

An aerial view of a red and blue helicopter with 'BRISTOW' and 'G-TIGF' written on its side, landing on a green helipad on an offshore oil platform. The helipad has a yellow circular border and the word 'MAGNUS' painted in white. The platform is surrounded by dark blue water.

**Proposed Rights Issue to acquire
additional interest in Magnus**

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The Magnus Acquisition

Acquiring additional equity in a high-quality asset

Material growth opportunity with attractive economics

75% additional equity interest in Magnus

- Total consideration of \$300 million; \$100 million cash, \$200 million vendor loan
- Expected to add c.60 MMboe (2P reserves)/c.10 MMboe (2C resources) as at 1/1/18
 - c.30%/c.6% of the Group's 2P reserve/2C resource base, respectively
- Expected to add c.\$500 million of NPV(10)* inclusive of consideration, loan repayment and cash flow sharing
- Benefits from improved cash generating capability compared to the original acquisition case if current prices prevail
- Aligned with EnQuest strategy and capabilities
- EnQuest is proposing to undertake a Rights Issue for \$138 million; primarily to fund the \$100 million cash consideration and a two-well 2019 infill drilling programme
 - Double A Limited** has irrevocably undertaken to take up in full its entitlement

* As outlined in the Gaffney, Cline & Associates Competent Persons Report

** A company beneficially owned by the extended family of Amjad Bseisu

Magnus option

- Attractive terms; improved further in the current oil price environment
 - Adds 30% to 2P reserves as at 1/1/18
 - Economic date: 1/1/17 (back-payment of cash flows)
 - 2P reserves ahead of original acquisition case
 - Cash generation significantly ahead of the original acquisition case if current oil prices prevail
- Tax benefit from timely exercise / completion
- Immediate growth, significant future potential, and aligned with strategy and capabilities

Magnus infill wells

- Follows successful M-62/M-63 infills in 2018
- Wells target separate areas; defined from both analytical and reservoir simulation studies
- Payback expected within two years; IRRs > 100%
 - Canute: 2P reserves of 3.9 MMbbls @ c\$3/boe capex*
 - T10/T11: 2P reserves of 1.9 MMbbls @ c\$7/boe capex*

Thistle option

- Provides \$20m additional liquidity
- Further aligns interests
- Reflects the industrial logic for the operator to undertake the fields' decommissioning

Complementary to EnQuest's strategy to be the operator of choice for maturing and underdeveloped hydrocarbon assets

* Estimated capex costs of \$13.5 million divided by 2P reserves

Magnus and SVT assets

A good strategic fit

Magnus: high-quality asset with significant potential

- High-quality Upper Jurassic turbidite sands; c.2.0 bn boe HCIP, c.50% Recovery Factor
- Acquired initial 25% equity in December 2017:
 - Added 14 MMboe of 2P reserves; 2C resource adds anticipated to move to 2P reserves through time
 - Strong production performance and two wells drilled under budget in 2018
- Large list of opportunities for future activity

SVT: Control over strategic infrastructure for the Group's North Sea production

- On track to reduce 2018 SVT operating costs from c.£200 million to c.£150 million; further savings planned in 2019
- Proactively exploring new business opportunities to maximise long-term value

Summary rights issue and transaction information



Rights issue terms

Proposed gross proceeds	c.£106.8m / c.\$138.0m
Rights issue terms	3 for 7
Closing price at 6 September 2018	38.6p
Issue price	21.0p
Theoretical ex-rights price (TERP)	33.3p
Theoretical nil-paid price (TNPP)	12.3p
Issue price discount to TERP	37.0%
New shares issued	508.3m

Transaction structure

Gross proceeds	c.\$138m
Less: Subscription by the EBT / transaction costs	c.(\$11m)
Net proceeds	c.\$127m
Uses:	
Exercise of Magnus option	\$100m
Magnus infill wells	c.\$27m

Rights issue expected timetable

Announcement of the Rights Issue	7-Sep
Announcement of Swedish Krona Issue Price	25-Sep
General Meeting	1-Oct
Dealings in New Ordinary Shares, nil paid, commence on the London Stock Exchange (“LSE”) and dealings in the Swedish Subscription Rights commence on NASDAQ Stockholm	2-Oct
Subscription period of Swedish Rights Issue ends	16-Oct
End of Nil Paid Trading on LSE	11am, 19-Oct
Results of Rights Issue to be announced	22-Oct

Note: GBPUSD FX rate of 1.29280

Appendix



3 for 7 rights issue (\$138m gross proceeds / \$127m net proceeds*) to fund:

Magill option (\$100m)

- 75% interest in Magnus, 9% in SVT and additional interests in associated assets
- \$300m consideration, funded \$100m cash + \$200m vendor loan
- Vendor loan five year term, reduced by c.\$100m from backdated cash flows from January 2017; required amortisation of just over \$20m /year
- 22.5% of BP pre-tax decommissioning costs for 75% interest (capped at the amount of positive cash flows EnQuest has received from Magnus) is c.9% post-tax
- Cash flow sharing arrangement: 50% of free cash flow from 75% interest post costs and debt servicing

Magnus infill wells (\$27m)

- Canute:
 - Targets the Lower Kimmeridge Clay Formation ('LKCF')
 - Gross capital cost estimate: \$13.5m
 - ~2,000 bopd
 - ~3.9 MMbbls
- T10/T11:
 - Targets the Magnus Sandstone Member ('MSM')
 - Gross capital cost estimate: \$13.5m
 - ~1,500 bopd
 - ~1.9 MMbbls

Thistle option

- Granted January 2018, exercisable up to and including 30 January 2019
- Option to receive \$20m for decommissioning Thistle and Deveron and paying 3.0% of BP decommissioning costs at these fields (£42m cap)
 - EnQuest's current estimate is lower than the \$20m being received
 - \$20m received within 10 days of option exercise
- Note: Upon exercise, total decommissioning payments for Thistle and Deveron would be 7.5% of BP decommissioning costs at these fields (£99m cap)

* Gross to net proceeds explained by c.\$11 million associated with the EBT subscription to the Rights Issue and transaction costs