

**ENQUEST PLC  
("EnQuest")**

**7 per cent. Extendable PIK Toggle Notes due 2023  
(ISIN: XS0880578728)  
("Retail Notes")**

**FREQUENTLY ASKED QUESTIONS**

*These Frequently Asked Questions do not purport to constitute investment, legal or tax advice. If investors in the Retail Notes are in any doubt as to consequences for them of any of the matters referred to below, they are recommended to seek their own financial advice, including in respect of any tax consequences, from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (if they are in the United Kingdom) or from another appropriately authorised independent financial adviser (if they are not).*

**How will interest under the Retail Notes be paid?**

Interest on the Retail Notes will be paid in cash on each interest payment date – 15 February and 15 August in each year – only if the "Cash Payment Condition" is satisfied.

If the "Cash Payment Condition" is **not** satisfied, interest will **not** be paid in cash but instead will be capitalised and satisfied through the issue of additional Retail Notes ("**Additional Retail Notes**").

The "Cash Payment Condition" will be satisfied in respect of any interest payment (as determined by EnQuest) if: (i) the average of the Daily Brent Oil Prices during the period of six calendar months immediately preceding the "Cash Payment Condition Determination Date" is equal to or above US\$65.00; and (ii) as at the relevant "Cash Payment Condition Determination Date", no payment event of default has occurred and is continuing under EnQuest's senior, secured revolving credit and letter of credit facilities agreement between, amongst others, EnQuest and BNP Paribas as facility and security agent dated 6 March 2012.

For these purposes, the "Cash Payment Condition Determination Date" is the date falling one calendar month prior to the relevant interest payment date or, if such calendar date is not a business day under the Terms and Conditions of the Retail Notes, the immediately preceding business day in London.

**When will EnQuest notify investors whether the Cash Payment Condition is satisfied?**

EnQuest will issue an announcement not less than 10 business days prior to the relevant interest payment date notifying investors that the "Cash Payment Condition" has not been satisfied, the aggregate principal amount of Additional Retail Notes to be issued and the aggregate principal amount of Retail Notes – as increased by such Additional Retail Notes – in issue as of the relevant interest payment date.

The announcement will be made via the London Stock Exchange's Regulatory News Service.

**What will be the amount of Additional Retail Notes issued?**

The amount of Additional Retail Notes to be issued on any interest payment date in respect of which the "Cash Payment Condition" is not satisfied will be calculated by reference to the "PIK Interest Rate" of 7 per cent. per annum and the aggregate principal amount outstanding of the existing Retail

Notes then in issue as of the "record date" divided by two (given the semi-annual interest payment dates).

### **How will individual investors' entitlement to any Additional Retail Notes be determined?**

Additional Retail Notes will be allocated to each accountholder in Euroclear or Clearstream, Luxembourg holding Retail Notes as at the "record date". The aggregate principal amount of Additional Retail Notes to be allocated will be determined as the pro rata proportion that such accountholders' holding of Retail Notes as at the "record date" bears to the aggregate principal amount of Retail Notes then in issue. Allocation of Additional Retail Notes to accountholders will be effected by Euroclear and Clearstream, Luxembourg in accordance with their standard rules and procedures.

Investors should note that, for these purposes, an "accountholder" means any person shown in the records of Euroclear or Clearstream, Luxembourg as holding Retail Notes. It is likely that such accountholder will be a broker, custodian or nominee acting on behalf of the ultimate beneficial owner of the Retail Notes. Ultimate beneficial owners of the Retail Notes should contact any such broker, custodian or nominee to determine whether they are required to take any additional steps in order to receive their entitlement to Additional Retail Notes allocated to such broker, custodian or nominee.

### **What is the "record date" for determining investors' entitlement to Additional Retail Notes?**

Whilst the Retail Notes are held in global form through Euroclear or Clearstream, Luxembourg, the "record date" will be the close of business on the business day (i.e. Monday to Friday inclusive except 25 December and 1 January) immediately prior to the relevant interest payment date.

### **When will any Additional Retail Notes be issued?**

If the Cash Payment Condition is not satisfied (as described above) in respect of any interest payment date, EnQuest will issue Additional Retail Notes on the relevant interest payment date under the Retail Notes: i.e. on 15 February or 15 August in each year (as the case may be).

If that date is not a business day in London, EnQuest will issue the Additional Retail Notes on the next following business day in London.

### **Do investors have to subscribe Additional Retail Notes in cash?**

No – any Additional Retail Notes are being issued to satisfy EnQuest's obligation to pay interest under the Retail Notes. Investors will not be paid interest in cash; instead investors will receive the amount of interest in the form of Additional Retail Notes.

### **Will Additional Retail Notes have the same terms and conditions as the existing Retail Notes?**

Yes – Additional Retail Notes will have the same terms and conditions as the existing Retail Notes, apart from the issue date and the interest commencement date.

## **Will Additional Retail Notes be fungible with the existing Retail Notes? Will they form part of the same series?**

Additional Retail Notes will be fungible with the existing Retail Notes then outstanding from their admission to Official List of the Financial Conduct Authority and to trading on the LSE's electronic order book for retail bonds.

## **When will Additional Retail Notes be admitted to the Official List of the Financial Conduct Authority and to trading on the LSE's electronic order book for retail bonds?**

EnQuest will use its reasonable endeavours to apply for admission of the Additional Retail Notes to the Official List of the Financial Conduct Authority and to trading on the LSE's electronic order book for retail bonds as soon as reasonably possible after the relevant interest payment date on which Additional Retail Notes are issued.

## **Will Additional Retail Notes have the same ISIN as the existing Retail Notes?**

Upon issue, Additional Retail Notes will have the same permanent ISIN as that attributed to the Retail Notes already in issue (XS0880578728).

## **Does interest compound?**

Yes – interest, whether paid in cash or capitalised, compounds on a semi-annually basis. Additional Retail Notes will themselves accrue interest from their issue date in accordance with their terms and conditions.

## **Is the entitlement to Additional Retail Notes lost when Retail Notes are bought or sold?**

The entitlement to receive interest, whether in cash or capitalised and settled through the issue of Additional Retail Notes, is a right conferred on the "holder" of the Retail Notes on the applicable "record date". If you are not the holder on the applicable "record date", you will not be entitled to receive interest paid by EnQuest to holders on the relevant interest payment date in accordance with the Conditions.

Any investor who is considering selling his/her Retail Notes (or any prospective investor who is considering buying Retail Notes) should seek advice from his/her professional adviser without delay about the price and total settlement value at which Retail Notes – including any accrued interest payable in cash or through the issue of Additional Retail Notes – may be sold or bought in the secondary market.

## **Who should investors contact if they believe that they have not received their entitlement to Additional Retail Notes?**

Investors should contact their broker, custodian or nominee (including CREST in the case of CDI holders) if they have any further questions with regards settlement of Additional Retail Notes.

There may be a short delay between the issue of Additional Retail Notes into Euroclear and Clearstream, Luxembourg on the relevant interest payment date and the Additional Retail Notes being credited to individual investors' accounts as a result of the custodial chain for securities held in the clearing systems in global form. Investors should therefore contact their broker, custodian or

nominee in the first instance if they think that they have not received their entitlement to Additional Retail Notes.

## **How will payment of interest in the form of Additional Retail Notes be treated for United Kingdom income tax purposes?**

The issue of the Additional Retail Notes should be treated for UK individuals and corporate investors as a payment of interest at the time of issue and the amount of such payment will be the market value of the Additional Retail Notes at that time. EnQuest cannot confirm how the tax authorities will treat the Additional Retail Notes since the tax position of any investor will depend on their own individual circumstances and certain categories of investor to whom specific tax regimes or exemptions apply may be treated differently. Overseas investors may be subject to taxation in their jurisdiction of residence. Any UK or overseas investor in doubt as to his or her tax position should consult his/her own professional advisers without delay.

In addition, EnQuest is unable to issue a certificate of secondary market valuation. However, for more information investors can access the following link:

<http://www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/company-summary/XS0880578728IEGBPUKCP.html?lang=en>

***You should consult your own tax advisers as to tax laws which could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, including PIK interest as well as principal and/or other amounts payable under the Retail Notes and the tax consequences of such payments under the relevant tax laws.***

## **When will you issue your key information document for the Retail Notes?**

EnQuest made available a key information document (KID) in respect of our Retail Notes on 8 February 2019, 9 February 2019, 31 January 2020 and 3 February 2021.

While some retail bond issuers have not prepared a KID for existing in-scope securities, EnQuest has not taken this approach. Given the potential for periodic further issues of retail notes following the successful completion of our financial restructuring in late-2016, EnQuest has made a KID available.

Like the vast majority of ORB-listed issuers, EnQuest does not have the in-house capability to complete all the necessary calculations required under the Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation and, as such, engaged with specialist firms who were able to complete the necessary calculations in order to finalise the KID.

## **Why has the maturity date of the Retail Notes changed?**

Under the existing terms of the Retail Notes, the maturity date is automatically extended to 15 October 2023 (from 15 April 2022) if EnQuest's senior credit facility is not repaid or refinanced in full by 15 October 2020. On 15 October 2020, EnQuest confirmed the automatic extension of the maturity date of the Retail Notes as EnQuest's senior credit facility was not repaid or refinanced in full by 15 October 2020.