the year ended 31 December 2024, gains totalling \$0.5 million (2023: gains of \$5.7 million) were recognised in the Group income statement. This included realised gains totalling \$2.9 million (2023: gains of \$5.7 million) on contracts that matured in the year.

The mark-to-market value of the Group's open contracts as at 31 December 2024 was a net liability of \$2.4 million (2023: nil).

For the year ended 31 December 2024

### 18. Other financial assets and financial liabilities continued

### (e) UK emissions allowance forward contracts

The Group enters into forward contracts for the purchase of UKAs to manage its exposure to carbon emission credit prices. During the year ended 31 December 2024, losses totalling \$8.1 million (2023: losses of \$6.7 million) were recognised in the Group income statement. This included realised losses totalling \$7.6 million (2023: losses of \$2.9 million) on contracts that matured in the year.

The mark-to-market value of the Group's open contracts as at 31 December 2024 was a net liability of \$8.7 million (2023: \$8.3 million).

# (f) Other receivables

	Other		
	receivables \$'000	Equity shares \$'000	Total \$'000
At 1 January 2023	-	6	6
Additions <sup>(i)</sup>	145,103	_	145,103
At 31 December 2023	145,103	6	145,109
Interest	3,263	_	3,263
Repayments	(107,518)	_	(107,518)
Foreign exchange	(2,395)	_	(2,395)
At 31 December 2024	38,453	6	38,459
Current			-
Non-current			38,459
			38,459

(i) Additions in 2023 relate to a vendor financing facility entered into with RockRose Energy Limited on 29 December 2023 following the farm-down of a 15.0% share in the EnQuest Producer FPSO and capital items associated with the Bressay development. \$107.5 million was repaid in the first quarter of 2024 with the remainder repayable through future net cash flows from the Bressay field. Interest on the outstanding amount accrues at 2.5% plus the Bank of England's Base Rate

### 19. Share capital and reserves

### Accounting policy

### Share capital and share premium

The balance classified as equity share capital includes the total net proceeds (both nominal value and share premium) on issue of registered share capital of the parent company. Share issue costs associated with the issuance of new equity are treated as a direct reduction of proceeds. The share capital comprises only one class of Ordinary share. Each Ordinary share carries an equal voting right and right to a dividend.

#### Treasury shares

Represents amounts transferred following purchase of the Company's own shares out of distributable profits, with those shares available for resale into the market, transfer to the Group's Employee Benefit Trust ('EBT') where they can be used to satisfy awards made under the Company's share-based incentive schemes, or cancelled.

# Capital redemption reserve

Represents the par value of shares cancelled following the purchase of the Company's own shares out of distributable profits.

# Retained earnings

Retained earnings contain the accumulated profits/(losses) of the Group.

### Share-based payments reserve

Equity-settled share-based payment transactions are measured at the fair value of the services received, and the corresponding increase in equity is recorded. EnQuest PLC shares held by the Group in the EBT are recognised at cost and are deducted from the share-based payments reserve, as they are held to satisfy awards made under equity-settled share-based payment transactions. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to reserves. No gain or loss is recognised in the Group income statement on the purchase, sale, issue or cancellation of equity shares.

At 31 December 2024	1,885,029,503	131,508	260,546	(4,425)	2,006	389,635
Repurchase and cancellation of shares	(30,894,836)	(2,006)	_	(4,425)	2,006	(4,425)
Issue of new shares to EBT	3,620,226	229	-	-	_	229
At 1 January 2024	1,912,304,113	133,285	260,546	_	_	393,831
Authorised, issued and fully paid	Ordinary shares of £0.05 each Number	Share capital \$'000	Share premium \$'000	Treasury shares \$'000	redemption reserve \$'000	Total \$'000

During 2024, a share buy-back programme was executed with a total of 55,894,836 Ordinary shares repurchased as at 31 December 2024. The first 25,000,000 Ordinary shares purchased under the Programme are held in Treasury for issue in due course to the Company's EBT to satisfy the anticipated future exercise of options and awards made to employees and Executive Directors of EnQuest PLC pursuant to certain of the Company's existing share plans. The remaining 30,894,836 Ordinary shares were cancelled.

At 31 December 2024, there were 972,269 shares held by the EBT (2023: 8,449,793) which are included within the share-based payment reserve. The movement in the year was 11,097,750 shares used to satisfy awards made under the Company's share-based incentive schemes offset by a subscription for 3,620,226 additional Ordinary shares.

At 1 January 2023, the number of Ordinary shares was 1,885,924,339. In December 2023, 26,379,774 shares were issued and subsequently transferred to the EBT.

# 20. Share-based payment plans

### Accounting policy

Eligible employees (including Executive Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of EnQuest PLC.

Strategic Report Corporate Governance

**Financial Statements** 

Information on these plans for Executive Directors is shown in the Directors' Remuneration Report on page Ill.

The cost of these equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value of awards is calculated in reference to the scheme rules at the market value, being the average middle market quotation of a share for the three immediately preceding dealing days as derived from the Daily Official List of the London Stock Exchange, provided such dealing days do not fall within any period when dealings in shares are prohibited because of any dealing restriction.

The cost of equity-settled transactions is recognised over the vesting period in which the relevant employees become fully entitled to the award. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Group income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

In valuing the transactions, no account is taken of any service or performance conditions, other than conditions linked to the price of the shares of EnQuest PLC (market conditions) or 'non-vesting' conditions, if applicable. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied. Equity awards cancelled are treated as vesting immediately on the date of cancellation, and any expense not previously recognised for the award at that date is recognised in the Group income statement.

The Group operates a number of equity-settled employee share plans under which share units are granted to the Group's senior leaders and certain other employees. These plans typically have a three-year performance or restricted period. Leaving employment will normally preclude the conversion of units into shares, but special arrangements apply for participants that leave for qualifying reasons.

The share-based payment expense recognised for each scheme was as follows:

	2024 \$'000	2023 \$'000
Performance Share Plan	511	2,120
Other performance share plans	64	231
Sharesave Plan	408	969
	983	3,320

The following table shows the number of shares potentially issuable under the Group's various equity-settled employee share plans, including the number of options outstanding and the number of options exercisable at the end of each year.

Share plans	2024 Number	2023 Number
Outstanding at 1 January	87,367,455	102,271,264
Granted during the year	35,353,664	33,940,859
Exercised during the year	(7,291,023)	(19,459,260)
Forfeited during the year	(26,812,413)	(29,385,408)
Outstanding at 31 December	88,617,683	87,367,455
Exercisable at 31 December	9,138,271	17,944,371

Within the Group's equity-settled employee share plans detailed above, the Group operates an approved savings-related share option scheme (the 'Sharesave Plan'). The plan is based on eligible employees being granted options and their agreement to opening a Sharesave account with a nominated savings carrier and to save over a specified period, either three or five years. The right to exercise the option is at the employee's discretion at the end of the period previously chosen, for a period of six months.

For the year ended 31 December 2024

# 20. Share-based payment plans continued

The following table shows the number of shares potentially issuable under equity-settled employee share option plans, including the number of options outstanding, the number of options exercisable at the end of each year and the corresponding weighted average exercise prices.

	20	2024		2023	
Sharesave options	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$	
Outstanding at 1 January	18,658,144	0.16	33,308,249	0.14	
Granted during the year	_	-	10,268,853	0.14	
Exercised during the year	(5,478,693)	0.13	(19,977,354)	0.13	
Forfeited during the year	(3,223,434)	0.15	(4,941,604)	0.17	
Outstanding at 31 December	9,956,017	0.15	18,658,144	0.16	
Exercisable at 31 December	323,886	0.24	6,553,159	0.13	

### 21. Contingent consideration

### **Accounting policy**

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration depicted below is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity if any, is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration is discounted at a risk-free rate combined with a risk premium, calculated in alignment with IFRS 13 and the unwinding of the discount is presented as part of the overall fair value change within other (expenses)/income.

Any contingent consideration included in the consideration payable for an asset acquisition is recorded at fair value at the date of acquisition and included in the initial measurement of cost.

Settlement of contingent consideration recorded at fair value through profit or loss is recorded as investing outflows in the cash flow statement to the extent cumulative amounts paid do not exceed the amount recognised at the date of acquisition, with any excess recorded as an operating cash outflow. Settlement of contingent consideration relating to an asset acquisition is recorded as an investing cash outflow.

	Magnus 75% \$'000	linked liability \$'000	Total \$'000
At 31 December 2023	488,007	19,789	507,796
Unwinding of discount (see note 4(d))	55,144	2,301	57,445
Other changes in fair value (see note 4(d))	(43,353)	1,812	(41,541)
Utilisation	(48,465)	(1,941)	(50,406)
At 31 December 2024	451,333	21,961	473,294
Classified as:			
Current	18,905	1,498	20,403
Non-current	432,428	20,463	452,891
	451,333	21,961	473,294

# 21. Contingent consideration continued

### 75% Magnus acquisition contingent consideration

On 1 December 2018, EnQuest completed the acquisition of the additional 75% interest in the Magnus oilfield ('Magnus') and associated interests (collectively the 'Transaction assets') which was part funded through a profit share arrangement with bp whereby EnQuest and bp share the net cash flow generated by the 75% interest on a 50:50 basis, subject to a cap of \$1.0 billion received by bp. This contingent consideration is a financial liability classified as measured at FVPL. The fair value of contingent consideration has been determined by calculating the present value of the future expected cash flows expected to be paid and is considered a Level 3 valuation under the fair value hierarchy. Future cash flows are estimated based on inputs including future oil prices, production volumes and operating costs. Oil price assumptions and discount rate assumptions used were as disclosed in Use of judgements, estimates and assumptions within note 2. The contingent consideration was fair valued at 31 December 2024, which resulted in a decrease in fair value (excluding the impact of unwind of discount) of \$43.4 million (2023: decrease of \$69.8 million). This decrease in 2024 reflects a reduction in the Group's nearterm oil price assumptions and changes in the assets cost and production profile. The decrease in 2023 reflected a 1.3% increase in the discount rate to 11.3% (2022: 10.0%) and changes in the asset cost profile, partially offset by the Group's increased oil price assumptions. The overall fair value accounting effect including the unwinding of discount, totalling a charge of \$11.8 million (2023: credit of \$13.2 million) on the contingent consideration were recognised in the Group income statement. At 31 December 2024, the contingent profit-sharing arrangement cap of \$1.0 billion was forecast to be met in the present value calculations (31 December 2023; cap was forecast to be met). Within the statement of cash flows, the profit share element of the repayment, \$48.5 million (2023: \$65.5 million), is disclosed separately under investing activities. At 31 December 2024, the contingent consideration for Magnus was \$451.3 million (31 December 2023:

Strategic Report Corporate Governance

**Financial Statements** 

Management has considered alternative scenarios to assess the valuation of the contingent consideration including, but not limited to, the key accounting estimates relating to the oil price, discount rate and their interrelationship with production and the profit-share arrangement. As described within note 2, oil price has been assessed by Management as the only key source of estimation uncertainty due to its material impact on revenue, which in turn results in changes in the contingent consideration present value calculations due to the timing of future cash flows and production profiles. As the profit-sharing cap of \$1.0 billion is forecast to be met in the present value calculations, sensitivity analysis has only been undertaken on a reduction in the oil price assumptions of 10%, which is considered to be a reasonably possible change. This results in a reduction of \$51.1 million to the contingent consideration (2023: reduction of \$83.3 million). A 1.0% reduction in the discount rate applied, which is considered a reasonably possible change given the prevailing macroeconomic conditions, would increase reported contingent consideration by \$19.8 million. A 1.0% increase would decrease reported contingent consideration by \$18.6 million.

The payment of contingent consideration is limited to cash flows generated from Magnus. Therefore, no contingent consideration is payable if insufficient cash flows are generated over and above the requirements to operate the asset. By reference to the conditions existing at 31 December 2024, the maturity analysis of the contingent consideration is disclosed in Risk management and financial instruments: liquidity risk (note 27).

### Magnus decommissioning-linked contingent consideration

As part of the Magnus and associated interests acquisition, bp retained the decommissioning liability in respect of the existing wells and infrastructure and EnQuest agreed to pay additional consideration in relation to the management of the physical decommissioning costs of Magnus. At 31 December 2024, the amount due to bp calculated on an after-tax basis by reference to 30% of bp's decommissioning costs on Magnus was \$22.0 million (2023: \$19.8 million). Any reasonably possible change in assumptions would not have a material impact on the provision.

# Golden Eagle contingent consideration

Part of the Golden Eagle acquisition consideration included an amount that was contingent on the average oil price between July 2021 and June 2023. Over the period July 2021 to June 2023, the average oil price was \$89.6/bbl. As such, at 30 June 2023, the contingent consideration was valued at \$50.0 million with settlement of this liability completing in July 2023. The balance at 31 December 2024 was nil (31 December 2023: nil).

For the year ended 31 December 2024

# 22. Provisions

# **Accounting policy**

#### Decommissionina

Provision for future decommissioning costs is made in full when the Group has an obligation: to dismantle and remove a facility or an item of plant; to restore the site on which it is located; and when a reasonable estimate of that liability can be made. The Group's provision primarily relates to the future decommissioning of production facilities and pipelines.

A decommissioning asset and liability are recognised, within property, plant and equipment and provisions, respectively, at the present value of the estimated future decommissioning costs. The decommissioning asset is amortised over the life of the underlying asset on a unit of production basis over proven and probable reserves, included within depletion in the Group income statement. Any change in the present value of estimated future decommissioning costs is reflected as an adjustment to the provision and the oil and gas asset for producing assets. For assets that have ceased production, the change in estimate is reflected as an adjustment to the provision and the Group income statement, via other income or expense. The unwinding of the decommissioning liability is included under finance costs in the Group income statement.

These provisions have been created based on internal and third-party estimates. Assumptions based on the current economic environment have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning liabilities is likely to depend on the dates when the fields cease to be economically viable. This in turn depends on future oil prices, which are inherently uncertain. See Use of judgements, estimates and assumptions: provisions within note 2.

#### Other

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

	Thistle		
Decommissioning	decommissioning	Other	
provision	provision	provisions	Total
\$′000	\$'000	\$'000	\$′000
755,762	25,355	14,180	795,297
2,893	_	835	3,728
3,032	412	-	3,444
30,290	911	-	31,201
(50,412)	(8,319)	(9,063)	(67,794)
_	(11)	241	230
741,565	18,348	6,193	766,106
42,030	7,700	5,400	55,130
699,535	10,648	793	710,976
741,565	18,348	6,193	766,106
	755,762 2,893 3,032 30,290 (50,412) - 741,565 42,030 699,535	Decommissioning provision \$1000	Decommissioning provision \$1000         decommissioning provision \$1000         Other provision \$1000           755,762         25,355         14,180           2,893         -         835           3,032         412         -           30,290         911         -           (50,412)         (8,319)         (9,063)           -         (11)         241           741,565         18,348         6,193           42,030         7,700         5,400           699,535         10,648         793

(i) Includes \$6.7 million relating to assets in decommissioning disclosed in note 4(d) and \$(0.7) million related to producing assets disclosed in note 9

### **Decommissioning provision**

The Group's total provision represents the present value of decommissioning costs which are expected to be incurred up to 2050, assuming no further development of the Group's assets. Additions during the year primarily relate to the decommissioning provision recognised due to drilling of new wells in Golden Eagle. Changes in estimates during the year primarily reflect the net effect of \$78.0 million increase in the underlying cost estimates partly offset by \$59.0 million impact from the increase in the discount rate and \$12.4 million foreign exchange impact due to the weakening of Sterling to US Dollar exchange rates. At 31 December 2024, an estimated \$281.1 million is expected to be utilised between one and five years (2023: \$175.7 million), \$280.0 million within six to ten years (2023: \$355.6 million), and the remainder in later periods. For sensitivity analysis see Use of judgements, estimates and assumptions within note 2.

The Group enters into surety bonds principally to provide security for its decommissioning obligations (see note 13). The surety bond facilities, which expired in December 2023, were renewed for 12 months, subject to ongoing compliance with the terms of the Group's borrowings. At 31 December 2024, the Group held surety bonds totalling \$277.0 million (2023: \$250.4 million).

# Thistle decommissioning provision

In 2018, EnQuest exercised the option to receive \$50.0 million from bp in exchange for undertaking the management of the physical decommissioning activities for Thistle and Deveron and making payments by reference to 7.5% of bp's share of decommissioning costs of the Thistle and Deveron fields, with the liability recognised within provisions. At 31 December 2024, the amount due to bp by reference to 7.5% of bp's decommissioning costs on Thistle and Deveron was \$18.3 million (2023: \$25.4 million), with the reduction mainly reflecting the utilisation in the period. Change in estimates of \$0.4 million are included within other expense (2023: \$1.6 million) and unwinding of discount of \$0.9 million is included within finance costs (2023: \$1.1 million).

### Other provisions

At 31 December 2023, the provision included a dispute with a third-party contractor of \$9.1 million including legal costs and interest charges. In August 2024, the Malaysian Court of Appeal issued a judgement that funds held in escrow should be released to the third-party supplier pending resolution of the final arbitration decision. As such \$8.6 million was released from escrow and hence deducted from the provision. Should the final arbitration decision find in the favour of EnQuest, EnQuest would seek reimbursement of any funds transferred. The Group expects the dispute to be settled in 2025.

#### 23. Leases

# **Accounting policy**

#### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease, or, if that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Strategic Report Corporate Governance

**Financial Statements** 

The incremental borrowing rate is the rate that the Group would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value. The incremental borrowing rate is determined based on a series of inputs including: the term, the risk-free rate based on government bond rates and a credit risk adjustment based on EnQuest bond yields.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- · variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- · the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently recorded at amortised cost, using the effective interest rate method. The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group did not make any such adjustments during the periods presented.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date. It also applies the low-value assets recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property, plant and equipment' policy (see note 9).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included within 'cost of sales' or 'general and administration expenses' in the Group income statement.

For leases within joint ventures, the Group assesses on a lease-by-lease basis the facts and circumstances. This relates mainly to leases of vessels. Where all parties to a joint operation jointly have the right to control the use of the identified asset and all parties have a legal obligation to make lease payments to the lessor, the Group's share of the right-of-use asset and its share of the lease liability will be recognised on the Group balance sheet. This may arise in cases where the lease is signed by all parties to the joint operation or the joint operation partners are named within the lease. However, in cases where EnQuest is the only party with the legal obligation to make lease payments to the lessor, the full lease liability and right-of-use asset will be recognised on the Group balance sheet. This may be the case if, for example, EnQuest, as operator of the joint operation, is the sole signatory to the lease. If the underlying asset is used for the performance of the joint operation agreement, EnQuest will recharge the associated costs in line with the joint operating agreement.

# As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head-lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

# For the year ended 31 December 2024

#### 23. Leases continued

### Right-of-use assets and lease liabilities

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	assets	liabilities
	\$'000	\$'000
As at 31 December 2022	429,378	482,066
Additions in the period	28,378	28,378
Depreciation expense	(55,979)	-
Impairment reversal	6,077	-
Disposal	(122)	-
Interest expense	-	43,801
Payments	-	(135,675)
Foreign exchange movements	_	3,604
As at 31 December 2023	407,732	422,174
Additions in the period (see note 9)	16,453	16,453
Depreciation expense (see note 9)	(54,735)	-
Impairment reversal (see note 9)	4,014	-
Interest expense	-	27,673
Payments	-	(130,065)
Foreign exchange movements	_	(979)
As at 31 December 2024	373,464	335,256
Current		46,994
Non-current		288,262
		335,256

The carrying value of the right-of-use assets include \$340.9 million (2023: \$372.6 million) of oil and gas assets and \$32.6 million (2023: \$35.1 million) of buildings.

The Group leases assets, including the Kraken FPSO, property, and oil and gas vessels, with a weighted average lease term of four years. The maturity analysis of lease liabilities is disclosed in note 27.

### Amounts recognised in profit or loss

	Year ended	Year ended
	31 December	31 December
	2024	2023
	\$′000	\$′000
Depreciation expense of right-of-use assets	54,735	55,979
Impairment reversal of right-of-use assets	(4,014)	(6,077)
Interest expense on lease liabilities	27,673	43,801
Rent expense – short-term leases	13,860	5,153
Rent expense – leases of low-value assets	33	113
Total amounts recognised in profit or loss	92,287	98,969
Amounto was a suries of in statement of such flavor		
Amounts recognised in statement of cash flows	Year ended	Year ended
	31 December	31 December
	2024	2023
	\$'000	\$'000
Total cash outflow for leases	130,065	135,675

### 23. Leases continued

#### Leases as lessor

The Group sub-leases part of Annan House, the Aberdeen office. The sub-lease is classified as an operating lease, as all the risks and rewards incidental to the ownership of the right-of-use asset are not all substantially transferred to the lessee. Rental income recognised by the Group during 2024 was \$2.2 million (2023: \$2.3 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2024 \$'000	2023 \$'000
Less than one year	2,029	2,682
One to two years	858	2,011
Two to three years	860	872
Three to four years	875	873
Four to five years	882	889
More than five years	1,856	2,790
Total undiscounted lease payments	7,360	10,117

# 24. Deferred income

# **Accounting policy**

Income is not recognised in the income statement until it is highly probable that the conditions attached to the income will be met.

		Year ended 31 December 2023 \$'000
Deferred income	138,095	138,416

In December 2023 a farm-down of an equity interest in the EnQuest Producer FPSO and certain capital spares related to the Bressay development was completed and cash received of \$141.3 million. The same amount was lent back to the acquirer in December 2023 as vendor financing (see note 18(f)). Proceeds from the farm-down are reported within deferred income, as these are contingent upon the Bressay development project achieving regulatory approval. Both parties are committed to delivering the development, however should the project not achieve regulatory approval there remains the option to deploy the assets on an alternative project.

### 25. Commitments and contingencies

# Capital commitments

At 31 December 2024, the Group had commitments for future capital expenditure amounting to \$13.3 million (2023: \$43.8 million). The key components of this relate to commitments for the new stabilisation facility at Sullom Voe Terminal and Magnus 2025 drilling campaign. Where the commitment relates to a joint venture, the amount represents the Group's net share of the commitment. Where the Group is not the operator of the joint venture then the amounts are based on the Group's net share of committed future work programmes.

### Other commitments

In the normal course of business, the Group will obtain surety bonds, Letters of Credit and guarantees. At 31 December 2024, the Group held surety bonds totalling \$277.0 million (2023: \$250.4 million) to provide security for its decommissioning obligations. See note 22 for further details.

# Contingencies

The Group becomes involved from time to time in various claims and lawsuits arising in the ordinary course of its business. Outside of those already provided, the Group is not, nor has been during the past 12 months, involved in any governmental, legal or arbitration proceedings which, either individually or in the aggregate, have had, or are expected to have, a material adverse effect on the Group balance sheet or profitability. Nor, so far as the Group is aware, are any such proceedings pending or threatened.

A contingent payment of \$15.0 million to Equinor is due upon regulatory approval of a Bressay field development plan.

For the year ended 31 December 2024

### 26. Related party transactions

The Group financial statements include the financial statements of EnQuest PLC and its subsidiaries. A list of the Group's principal subsidiaries is contained in note 28 to these Group financial statements.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

All sales to and purchases from related parties are made at normal market prices and the pricing policies and terms of these transactions are approved by the Group's management. With the exception of the transactions disclosed below, there have been no transactions with related parties who are not members of the Group during the year ended 31 December 2024 (2023: none).

Within the \$150.0 million term loan, which was fully repaid in October 2024, Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu, lent \$9.0 million on the same terms and conditions as all other lending parties. This was considered a smaller related party transaction under Listing Rule 11.1.10 which ended on repayment of the term loan. Double A Limited's share of the early repayment fee was \$0.3 million.

### Compensation of key management personnel

The following table details remuneration of key management personnel of the Group. Key management personnel comprise Executive and Non-Executive Directors of the Company and the Executive Committee.

	2024 \$'000	2023 \$'000
Short-term employee benefits	5,138	5,360
Share-based payments	124	144
Post-employment pension benefits	226	241
Termination payments	947	367
	6,435	6,112

### 27. Risk management and financial instruments

### Risk management objectives and policies

The Group's principal financial assets and liabilities comprise trade and other receivables, cash and cash equivalents, interest-bearing loans, borrowings and leases, derivative financial instruments and trade and other payables. The main purpose of the financial instruments is to manage cash flow and to provide liquidity for organic and inorganic growth initiatives.

The Group's activities expose it to various financial risks particularly associated with fluctuations in oil price, foreign currency risk, liquidity risk and credit risk. The Group is also exposed to interest rate risks related to SOFR on cash balances and the RBL. As the RBL was undrawn at 31 December 2024, no sensitivities have been provided. Management reviews and agrees policies for managing each of these risks, which are summarised below. Also presented below is a sensitivity analysis to indicate sensitivity to changes in market variables on the Group's financial instruments and to show the impact on profit and shareholders' equity, where applicable. The sensitivity has been prepared for periods ended 31 December 2024 and 2023, using the amounts of debt and other financial assets and liabilities held at those reporting dates.

# Commodity price risk - oil prices

The Group is exposed to the impact of changes in Brent oil prices on its revenues and profits generated from sales of crude oil.

The Group's policy is to have the ability to hedge oil prices up to a maximum of 75% of the next 12 months' production on a rolling annual basis, up to 60% in the following 12-month period and 50% in the subsequent 12-month period. On a rolling quarterly basis, under the RBL facility, the Group is required to hedge a minimum of 45% of volumes of net entitlement production expected to be produced in the next 12 months, and between 35% and 15% of volumes of net entitlement production expected for the following 12 months dependent on the proportion of the facility that is utilised. This requirement ceases at the end date of the facility.

Details of the commodity derivative contracts entered into during and open at the end of 2024 are disclosed in note 18. As of 31 December 2024, the Group held financial instruments (options and swaps) related to crude oil that covered 4.4 MMbbls of 2025 production and 1.3 MMbbls of 2026 production. The instruments have an effective average floor price of around \$69/bbl in both 2025 and 2026. The Group utilises multiple benchmarks when hedging production to achieve optimal results for the Group. No derivatives were designated in hedging relationships at 31 December 2024.

The following table summarises the impact on the Group's pre-tax profit of a reasonably possible change in the Brent oil price on the fair value of derivative financial instruments, with all other variables held constant. The impact in equity is the same as the impact on profit before tax.

	Pre-tax	profit
	+\$10/bbl increase \$'000	-\$10/bbl decrease \$'000
31 December 2024	(47,600)	47,200
31 December 2023	(4,000)	7,400

# 27. Risk management and financial instruments continued

#### Foreign exchange risk

The Group is exposed to foreign exchange risk arising from movements in currency exchange rates. Such exposure arises from sales or purchases in currencies other than the Group's functional currency and the 9.00% retail bond and any UK EPL cash tax payments which is denominated in Sterling. To mitigate the risks of large fluctuations in the currency markets, the hedging policy agreed by the Board allows for up to 70% of the non-US Dollar portion of the Group's annual capital budget and operating expenditure to be hedged. For specific contracted capital expenditure projects, up to 100% can be hedged. Approximately 12% (2023: 22%) of the Group's sales and 97% (2023: 95%) of costs (including operating and capital expenditure and general and administration costs) are denominated in currencies other than the functional currency.

Strategic Report Corporate Governance

**Financial Statements** 

The Group also enters into foreign currency swap contracts from time to time to manage short-term exposures. The following tables summarise the Group's financial assets and liabilities exposure to foreign currency.

Year ended 31 December 2024	GBP \$'000	MYR \$'000	Other \$'000	Total \$'000
Total financial assets	219,758	22,570	3,024	245,352
Total financial liabilities	455,128	21,731	3,801	480,661
Year ended 31 December 2023	GBP \$'000	MYR \$'000	Other \$'000	Total \$'000
Total financial assets	241,844	42,233	954	285,031
Total financial liabilities	479,819	9,801	1,295	490,915

The following table summarises the sensitivity to a reasonably possible change in the US Dollar to Sterling foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at the reporting date. The impact in equity is the same as the impact on profit before tax. The Group's exposure to foreign currency changes for all other currencies is not material:

	Pre-tax	profit
	10% rate increase \$'000	10% rate decrease \$'000
31 December 2024	(19,956)	19,956
31 December 2023	(20,398)	20,398

### Credit risk

Credit risk is managed on a Group basis. Credit risk in financial instruments arises from cash and cash equivalents and derivative financial instruments where the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. For banks and financial institutions only those rated with an A-/A3 credit rating or better are accepted. Cash balances can be invested in short-term bank deposits and AAA-rated liquidity funds, subject to Board-approved limits and with a view to minimising counterparty credit risks.

In addition, there are credit risks of commercial counterparties, including exposures in respect of outstanding receivables. The Group trades only with recognised international oil and gas companies, commodity traders and shipping companies and at 31 December 2024, there were no trade receivables past due but not impaired (2023: nil) and no joint venture receivables past due but not impaired (2023: nil). Receivable balances are monitored on an ongoing basis with appropriate follow-up action taken where necessary. Any impact from ECL is disclosed in note 15.

Ageing of past due but not impaired receivables	2024 \$'000	\$'000
Less than 30 days	-	_
30-60 days	-	-
60-90 days	-	-
90-120 days	-	-
120+ days	-	_
	-	_

At 31 December 2024, the Group had two customers accounting for 91% of outstanding trade receivables (2023: one customer, 58%) and four joint venture partners accounting for over 70% of outstanding joint venture receivables (2023: no joint venture partner).

176-177

EnQuest PLC Annual Report and Accounts 2024

### 27. Risk management and financial instruments continued

#### Liauidity risk

The Group monitors its risk of a shortage of funds by reviewing its cash flow requirements on a regular basis relative to its existing bank facilities and the maturity profile of its borrowings. Specifically, the Group's policy is to ensure that sufficient liquidity or committed facilities exist within the Group to meet its operational funding requirements and to ensure the Group can service its debt and adhere to its financial covenants. At 31 December 2024, \$194.3 million (2023: \$166.2 million) was available for drawdown under the Group's facilities (see note 17).

The following tables detail the maturity profiles of the Group's non-derivative financial liabilities, including projected interest thereon. The amounts in these tables are different from the balance sheet as the table is prepared on a contractual undiscounted cash flow basis and includes future interest payments.

The payment of contingent consideration is limited to cash flows generated from Magnus (see note 21). Therefore, no contingent consideration is payable if insufficient cash flows are generated over and above the requirements to operate the asset and there is no exposure to liquidity risk. By reference to the conditions existing at the reporting period end, the maturity analysis of the contingent consideration is disclosed below. All of the Group's liabilities, except for the RBL, are unsecured.

Year ended 31 December 2024	On demand \$'000	Up to 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Loans	-	34,168	-	-	-	34,168
Bonds	-	69,095	69,095	701,197	-	839,387
Contingent consideration	-	20,675	64,877	265,854	425,027	776,433
Obligations under lease liabilities	-	66,092	71,600	222,093	31,696	391,481
Trade and other payables	-	414,390	-	-	-	414,390
	-	604,420	205,572	1,189,144	456,723	2,455,859
Year ended 31 December 2023	On demand \$'000	Up to 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Loans	_	64,518	131,081	221,311	-	416,910
Bonds	-	50,749	50,749	576,415	-	677,913
Contingent consideration	-	46,555	95,335	289,823	393,187	824,900
Obligations under lease liabilities	-	160,341	70,062	229,310	36,322	496,035
Trade and other payables	_	347,408	13,167	19,750	-	380,325
	_	669,571	360,394	1,336,609	429,509	2,796,083

The following tables detail the Group's expected maturity of payables for its derivative financial instruments. The amounts in these tables are different from the balance sheet as the table is prepared on a contractual undiscounted cash flow basis. When the amount receivable or payable is not fixed, the amount disclosed has been determined by reference to a projected forward curve at the reporting date.

Year ended 31 December 2024	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 2 years \$'000	Over 2 years \$'000	Total \$'000
Commodity derivative contracts	-	546	8,908	999	-	10,453
Foreign exchange derivative contracts	-	1,105	1,249	-	_	2,354
Other derivative contracts	-	23,902	3,802	1,928	-	29,632
	-	25,553	13,959	2,927	-	42,439
Year ended 31 December 2023	On demand \$'000	Less than 3 months \$'000	3 to 12 Months \$'000	1 to 2 years \$'000	Over 2 years \$'000	Total \$'000
Commodity derivative contracts	414	3,111	17,264	1,000	_	21,789
Other derivative contracts	-	8,261	_	-	_	8,261
	414	11,372	17,264	1,000	-	30,050

# 27. Risk management and financial instruments continued

### Capital management

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents and equity attributable to the equity holders of the parent company, comprising issued capital, reserves and retained earnings as in the Group statement of changes in equity.

The primary objective of the Group's capital management is to optimise the return on investment, by managing its capital structure to achieve capital efficiency whilst also maintaining flexibility for downside protection and growth initiatives. The Group regularly monitors the capital requirements of the business over the short, medium and long term, in order to enable it to foresee when additional capital will be required.

The Group has approval from the Board to hedge external risks, see Commodity price risk: oil prices and foreign exchange risk. This is designed to reduce the risk of adverse movements in exchange rates and market prices eroding the return on the Group's projects and operations.

The Board regularly reassesses the existing dividend policy to ensure that shareholder value is maximised. Any future shareholder distributions are expected to depend on the earnings and financial condition of the Company and such other factors as the Board considers appropriate.

The Group monitors capital using the gearing ratio and return on shareholders' equity as follows. Further information relating to the movement year-on-year is provided within the relevant notes and within the Financial review (pages 34 to 38).

	2024 \$'000	2023 \$'000
Loans, borrowings and bond <sup>(i)</sup> (A) (see note 17)	666,073	794,453
Cash and cash equivalents (see note 13)	(280,239)	(313,572)
EnQuest net debt (B) <sup>(ii)</sup>	385,834	480,881
Equity attributable to EnQuest PLC shareholders (C)	542,466	456,728
Profit/(loss) for the year attributable to EnQuest PLC shareholders (D)	93,773	(30,833)
Adjusted EBITDA (F) <sup>(ii)</sup>	672,585	824,666
Gross gearing ratio (A/C)	1.2	1.7
Net gearing ratio (B/C)	0.7	1.1
EnQuest net debt/adjusted EBITDA (B/F) <sup>(ii)</sup>	0.6	0.6
Shareholders' return on investment (D/C)	17.3%	N/A

(i) Principal amounts drawn, excludes netting off of fees and accrued interest (see note 17)
(ii) See Glossary – non GAAP measures on pages 189 to 192

### 28. Subsidiaries

At 31 December 2024, EnQuest PLC had investments in the following subsidiaries:

			nominal value of issued Ordinary
Name of company	Principal activity	Country of incorporation	shares controlled by the Group
EnQuest Britain Limited	Intermediate holding company and provision of Group manpower and contracting/procurement services	England	100%
EnQuest Heather Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Thistle Limited <sup>(i)4</sup>	Exploration, extraction and production of hydrocarbons	England	100%
Stratic UK (Holdings) Limited(i)4	Intermediate holding company	England	100%
EnQuest ENS Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest UKCS Limited <sup>(i)4</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Heather Leasing Limited <sup>(i)</sup>	Leasing	England	100%
EQ Petroleum Sabah Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Dons Leasing Limited <sup>(i)</sup>	Leasing	England	100%
EnQuest Energy Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Production Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Global Limited	Intermediate holding company	England	100%
EnQuest NWO Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EQ Petroleum Production Malaysia Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
NSIP (GKA) Limited <sup>1</sup>	Dormant	Scotland	100%
EnQuest Global Services Limited <sup>(1)2</sup>	Provision of Group manpower and contracting/procurement services for the international business	Jersey	100%
EnQuest Marketing and Trading Limited	Marketing and trading of crude oil	England	100%
NorthWestOctober Limited <sup>(i)4</sup>	Dormant	England	100%
EnQuest UK Limited <sup>(i)4</sup>	Dormant	England	100%
EnQuest Petroleum Developments Malaysia SDN. BHD <sup>(i)3</sup>	Exploration, extraction and production of hydrocarbons	Malaysia	100%
EnQuest NNS Holdings Limited <sup>(i)4</sup>	Intermediate holding company	England	100%
EnQuest NNS Limited(i)4	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Advance Holdings Limited <sup>(i)</sup>	Intermediate holding company	England	100%
EnQuest Advance Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Forward Holdings Limited <sup>(i)4</sup>	Intermediate holding company	England	100%
EnQuest Forward Limited <sup>(i)4</sup>	Exploration, extraction and production of hydrocarbons	England	100%
EnQuest Progress Limited <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
North Sea (Golden Eagle) Resources Ltd <sup>(i)</sup>	Exploration, extraction and production of hydrocarbons	England	100%
Veri Energy (CCS) Limited <sup>(i)</sup>	Assessment and development of new energy and decarbonisation opportunities	England	100%
Veri Energy (Hydrogen) Limited <sup>(i)</sup>	Assessment and development of new energy and decarbonisation opportunities	England	100%
Veri Energy Holdings Limited	Intermediate holding company	England	100%
Veri Energy Limited <sup>(f)</sup>	Assessment and development of new energy and decarbonisation opportunities	England	100%

<sup>(</sup>i) Held by subsidiary undertaking

The Group has two branches outside the UK (all held by subsidiary undertakings): EnQuest Global Services Limited (Dubai) and EnQuest Petroleum Production Malaysia Limited (Malaysia).

Other than those listed below, all entities have a Registered office address as Charles House, 2nd Floor, 5-11 Regent Street, London, SW1Y 4LR, United Kingdom.

- Annan House, Palmerston Road, Aberdeen, Scotland, ABI1 5QP, United Kingdom
  Ground Floor, Colomberie House, St. Helier, Jt4 0RX, Jersey
  c/o TMF, 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur, Malaysia
  c/o BDO LLP, Temple Square, Temple Street, Liverpool L2 5RH indicates those legal entities that formally entered into the liquidation process during October 2024

# 29. Cash flow information

Proportion of

# Cash generated from operations

			Year ended 31 December	Year ended 31 December
		Notes	2024 \$'000	2023 \$'000
Profit/(loss) before tax		Notes	166,614	231,779
Depreciation		4(c)	6,040	6,109
Depletion		4(b)	263,252	292,199
Exploration and appraisal expense		4(6)	183	5,640
Net impairment charge to oil and gas assets		9	71,414	117,396
Net (write back)/disposal of inventory		· ·	(5,539)	
Share-based payment charge		4(e)	983	3,320
Change in Magnus related contingent consideration		21	15,904	(10,811)
Change in provisions		22	39,116	59,970
Other non-cash income		4(d)	-	(4,058)
Change in Golden Eagle related contingent consideration		21	_	1,663
Unrealised (gain)/loss on commodity financial instruments		4(a)	(3,090)	(28,463)
Unrealised loss/(gain) on other financial instruments		4(b)	2,823	3,832
Unrealised exchange (gain)/loss		. ()	(8,714)	
Net finance expense			113,711	140,213
Operating cash flow before working capital changes			662,697	830,568
(Increase)/decrease in trade and other receivables			(4,561)	
(Increase)/decrease in inventories			(5,786)	
Increase/(decrease) in trade and other payables			33,596	(18,028)
Cash generated from operations			685,946	854,746
·			-	
Changes in liabilities arising from financing activities	Loans and		Lease	
	borrowings \$'000	Bonds \$'000	liabilities \$'000	Total \$'000
At 1 January 2023	(413,528)	(597,283)	(482,066)	(1,492,877)
Cash movements:				
Repayments of loans and borrowings	289,684	138,052	_	427,736
Proceeds from loans and borrowings	(190,657)	-	-	(190,657)
Payment of lease liabilities	_	-	135,675	135,675
Cash interest paid in year	36,285	62,130	-	98,415
Non-cash movements:				
Additions	_	_	(28,377)	(28,377)
Interest/finance charge payable	(30,708)	(58,999)	(43,801)	(133,508)
Fee amortisation	(1,476)	(3,091)	_	(4,567)
Foreign exchange and other non-cash movements	(810)	(11,828)	(3,605)	(16,243)
At 31 December 2023	(311,210)	(471,019)	(422,174)	(1,204,403)
Cash movements:				
Repayments of loans and borrowings <sup>(i)</sup>	312,304	-	-	312,304
Proceeds from loans and borrowings <sup>(ii)</sup>	(26,928)	(160,000)	-	(186,928)
Payment of lease liabilities	-	-	130,065	130,065
Cash interest paid in year <sup>(iii)</sup>	18,524	52,494	-	71,018
Non-cash movements:				
Non-cash movements: Additions	_	3,362	(16,453)	(13,091)
	– (18,524)		(16,453) (27,673)	
Additions	- (18,524) (5,036)	(54,971)	-	(101,168)
Additions Interest/finance charge payable	-	(54,971) (3,493)	-	

Strategic Report Corporate Governance

**Financial Statements** 

EnQuest PLC Annual Report and Accounts 2024 178-179

<sup>(</sup>i) Repayments of loans and borrowings include \$140.0 million repaid under the RBL facility, \$150.0 million term loan repayment and \$22.3 million repaid under the SVT working capital facility (note 17). In the Group Cash Flow Statement, the repayment of loans and borrowings line does not include the term loan repayment. This was fully repaid utilising the proceeds from the high yield bond tap and as such netted against the proceeds of the high yield bond tap in the Group Cash Flow Statement on the proceeds from loans and borrowings line

(ii) Proceeds from loans and borrowing include \$26.9 million draw-downs under the SVT working capital facility and \$160.0 million high yield bond tap. In the Group Cash Flow

Statement, proceeds from loans and borrowings of \$31.7 million includes amounts outlined in the table above less the term loan repayment of \$150.0 million, associated fees on termination \$4.7 million and \$0.4 million relating to the high yield bond issue premium net of issue fees. See note 17 for further details

(iii) The cashflow statement includes interest on decommissioning bonds and Letters of Credit

For the year ended 31 December 2024

### 29. Cash flow information continued

### Reconciliation of carrying value

At 31 December 2024	(33,972)	(630,885)	(335,255)	(1,000,112)
Accrued interest	-	(9,445)	_	(9,445)
Unamortised fees	-	10,661	-	10,661
Principal	(33,972)	(632,101)	(335,255)	(1,001,328)
At 31 December 2023	(311,210)	(471,019)	(422,174)	(1,204,403)
Accrued interest	21	(7,074)	_	(7,053)
Unamortised fees	8,553	10,724	_	19,277
Principal	(319,784)	(474,669)	(422,174)	(1,216,627)
	(see note 17) \$'000	(see note 17) \$'000	(see note 23) \$'000	Total \$'000

### 30. Subsequent events

In January 2025, EnQuest announced that it had signed a Sale and Purchase Agreement to acquire Harbour Energy's business in Vietnam, which includes the 53.125% equity interest in the Chim Sáo and Dua production fields. These fields are governed by the Block 12W Production Sharing Contract, which runs to November 2030 with an opportunity to extend. The transaction has an effective date of 1 January 2024 and is scheduled to complete during the second quarter of 2025. The headline value of the transaction is \$84.0 million and, net of interim period cash flows, the consideration to be paid by EnQuest on completion is expected to equal c.\$35 million. As at 1 January 2025, net 2P reserves and 2C resources across the fields total 7.5 million Boe and 4.9 million Boe, respectively.

# Statement of Directors' Responsibilities

for the Parent Company Financial Statements

The Directors are responsible for preparing the Parent Company financial statements in accordance with applicable law and regulations.

Strategic Report Corporate Governance

**Financial Statements** 

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the parent company financial statements, the Directors are required to:

- · Select suitable accounting policies and then apply them consistently;
- · Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's specific corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Company Balance Sheet (Registered number: 07140891)

At 31 December 2024

	Notes	2024 \$'000	2023 \$'000
Fixed assets			
Investments	3	372,243	299,770
Current assets			
Trade and other debtors			
– due within one year	4	811,983	661,631
- due after one year	4	38,453	36,276
Cash at bank and in hand		265	178
		850,701	698,085
Trade and other creditors: amounts falling due within one year	6	(3,328)	(152,634)
Net current assets		847,373	545,451
Total assets less current liabilities		1,219,616	845,221
Trade and other creditors: amounts falling due after one year	7	(630,885)	(463,946)
Net assets		588,731	381,275
Share capital and reserves			
Share capital and premium	8	392,054	393,831
Treasury shares		(4,425)	-
Other reserve		40,143	40,143
Share-based payment reserve		13,949	13,195
Capital redemption reserve		2,006	-
Profit and loss account		145,004	(65,894)
Shareholders' funds		588,731	381,275

The attached notes 1 to 13 form part of these Company financial statements.

The Company reported a profit for the financial year ended 31 December 2024 of \$215.5 million (2023: loss of \$93.4 million). There were no other recognised gains or losses in the period (2023: nil).

The financial statements were approved by the Board of Directors and authorised for issue on 26 March 2025 and signed on its behalf by:

Jonathan Copus

Chief Financial Officer

# Company Statement of Changes in Equity

For the year ended 31 December 2024

	Notes	Share capital and share premium \$'000	Treasury shares \$'000	Other reserve \$'000	Share-based payments reserve \$'000	Capital redemption reserve \$'000	Profit and loss account \$'000	Total \$'000
At 31 December 2022 Profit/(loss) for the year		392,196 –	- -	40,143 –	11,510 –	- -	27,513 (93,407)	471,362 (93,407)
Total comprehensive expense for the year		-	-	-	-	-	(93,407)	(93,407)
Issue of shares to Employee Benefit Trust		1,635	_	_	(1,635)	-	_	-
Share-based payment charge		_	-	-	3,320	-	-	3,320
At 31 December 2023		393,831	-	40,143	13,195	-	(65,894)	381,275
Profit/(loss) for the year		_	-	-	-	_	215,491	215,491
Total comprehensive income for the year		_	-	-	-	_	215,491	215,491
Issue of shares to Employee Benefit Trust	8	229	_	_	(229)	-	_	_
Repurchase and cancellation of shares	8	(2,006)	(4,425)	-	-	2,006	(4,593)	(9,018)
Share-based payment charge		_	_	-	983	-	_	983
At 31 December 2024		392,054	(4,425)	40,143	13,949	2,006	145,004	588,731

Strategic Report Corporate Governance

**Financial Statements** 

# Notes to the Company Financial Statements

For the year ended 31 December 2024

### 1. Corporate information

The separate parent company financial statements of EnQuest PLC ('EnQuest' or the 'Company') for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 26 March 2025.

EnQuest PLC is a public limited company incorporated and registered in England and is the holding and ultimate controlling company for the Group of EnQuest subsidiaries (together the 'Group'). The Company address can be found on the inside back cover. of the Group Annual Report and Accounts.

### 2. Summary of significant accounting policies

### Basis of preparation

These separate financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100, 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council. The Company has previously notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

These financial statements are prepared under the historical cost basis, except for the fair value remeasurement of certain financial instruments as set out in the accounting policies below. The functional and presentation currency of the separate financial statements is US Dollars and all values in the separate financial statements are rounded to the nearest thousand (\$'000) except where otherwise stated.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, fair value measurement, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts. For new standards and interpretations see note 2 of the Group financial statements. No material impact was recognised upon application in the Company financial statements.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented an income statement or a statement of comprehensive income for the parent company. The parent company's accounts present information about it as an individual undertaking and not about its Group.

### Going concern

The Directors' assessment of going concern concludes that the use of the going concern basis is appropriate and the Directors have a reasonable expectation that the Group, and therefore the Company, will be able to continue in operation and meet its commitments as they fall due over the going concern period. See note 2 of the Group financial statements for further details.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

### Critical accounting estimates and judgements

The management of the Group has to make estimates and judgements when preparing the financial statements of the Group. Uncertainties in the estimates and judgements could have an impact on the carrying amount of assets and liabilities and the Group's results. The most important estimates in relation thereto are:

# Key sources of estimation uncertainty: Impairment/reversal of impairment of investments in subsidiaries

Determination of whether investments have suffered any impairment requires an estimation of the assets' recoverable value. The recoverable value is based on the discounted cash flows expected to arise from the subsidiaries' oil and gas assets, using asset-by-asset life-of-field projections as part of the Group's assessment for the impairment of the oil and gas assets. The Company's investment in subsidiaries is tested for impairment annually (see note 3 for recoverable values and sensitivities). See Group critical accounting estimates and judgements in note 2 for recoverability of oil and gas subsidiary asset carrying values.

No critical accounting judgements have been identified in the preparation of these financial statements.

### Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded at the prevailing rate of exchange on the date of the transaction. At the year end, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the rate of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the rate of exchange at the date the fair value was determined. All foreign exchange gains and losses are taken to the statement of comprehensive income.

#### 3. Investments

### **Accounting policy**

Investments in subsidiaries are accounted for at cost less any provision for impairment.

# (a) Summary

	2024 \$'000	2023 \$'000
Subsidiary undertakings	372,237	299,764
Other financial assets at FVPL	6	6
Total	372,243	299,770
(b) Subsidiary undertakings		\$′000
Cost		\$ 000
At 1 January 2023		1,398,876
Additions		3,320
At 31 December 2023		1,402,196
Additions		983
At 31 December 2024		1,403,179
Provision for impairment		
At 1 January 2023		1,028,527
Impairment charge for the year		73,905
At 31 December 2023		1,102,432
Impairment reversal for the year		(71,490)
At 31 December 2024		1,030,942
Net book value		
At 31 December 2024		372,237
At 31 December 2023		299,764
At 31 December 2022		370,349

Strategic Report Corporate Governance

**Financial Statements** 

The Company has recognised an impairment reversal of its investment in subsidiary undertakings of \$71.5 million during the year (2023: \$73.9 million charge). The impairment reversal for the year ended 31 December 2024 is primarily driven by profits generated in the underlying subsidiaries.

The Group's recoverable value of its investments is highly sensitive, inter alia, to oil price achieved. A sensitivity has been run on the oil price assumption, with a 10.0% change being considered to be a reasonable possible change for the purposes of sensitivity analysis (see note 2 of the Group financial statements). A 10.0% decrease in oil price would have decreased the net book value by \$179.0 million.

The oil price sensitivity analysis does not, however, represent management's best estimate of any impairments that might be recognised as they do not fully incorporate consequential changes that may arise, such as reductions in costs and changes to business plans, phasing of development, levels of reserves and resources, and production volumes. As the extent of a price reduction increases, the more likely it is that costs would decrease across the industry. The oil price sensitivity analysis therefore does not reflect a linear relationship between price and value that can be extrapolated.

Details of the Company's subsidiaries at 31 December 2024 are provided in note 28 of the Group financial statements.

### (c) Other financial assets at fair value through profit or loss

The interest in other listed investments at the end of the year is part of the Group's investment in the Ordinary share capital of Ascent Resources plc, which is incorporated in the United Kingdom and registered in England and Wales.

For the year ended 31 December 2024

# 4. Trade and other debtors

#### Financial assets

Financial assets are classified at initial recognition as amortised cost, fair value through other comprehensive income ('FVOCI'), or fair value through profit or loss ('FVPL'). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Company does not currently hold any financial assets at FVOCI, i.e. debt financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

### Financial assets at amortised cost

Trade debtors, other debtors and joint operation debtors are measured initially at fair value and subsequently recorded at amortised cost, using the effective interest rate ('EIR') method, and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired and EIR amortisation is included within finance costs.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
   and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Prepayments, which are not financial assets, are measured at historical cost.

#### Impairment of financial assets

The Company recognises a loss allowance for expected credit loss (ECL'), where material, for all financial assets held at the balance sheet date. The measurement of expected credit losses is a function of the probability of default, loss given default and exposure at default. ECLs are based on the difference between the contractual cash flows due to the Company, and the discounted actual cash flows that are expected to be received. Where there has been no significant increase in credit risk since initial recognition, the loss allowance is equal to 12-month expected credit losses. Where the increase in credit risk is considered significant, lifetime credit losses are provided. For trade receivables, a lifetime credit loss is recognised on initial recognition where material.

The Company evaluates the concentration of risk with respect to intercompany debtors as low, as its customers are intercompany ventures, and has considered the risk relating to the probability of default on loans that are repayable on demand. The Company has evaluated an expected credit loss of \$nil for the year ended 31 December 2024, as required by IFRS 9's expected credit loss model (2023; \$nil).

	2024 \$'000	2023 \$'000
Due within one year		
Prepayments	13	51
Amounts due from subsidiaries	811,970	552,753
Other receivables – vendor financing facility	_	108,827
	811,983	661,631
Due after one year		
Other receivables – vendor financing facility	38,453	36,276
	38,453	36,276

Included within the amounts due from Group undertakings are balances of \$669.8million (2023: \$512.4 million) on which interest was charged at between 9.0%-13.36% (2023: 9.0%-11.625%). All other balances are interest free.

Amounts owed by Group undertakings are unsecured and repayable on demand, however, the Company does not anticipate needing to recall any funds in the next twelve months. The prior year comparative of \$552.8 million has been reallocated to amounts due within one year reflecting the contractual term of the balance.

A vendor financing facility was entered into with RockRose Energy Limited on 29 December 2023 following the farm-down of a 15.0% share in the EnQuest Producer FPSO and capital items associated with the Bressay development. \$107.5 million was repaid in the first quarter of 2024 with the remainder repayable through future net cash flows from the Bressay field. Interest on the outstanding amount accrues at 2.5% plus the Bank of England's Base Rate.

### 5. Deferred tax

The Company has unused UK mainstream corporation tax losses of \$54.3 million (2023; \$67.8 million) for which no deferred tax asset has been recognised at the balance sheet date due to the uncertainty of recovery of these losses.

Strategic Report Corporate Governance

**Financial Statements** 

# 6. Trade and other creditors: amounts falling due within one year

### **Accounting policy**

#### Financial liabilities

Financial liabilities are classified at initial recognition as amortised cost or at FVPL.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Group income statement.

### Financial liabilities at amortised cost

Loans and borrowings, trade creditors and other creditors are measured initially at fair value net of directly attributable transaction costs and subsequently recorded at amortised cost, using the EIR method. Loans and borrowings are interest bearing. Gains and losses are recognised in profit or loss when the liability is derecognised and EIR amortisation is included within finance costs.

	2024 \$'000	2023 \$'000
Bond and other interest (see note 7)	-	7,073
Amounts due to subsidiaries	3,086	145,434
Accruals	242	127
	3,328	152,634

Included within the amounts owed to Group undertakings are balances of \$nil million (2023: \$7.9 million) on which interest was charged at 13.36% (2023: 10.98%). All other balances are interest free.

All amounts owed to Group undertakings are unsecured and repayable on demand.

# 7. Trade and other creditors: amounts falling due after one year

	2024 \$'000	2023 \$'000
Bonds <sup>(i)</sup>	630,885	463,946

(i) Accrued interest on borrowings has been reclassed in the current period to better reflect the total borrowings balance (comparative information has not been restated as it is not material)

At 31 December 2024, bonds comprise a high yield bond and a retail bond. The carrying value of the high yield bond is \$454.3 million (2023: \$294.3 million). In October 2024, the Group concluded a tap of an additional \$160.0 million of the high yield bond on the same terms and conditions as the existing bond. The notes accrue a fixed coupon of 11.625% bi-annually with a maturity date of November 2027. The retail bond has a carrying value of \$167.1 million (2023: \$169.7 million) and pays a coupon of 9.00% with a maturity date of October 2027. Included within the bond value for 2024 is accrued bond interest of \$9.4 million. See note 17 of the Group financial statements. The maturity profile of the bonds is disclosed in note 27 of the Group financial statements.

### 8. Share capital and share premium

The movement in the share capital and share premium of the Company was as follows:

Authorised, issued and fully paid	Ordinary shares of £0.05 each Number	Share capital \$'000	Share premium \$'000	Total \$'000
At 1 January 2024	1,912,304,113	133,285	260,546	393,831
Issue of shares to Employee Benefit Trust	3,620,226	229	_	229
Repurchase and cancellation of shares	(30,894,836)	(2,006)	-	(2,006)
At 31 December 2024	1,885,029,503	131,508	260,546	392,054

During 2024, a share buy-back programme was executed with a total of 55,894,836 Ordinary shares repurchased as at 31 December 2024. The first 25,000,000 Ordinary shares purchased under the Programme are held in Treasury for issue in due course to the Company's EBT to satisfy the anticipated future exercise of options and awards made to employees and Executive Directors of EnQuest PLC pursuant to certain of the Company's existing share plans. The remaining 30,894,836 Ordinary shares were cancelled.

At 31 December 2024, there were 972,269 shares held by the EBT (2023: 8,449,793) which are included within the share-based payment reserve. The movement in the year was 11,097,750 shares used to satisfy awards made under the Company's share-based incentive schemes offset by a subscription for 3,620,226 additional Ordinary shares.

For the year ended 31 December 2024

#### 9. Reserves

### Share capital and share premium

The balance classified as equity share capital includes the total net proceeds (both nominal value and share premium) on issue of registered share capital of the parent company. Share issue costs associated with the issuance of new equity are treated as a direct reduction of proceeds. The share capital comprises only one class of Ordinary share. Each Ordinary share carries an equal voting right and right to a dividend.

#### Other reserve

The other reserve is used to record any other transactions taken straight to reserves as non-distributable.

#### Treasury share:

Represents amounts transferred following purchase of the Company's own shares out of distributable profits, with those shares available for resale into the market, transfer to the Group's Employee Benefit Trust ('EBT') where they can be used to satisfy awards made under the Company's share-based incentive schemes, or cancelled.

### Capital redemption reserve

Represents the par value of shares cancelled following the purchase of the Company's own shares out of distributable profits.

### Share-based payments reserve

The reserve for share-based payments is used to record the value of equity-settled share-based payments awards to employees and the balance of the shares held by the Company's Employee Benefit Trust which are held to satisfy these awards. Transfers out of this reserve are made upon vesting of the original share awards. Share-based payment plan information is disclosed in note 20 of the Group financial statements.

### 10. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company and Group financial statements are disclosed in note 4(f) of the Group financial statements.

### 11. Directors' remuneration

The emoluments of the Directors are paid to them in their capacity as Directors of the Company for qualifying services to the Company and the EnQuest Group. Further information is provided in the Directors' Remuneration Report on pages 111 to 114.

### 12. Distributions proposed

Further details are disclosed in note 8 of the Group financial statements.

#### 13. Contingencies

The Company provides a number of parent company guarantees. These have been assessed as having no material value.

# Glossary - Non-GAAP Measures

The Group uses Alternative Performance Measures ('APMs') when assessing and discussing the Group's financial performance, balance sheet and cash flows that are not defined or specified under IFRS but consistent with accounting policies applied in the financial statements. The Group uses these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, to provide stakeholders with additional useful information to aid the understanding of the Group's underlying financial performance, balance sheet and cash flows by adjusting for certain items, as set out below, which impact upon IFRS measures or, by defining new measures.

**Financial Statements** 

Corporate Governance

As set out in note 2, the Group no longer separately presents business performance results and remeasurements and exceptional items. However, the Group continues to adjust for material items consisting of income and expense within its APMs which, because of the nature or expected infrequency of the events giving rise to them or they are items which are remeasured on a periodic basis, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

Adjusting items include, but are not limited to:

- · Unrealised mark-to-market changes in the remeasurement of open derivative contracts at each period end;
- · Impairments on assets, including other non-routine write-offs/write-downs where deemed material;
- Fair value accounting arising in relation to business combinations. These transactions, and the subsequent remeasurements of contingent assets and liabilities arising on acquisitions, including contingent consideration, do not relate to the principal activities and day-to-day underlying business performance of the Group; and
- · Other items that arise from time to time that are reviewed by management and considered to require separate presentation.

In considering the tax on exceptional items, the Group applies the appropriate statutory tax rate to each item to calculate the relevant tax charge on exceptional items.

Adjusted net profit attributable to EnQuest PLC shareholders (i)	2024 \$'000	2023 \$'000
Net profit/(loss) (A)	93,773	(30,833)
Adjustments – remeasurements and exceptional items:		
Unrealised gains on derivative contracts (note 18)	267	24,631
Net impairment (charge)/reversal to oil and gas assets (note 9, note 10 and note 11)	(71,414)	(117,396)
Change in Magnus contingent consideration (notes 4(d))	(15,904)	(10,811)
Movement in other provisions (notes 4(b) and note 4(d))	_	(1,717)
Insurance income on Kraken shutdown and PM8/Seligi riser incident (see note 4(d))	1,663	4,127
Write-off of exploration costs (see note 4(d))	(183)	(5,640)
Drilling rig contract regret costs (see note 4(d))	(14,629)	-
Pre-tax remeasurements and exceptional items (B)	(100,200)	(85,184)
Tax on remeasurements and exceptional items (C)	58,760	25,138
Post-tax remeasurements and exceptional items (D = B + C)	(41,440)	(60,046)
Adjusted net profit attributable to EnQuest PLC shareholders (A - D)	135,213	29,213

 $(i) A PM \ changed \ from \ business \ performance \ net \ profit \ to \ adjusted \ net \ profit, \ which \ have \ been \ calculated \ on \ a \ consistent \ basis$ 

Adjusted EBITDA is a measure of profitability. It provides a metric to show earnings before the influence of accounting (e.g. depletion and depreciation), financial deductions (e.g. borrowing interest) and other adjustments set out in the table below. For the Group, this is a useful metric as a measure to evaluate the Group's underlying operating performance and is a component of a covenant measure under the Group's reserve based lending ('RBL') facility. It is commonly used by stakeholders as a comparable metric of core profitability and can be used as an indicator of cash flows available to pay down debt. Due to the adjustment made to reach adjusted EBITDA, the Group notes the metric should not be used in isolation. The nearest equivalent measure on an IFRS basis is profit/(loss) before tax and finance income/(costs).

Adjusted EBITDA	2024 \$'000	2023 \$'000
Reported profit from operations before tax and finance income/(costs)	311,528	397,373
Adjustments:		
Unrealised gains on derivative contracts (note 18)	(267)	(24,631)
Net impairment charge/(reversal) to oil and gas assets (note 9, note 10 and note 11)	71,414	117,396
Change in Magnus contingent consideration (notes 4(d))	15,904	(10,811)
Insurance income on Kraken and PM8/Seligi riser incident (see note 4(d))	(1,663)	(4,127)
Write-off of exploration costs (see note 4(d))	183	5,640
Drilling rig contract regret costs (see note 4(d))	14,629	_
Depletion and depreciation (note 4(b) and note 4(c))	269,292	298,308
Inventory revaluation	(5,539)	(622)
Change in decommissioning and other provisions (note 4(b) and note 4(d))	7,078	34,481
Net foreign exchange (gain)/loss (note 4(d))	(9,975)	11,659
Adjusted EBITDA (E)	672,584	824,666

Total cash and available facilities is a measure of the Group's liquidity at the end of the reporting period. The Group believes this is a useful metric as it is an important reference point for the Group's going concern and viability assessments, see pages 37 to 38.

Total cash and available facilities	2024 \$'000	2023 \$'000
Available cash	226,317	313,028
Restricted cash	53,922	544
Total cash and cash equivalents (F) (note 13)	280,239	313,572
Available credit facilities <sup>(1)</sup>	248,356	518,794
Credit facility – drawn down	_	(290,000)
Letter of credit – utilised (note 17)	(54,100)	(43,545)
Available undrawn facility (G)	194,256	185,249
Total cash and available facilities (F + G)	474,495	498,821

(j) Includes amounts available under the RBL: \$176.4 million (2023: \$306.2 million), letters of credit: \$54.1 million (2023: \$43.5 million), term loan: \$nil (2023: \$150.0 million) and vendor loan facility providing capacity for refinancing the payment of existing invoices up to an amount of £23.7 million: \$17.9 million available (2023: In the prior year, this includes \$19.0 million in relation to a vendor loan facility which expired on 1 January 2024)

Net debt is a liquidity measure that shows how much debt a company has on its balance sheet compared to its cash and cash equivalents. It is an important reference point for the Group's going concern and viability assessments, see pages 37 to 38. The Group's definition of net debt, referred to as EnQuest net debt, excludes unamortised fees, accrued interest and the Group's lease liabilities as the Group's focus is the management of cash borrowings and a lease is viewed as deferred capital investment.

EnQuest net debt	2024 \$'000	2023 \$'000
Loans and borrowings (note 17):		
RBL facility	-	135,080
Term loan facility	-	146,367
SVT working capital facility	33,972	29,784
Bonds (note 17):		
High yield bond	454,339	294,276
Retail bond	167,101	169,669
Accrued interest	9,445	-
Loans and borrowings (H)	664,857	463,945
Non-cash accounting adjustments (note 17):		
Unamortised fees on loans and borrowings	-	8,553
Unamortised fees on bonds	10,661	10,724
Accrued interest	(9,445)	-
Non-cash accounting adjustments (I)	1,216	19,277
Debt (H + I) (J)	666,073	794,453
Less: Cash and cash equivalents (note 13) (F)	280,239	313,572
EnQuest net debt (J - F) (K)	385,834	480,881

The EnQuest net debt/adjusted EBITDA metric is a ratio that provides management and users of the Group's consolidated financial statements with an indication of the Group's ability to settle its debt. This is a helpful metric to monitor the Group's progress against its strategic objective of maintaining balance sheet discipline.

EnQuest net debt/adjusted EBITDA	2024 \$'000	2023 \$'000
EnQuest net debt (K)	385,834	480,881
Adjusted EBITDA (E)	672,585	824,666
EnQuest net debt/adjusted EBITDA (K/E)	0.6	0.6

Cash capital expenditure (nearest equivalent measure on an IFRS basis is purchase of property, plant and equipment) monitors investing activities on a cash basis, while cash decommissioning expense monitors the Group's cash spend on decommissioning activities. The Group provides guidance to the financial markets for both these metrics given the materiality of the work programme.

Cash capital and decommissioning expense	2024 \$'000	2023 \$'000
Reported net cash flows (used in)/from investing activities	(183,573)	(262,695)
Adjustments:		
Purchase of other intangible assets	1,138	876
Payment of Magnus contingent consideration – Profit share	48,466	65,506
Payment of Golden Eagle contingent consideration – Acquisition costs	-	50,000
Proceeds from vendor financing facility receipt	(107,518)	_
Proceeds from Bressay farm-down	(1,263)	_
Interest received	(10,101)	(5,895)
Cash capital expenditure	(252,851)	(152,208)
Decommissioning expenditure	(60,544)	(58,911)
Cash capital and decommissioning expense	(313,395)	(211,119)

Adjusted free cash flow (FCF) represents the cash a company generates, after accounting for cash outflows to support operations and to maintain its capital assets. It excludes movements in loans and borrowings, net proceeds from share issues, the impact of acquisitions and disposals and shareholder distributions. Currently, this metric is useful to management and users to assess the Group's ability to allocate capital across a range of activities - including investment shareholder distributions, transactions and debt management.

Adjusted free cash flow	2024 \$'000	2023 \$'000
Net cash flows from/(used in) operating activities	508,769	754,244
Adjustments:		
Purchase of property, plant and equipment	(249,165)	(141,741)
Purchase of oil and gas and other intangible assets	(4,824)	(11,343)
Payment of Magnus contingent consideration	(48,466)	(65,506)
Estimated cash tax on disposal proceeds <sup>(1)</sup>	50,000	_
Interest received	10,101	5,895
Payment of obligations under finance lease	(130,065)	(135,675)
Interest paid	(83,162)	(105,877)
Adjusted free cash flow	53,188	299,997

(i) Estimated by reference to disposal proceeds of \$141.4 million and the EPL tax rate of 35%

Average realised price is a measure of the revenue earned per barrel sold. The Group believes this is a useful metric for comparing performance to the market and to give the user, both internally and externally, the ability to understand the drivers impacting the Group's

Revenue sales	2024 \$'000	2023 \$'000
Revenue from crude oil sales (note 4(a)) (L)	1,020,266	1,127,419
Revenue from gas and condensate sales (note 4(a))	164,647	338,973
Realised (losses)/gains on oil derivative contracts (note 4(a)) (M)	(12,907)	(11,264)
Barrels equivalent sales	2024 kboe	2023 kboe
Sales of crude oil (N)	12,554	13,714
Sales of gas and condensate <sup>(1)</sup>	2,400	4,107
Total sales	14,954	17,821
(i) Includes volumes related to onward sale of third-party gas purchases not required for injection activities at Magnus		
Average realised prices	2024 \$/Boe	2023 \$/Boe
Average realised oil price, excluding hedging (L/N)	81.3	82.2
Average realised oil price, including hedging ((L + M)/N)	80.2	81.4

# Glossary - Non-GAAP Measures continued

Operating costs ('opex') is a measure of the Group's cost management performance (reconciled to reported cost of sales, the nearest equivalent measure on an IFRS basis). Opex is a key measure to monitor the Group's alignment to its strategic pillars of financial discipline and value enhancement and is required in order to calculate opex per barrel (see below).

Operating costs	2024 \$'000	2023 \$'000
Total cost of sales (note 4(b))	787,383	946,752
Adjustments:		
Unrealised (losses)/gains on derivative contracts related to operating costs (note 4(b))	(2,823)	(3,832)
Movement in contractor dispute provision (note 4(d))	_	(1,818)
Depletion of oil and gas assets (note 4(b))	(263,252)	(292,199)
(Charge)/credit relating to the Group's lifting position and inventory (note 4(b))	(2,172)	4,244
Other cost of operations(i) (note 4(b))	(136,318)	(305,919)
Operating costs	382,818	347,228
Less: realised (losses)/gains on derivative contracts (P) (note 4(b))	(4,735)	2,839
Operating costs directly attributable to production	378,083	350,067
Comprising of:		
Production costs (Q) (note 4(b))	307,634	308,331
Tariff and transportation expenses (R) (note 4(b))	70,449	41,736
Operating costs directly attributable to production	378,083	350,067
(i) Includes \$125.7 million (2023: \$294.0 million) of purchases and associated costs of third-party gas not required for injection activities at Magnus, w	hich is sold on	
	2024	2023
Barrels equivalent produced	kboe	kboe
Total produced (working interest) (S) <sup>(1)</sup>	14,909	15,992

<sup>(</sup>i) Production 724 kboe associated with Seligi gas (2023: 220 kboe)

Unit opex is the operating expenditure per barrel of oil equivalent produced. This metric is useful as it is an industry standard metric allowing comparability between oil and gas companies. Unit opex including hedging includes the effect of realised gains and losses on derivatives related to foreign currency and emissions allowances. This is a useful measure for investors because it demonstrates how the Group manages its risk to market price movements.

Unit opex	2024 \$/Boe	\$/Boe
Production costs (Q/S)	20.6	19.3
Tariff and transportation expenses (R/S)	4.7	2.6
Total unit opex ((Q + R)/S)	25.3	21.9
Realised loss/(gain) on derivative contracts (P/S)	0.3	(0.2)
Total unit opex including hedging ((P + Q+ R)/S)	25.6	21.7

# **Company information**

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EnQuest PLC shares are traded on the London Stock Exchange using the code 'ENQ'.

#### Registrar

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#### Financial calendar

27 May 2025: Annual General Meeting

September 2025: Half-year results

More information at www.enquest.com

### 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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