

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product name:	Extendable PIK Toggle Notes due 15 April 2022.
Product identifier:	ISIN: XS0880578728.
Product manufacturer:	EnQuest PLC (see www.enquest.com/investors/retail-bond.aspx or call +44 (0)20 7925 4900 for more information).
Competent Authority:	Financial Conduct Authority, United Kingdom.
Date of this document:	31 January 2020

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

The product is in the form of Notes issued by EnQuest PLC (the "Issuer") governed by English law. The Notes are interest bearing, but the interest may be paid in cash or capitalised and settled by the issue of further fungible Notes. The Notes are unconditionally and irrevocably guaranteed on a subordinated basis by EnQuest Britain Limited, EnQuest ENS Limited, EnQuest Global Limited, EnQuest Heather Leasing Limited, EnQuest Heather Limited, EnQuest NWO Limited and EQ Petroleum Sabah Ltd (together, the "Guarantors"). The Guarantors' guarantee obligations are subordinated to their guarantee obligations in respect of the Issuer's senior debt.

Objectives

Each Note has a specified denomination of £1 and the Issuer is obliged to redeem the Notes at 100% of their nominal amount on 15 April 2022, subject to (i) the Issuer's right, in its absolute discretion, at any time to extend the original maturity date to 15 April 2023 and (ii) the automatic extension of the original maturity date to 15 October 2023 if the Issuer's senior, secured term and revolving credit facilities agreement entered into by the Issuer originally dated 6 March 2012 (the "Senior Facilities Agreement") is not repaid or refinanced by 15 October 2020.

Both you and the Issuer will have the option to require the Notes to be redeemed before their scheduled maturity in certain circumstances.

The Notes are admitted to the Official List of the UK Listing Authority and to trading on the order book for retail bonds segment of the regulated market of the London Stock Exchange plc.

Interest:

The Notes accrue a fixed coupon of 7 per cent. per annum payable semi-annually in arrear. Interest under the Notes will only be payable in cash on an interest payment date if the cash payment condition is satisfied (the "Cash Payment Condition"). If the Cash Payment Condition is not satisfied in respect of an interest payment date, interest will not be paid in cash on that interest payment date and will be capitalised and satisfied by the issue of further Notes to holders of the Notes outstanding at such time. Interest on the Notes is to be paid on 15 February and 15 August in each year (each, an "Interest Payment Date"). The Cash Payment Condition will cease to apply (and thereafter all payments of interest will be made in cash) upon the earlier of: (A) the repayment in full of the Senior Facilities Agreement from cash generated from assets of the EnQuest group; or (B) the repayment or refinancing in full of the Senior Facilities Agreement on terms that enable the disapplication of the Cash Payment Condition and future interest on the Additional Notes to be paid in cash. The Cash Payment Condition will be satisfied in respect of an Interest Payment Date (as determined by the Issuer) 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 (the date falling one month before the Interest Payment Date) is equal to or above US\$65; and (ii) as at the relevant Cash Payment Condition Determination Date, no payment "Event of Default" under the Senior Facilities Agreement has occurred and is continuing. For these purposes, "Daily Brent Oil Price" means the end of day daily Dated Brent Future published by Platts (or such equivalent price that may replace the dated Brent price from time to time).

Repayment:

Scheduled maturity and extension: The original maturity date of the Notes is 15 April 2022, subject to (i) the Issuer's right, in its absolute discretion, at any time to extend the original maturity date to 15 April 2023 and (ii) the automatic extension of the original maturity date to 15 October 2023 if the Senior Facilities Agreement is not repaid or refinanced by 15 October 2020. The Issuer will redeem the Notes at 100% of their nominal amount on the original maturity date or any such extension.

Issuer's option to redeem at any time: The Issuer may, subject to certain conditions, on giving not less than 15 nor more than 30 days' notice to the Noteholders) redeem all of the Notes at any time at their "Make-Whole Amount", which shall be equal to the higher of the following, in each case together with interest accrued to but excluding the date fixed for redemption: (i) the nominal amount of the Note; and (ii) the nominal amount of the Note multiplied by the price (expressed as a percentage) at which (a) the gross redemption yield on the Notes on the second London business day before the date fixed for redemption is equal to (b) the gross redemption yield at 11.00 am (London time) on such date of the Reference Bond (being the 4.00 per cent. United Kingdom Government Treasury Stock due 7 March 2022) plus 0.50 per cent.

Issuer's option to redeem due to a tax event: The Issuer may, subject to certain conditions, on giving not less than 30 nor more than 60 days' notice to the Noteholders redeem all of the Notes for tax reasons at any time at 100% of their nominal amount (together with interest accrued to the date fixed for redemption).

Issuer's option to redeem at par: The Issuer may, subject to certain conditions, on giving not less than 15 nor more than 30 days' notice to the Noteholder redeem the Notes at any time at 100% of their nominal amount (together with interest accrued to the date fixed for redemption) in an amount equal to (a) the aggregate amount of interest on the Notes capitalised and settled by the issue of further fungible Notes prior to the date fixed for redemption less (b) the principal amount of Notes that may have been redeemed by the Issuer under the same provision prior to the date fixed for redemption.

Investor put upon a change of control: If any person or any persons acting in concert, other than a holding company whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, you will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) each of your Notes at its principal amount together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

Events of default:

The product terms also provide that if certain exceptional events occur, the Issuer may terminate the product early. These events are specified in the terms and conditions of the Notes and principally relate to (a) non-payment, (b) breach by the Issuer or a Guarantor of other obligations, (c) cross-acceleration, (d) enforcement proceedings, (e) security enforcement, (f) insolvency, (g) winding-up, (h) lack of authorisations and consents, (i) illegality, and (j) cross default of certain of the Issuer's other capital market instruments. The return (if any) you receive on such early termination is likely to be different from the scenarios described below and may be less than the amount you invested.

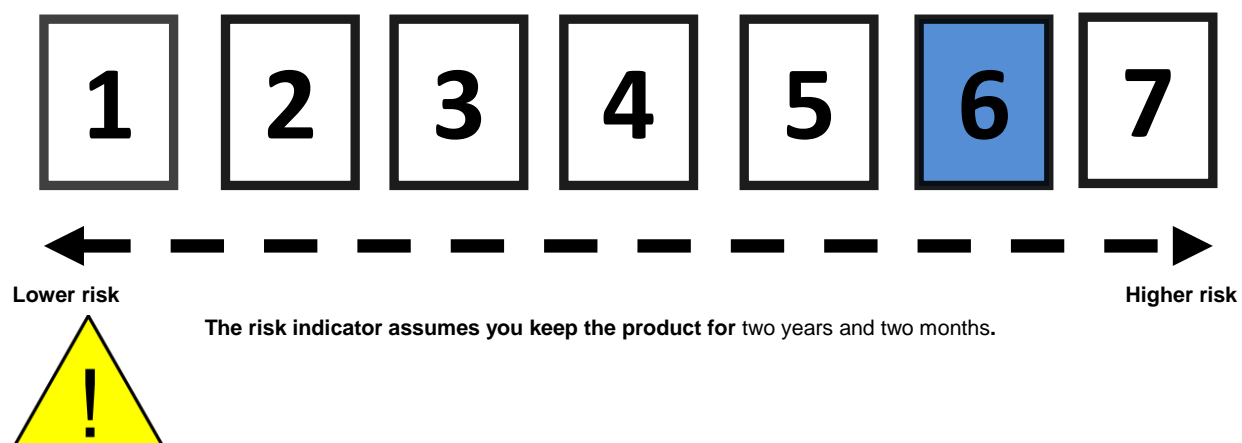
Intended retail investor

The product is intended to be offered to retail investors who:

- (1) are looking for contracted repayment of the amount invested;
- (2) are willing to risk an unpredictable cash flow over the life of their investment in return for the possibility of a greater overall return;
- (3) are willing to accept the risk that the Issuer could fail to perform its obligations under the product;
- (4) have the knowledge and experience to understand and assess a moderate degree of complexity in terms and conditions; and
- (5) have an investment horizon of 2 to 4 years.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

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Although, you are entitled to receive back at least 100 per cent. of the nominal amount, this protection from future market performance will not apply if you cash-in before the end of the recommended holding period and/or there is default. Any amount over this, and any additional return, depends on future market performance and is uncertain. If we are not able to pay you what is owed, you could lose your entire investment.

Performance scenarios

Table 1

Investment EUR 10000			
Scenarios		1 Year	2.29 Years (Recommended Holding Period)
Stress scenario	What you might get back after costs	11 707.56	12 708.36
	Average return each year	17.08%	11.04%
Unfavourable scenario	What you might get back after costs	8 931.25	2684.36
	Average return each year	-10.69%	-43.69%
Moderate scenario	What you might get back after costs	12 418.50	12 751.44
	Average return each year	24.18%	11.20%
Favourable scenario	What you might get back after costs	12 655.83	12 751.44
	Average return each year	26.56%	11.20%

Table 2

Investment EUR 10 000				
Scenarios		1 Year	2 Years	3.83 Years (recommended holding period)
Stress scenario	What you might get back after costs	10579.55	9073.93	3141.47
	Average return each year	5.80%	-4.74%	-26.09%
Unfavourable scenario	What you might get back after costs	7624.66	5537.17	3141.47
	Average return each year	-23.75%	-25.59%	-26.09%
Moderate scenario	What you might get back after costs	11714.03	12374.98	13129.25
	Average return each year	17.14%	11.24%	7.36%
Favourable scenario	What you might get back after costs	12597.25	13159.17	13172.97
	Average return each year	25.97%	14.71%	7.45%

The average return rates set out in the tables above have been prepared on behalf of EnQuest PLC by an independent third party using a Monte-Carlo simulation (the market price of the instrument as at 31 December 2019 is used as the price basis).

Table 1 shows the money you could get back over the next two years and two months, under different scenarios, assuming that you invest GBP 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you and/or become subject to insolvency.

Table 2 shows the money you could get back over the next three years and eight months (i.e. if the original maturity date is extended to 15 October 2023 if the Senior Facilities Agreement is not repaid or refinanced by 15 October 2020) under different scenarios, assuming that you invest GBP 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you and/or become subject to insolvency.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if EnQuest PLC is unable to pay out?

The product is not covered by an investor protection or guarantee scheme. This means that if we become insolvent and the Guarantors also become insolvent or otherwise fail to make full payment under the guarantee, you may suffer a total loss of your investment.

What are the costs?

There are no costs imposed by the Issuer in transacting for the product; however, the person selling, distributing or advising you about this product may charge you other costs. If so, this person may provide you with information about these costs (e.g. buy/sell commissions) and show you the impact that all costs will have on your investment over time.

How long should I hold it and can I take money out early?

Recommended holding period:

The recommended holding period for the product is up to three years and eight months with the potential automatic extension as the product is designed to be held until maturity. If you are able to sell the investment at an earlier date, you may incur costs and may lose part or all of your capital even if the underlying instruments have risen. In addition, the product may terminate early as described above and you have a contractual right to terminate the product prior to maturity in the circumstances described above. The Issuer is under no obligation to make a secondary market in the product but may choose to repurchase the product early on a case-by-case basis.

How can I complain?

Any complaint regarding the person advising on or selling the product can be submitted directly to that person. Complaints about the product and/or the conduct of the product manufacturer may be lodged in accordance with the steps set out at www.enquest.com/investors/retail-bond.aspx. Complaints may also be addressed in writing to Investor Relations, EnQuest PLC, Fifth Floor, Cunard House, 15 Regent Street, London SW1Y 4LR, United Kingdom or may be sent by email to InvestorRelations@enquest.com.

Other relevant information

Information about Enquest PLC is available on the corporate website: www.enquest.com/

The following documents (each of which is a prospectus which has been published as required by law) may be obtained at www.enquest.com/investors/retail-bond.aspx:

- (1) EnQuest PLC Listing Document dated 19 September 2017 in respect of the issue of £5,614,875 7.00 per cent. Extendable PIK Toggle Notes due 15 April 2022 under the £500,000,000 Euro Medium Term Note Programme (www.rns-pdf.londonstockexchange.com/rns/5907R_-2017-9-22.pdf); and
- (2) EnQuest PLC Listing Document dated 27 April 2017 in respect of the issue of £5,424,998 7.00 per cent. Extendable PIK Toggle Notes due 15 April 2022 under the £500,000,000 Euro Medium Term Note Programme (www.rns-pdf.londonstockexchange.com/rns/1827F_-2017-5-15.pdf).

For detailed information about all risks relating to the Notes, please refer to the sections of the above-referenced prospectuses entitled "Risk Factors".