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The Supplementary Prospectus has been published solely in connection with the Re-admission and approved by the FCA as a prospectus prepared in accordance with the UK Prospectus Regulation Rules made under section 73A of the Financial Services and Markets Act 2000 and made available to the public and filed with the FCA in accordance with the UK Prospectus Regulation Rules. The Supplementary Prospectus has been made available to the public in accordance with UK Prospectus Regulation Rule 3.2.1 by the same being made available, free of charge, at the Company's website, [www.enquest.com](http://www.enquest.com), and during usual business hours on any weekday at Ashurst LLP at London Fruit & Wool Exchange 1 Duval Square, London E1 6PW. Prospective investors are advised to access such information prior to making an investment decision.

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This electronic transmission and the Supplementary Prospectus are only addressed to and directed at (1) in the United Kingdom, persons (a)(i) who are "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) who fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; or (iii) to whom they may otherwise lawfully be communicated; and (b) who are "qualified investors" within the meaning of Article 2(e) of the UK version of Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (each a "**Relevant Person**"); and (2) in member states of the European Economic Area ("**Member States**"), "qualified investors" within the meaning of the Regulation (EU) No 2017/1129 ("**Qualified Investors**").

This electronic transmission and the Supplementary Prospectus must not be acted on or relied on in (a) the United Kingdom by persons who are not Relevant Persons, and (b) any Member State, by persons who are not Qualified Investors. Any investment or investment activity to which this electronic transmission and the Supplementary Prospectus relate is available only in (x) the United Kingdom to Relevant Persons, and (y) any Member State to Qualified Investors, and will be engaged in only with such persons.

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**Confirmation of Your Representation:** This electronic transmission and the Supplementary Prospectus is delivered to you on the basis that you are deemed to have represented to the Company and J.P. Morgan Cazenove that (i) you are acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S under the Securities Act; (ii) if you are in the United Kingdom, you are a Relevant Person, (iii) if you are in any Member State, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the European Economic Area; (iv) you consent to delivery of the Supplementary Prospectus and any further supplements thereto by electronic transmission; and (v) you acknowledge that this electronic transmission and the Supplementary Prospectus is confidential and intended only for you and you will not transmit the Supplementary Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person.

You are reminded that you have received this electronic transmission and the Supplementary Prospectus on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Supplementary Prospectus, electronically or otherwise, to any other person.

This Supplementary Prospectus has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, J.P. Morgan Cazenove nor any of their respective affiliates, directors, officers, employees or advisers accepts any liability or responsibility whatsoever, whether arising in tort, contract or otherwise which they might have in respect of this electronic transmission, the Supplementary Prospectus or the contents thereof, or in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the Supplementary Prospectus, you consent to receiving it in electronic form.

None of J.P. Morgan Cazenove nor any of its affiliates, directors, officers, employees, advisers, representatives or agents accepts any responsibility whatsoever for the contents of the Supplementary Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Ordinary Shares. J.P. Morgan Cazenove and its affiliates, directors, officers, employees or advisers, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No

representation or warranty express or implied, is made by any of J.P. Morgan Cazenove or any of its affiliates, directors, officers, employees, advisers, representatives or agents as to the accuracy, completeness or sufficiency of the information set out in the Supplementary Prospectus.

J.P. Morgan Cazenove is acting exclusively for the Company and no one else in connection with the Re-admission and will not regard any other person (whether or not a recipient of this electronic transmission and the Supplementary Prospectus) as their client in relation to the Re-admission or be responsible to anyone (whether or not a recipient of this electronic transmission and the Supplementary Prospectus) other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Re-admission or any other matter referred to in the Supplementary Prospectus.

If you receive the Supplementary Prospectus by e-mail, you should not reply to this e-mail. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the Supplementary Prospectus by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destruction nature.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (the "FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

This document constitutes a supplementary prospectus (the "**Supplementary Prospectus**") for the purposes of the UK version of Regulation (EU) 2017/1129 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") relating to EnQuest PLC (the "**Company**") prepared in accordance with the UK Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of the FSMA. This document has been approved by the FCA (as competent authority under the UK Prospectus Regulation). The FCA only approves this supplementary prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this supplementary prospectus. Investors should make their own assessment as to the suitability of investing in the ordinary shares in the capital of the Company.

This Supplementary Prospectus is supplementary to, and must be read in conjunction with, the combined circular and prospectus published by the Company on 30 June 2021 in relation to the Acquisition, Capital Raising and Related Party Transaction (the "**Original Prospectus**") and the supplementary prospectus published by the Company on 5 October 2021 (the "**First Supplementary Prospectus**", and together with the Original Prospectus, the "**Prospectus**"). Save as disclosed in this Supplementary Prospectus, since the publication of the Original Prospectus and the First Supplementary Prospectus, there have been no significant new factors, material mistakes or material inaccuracies relating to the information contained in the Original Prospectus and the First Supplementary Prospectus. This document will be, and the First Supplementary Prospectus and the Original Prospectus together with the documents incorporated into the Original Prospectus by reference have been, made available to the public in accordance with UK Prospectus Regulation Rule 3.2.1 by the same being made available, free of charge, at [www.enquest.com](http://www.enquest.com).

Capitalised terms used but not defined in this Supplementary Prospectus shall have the meanings given to such terms in the Original Prospectus or the First Supplementary Prospectus.

**The distribution of this document in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe such restrictions. Any failure to comply with any of these restrictions may constitute a violation of the securities law of any such jurisdiction. In particular, subject to certain exceptions, the documents should not be distributed, forwarded or transmitted in or into the United States or any other Excluded Territory.**

The Company and the Directors, whose names appear on page 27 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Unless expressly stated otherwise, references to an EU regulation shall be to that regulation as it forms part of the law of England and Wales by virtue of the European Union (Withdrawal) Act 2018 (as amended) and as the law of England and Wales is amended or re-enacted as at the date of this document.

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# EnQuest PLC



(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 7140891)

## **Re- admission of Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities**

**J.P. Morgan Cazenove**  
*Sponsor and Bookrunner*

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**You should read this Supplementary Prospectus, the First Supplementary Prospectus and the Original Prospectus (including any documents incorporated into the Original Prospectus by reference), as a whole carefully and in their entirety. Your attention is also drawn, in particular, to the section headed "Risk Factors" at the beginning of the Original Prospectus which sets out certain risks and other factors which may materially affect the value of an investment in the EnQuest Group, the Enlarged Group and/or the Ordinary Shares.**

The Ordinary Shares are listed on the premium listing segment of the Official List maintained by the FCA (the "**Official List**") and traded on the London Stock Exchange's main market for listed securities (the "**Main Market**") and the Ordinary Shares registered in the VPC System are admitted to trading on NASDAQ Stockholm.

As the Acquisition constitutes a reverse takeover under the Listing Rules, the admission of the Ordinary Shares in issue immediately prior to Completion to the premium listing segment of the Official List and to trading on the Main Market will be cancelled on Completion. Application

will be made to the FCA and the London Stock Exchange, respectively, for those Ordinary Shares, including the New Ordinary Shares, to be re-admitted to the premium listing segment of the Official List and to trading on the Main Market ("**Re-admission**").

It is currently expected that Re-admission will become effective, and that dealings in the Ordinary Shares on the Main Market, will commence at 8.00 a.m. on the day of Completion (whereupon an announcement will be made by the Company to a Regulatory Information Service).

J.P. Morgan Securities plc (which conducts its investment banking activities in the United Kingdom as J.P. Morgan Cazenove, "**J.P. Morgan Cazenove**"), which is authorised by the Prudential Regulatory Authority (the "**PRA**") and regulated in the UK by the FCA and the PRA, is acting exclusively for the Company and no one else in connection with the contents of this document, the First Supplementary Prospectus, the Original Prospectus, Re-admission and any other matters referred to in this document, the First Supplementary Prospectus or the Original Prospectus and will not regard any other person (whether or not a recipient of this document) as a client in relation to this document, the First Supplementary Prospectus, the Original Prospectus, Re-admission or any other matters referred to in this document, the First Supplementary Prospectus or the Original Prospectus and will not be responsible for providing the protections afforded to its clients nor for giving advice in relation to the contents of this document, the First Supplementary Prospectus, Original Prospectus, Re-admission or any other matter or arrangement referred to in this document, the First Supplementary Prospectus or the Original Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed upon J.P. Morgan Cazenove by the FSMA or the regulatory regime established thereunder, J.P. Morgan Cazenove does not accept any responsibility and disclaims any liability for the accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, or Re-admission in this document. No representation or warranty, express or implied, is made by J.P. Morgan Cazenove as to the accuracy, completeness or verification of the information set forth in this document and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. J.P. Morgan Cazenove accordingly disclaims to the fullest extent permitted by applicable law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

In making an investment decision, each investor must rely on its own examination, analysis and enquiry of the Company, including the merits and risks involved.

#### **Overseas Territories**

**SUBJECT TO CERTAIN EXCEPTIONS, THIS DOCUMENT IS NOT BEING DISTRIBUTED TO SHAREHOLDERS OR INVESTORS IN THE UNITED STATES OR ANY EXCLUDED TERRITORY.** Neither this document, the First Supplementary Prospectus nor the Original Prospectus constitutes or forms part of any offer to sell or issue, or any solicitation of any offer to acquire, the Ordinary Shares offered to any person with a registered address, or who is resident or located in, any jurisdiction in which such an offer or solicitation is unlawful.

The Ordinary Shares have not and will not be registered under the applicable securities laws of any Excluded Territory. There will be no public offer of the Ordinary Shares in any of the Excluded Territories, including Sweden.

Subject to certain exceptions, this document should not be distributed, forwarded or transmitted in or into the United States or the Excluded Territories or in or into any jurisdiction or to any person where doing so would breach any applicable law.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, in, into or within the United States. There will be no public offer of the Ordinary Shares in the United States.

The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

#### **General Notice**

Subject to the FSMA, the Listing Rules, the UK Prospectus Regulation Rules, and the DTRs the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.

The Company will publish a further supplement to the Prospectus if a significant new factor, material mistake or material inaccuracy relating to the information in the Prospectus that may affect the assessment of the securities and which arises or is noted between the time when this Supplementary Prospectus was approved and Re-admission. This document and any further supplement will be made public in accordance with the UK Prospectus Regulation by publication on the Company's website at <https://www.enquest.com/investors/>.

This document is dated 20 October 2021.

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## PART 1 – SUPPLEMENTARY INFORMATION

*This Supplementary Prospectus is supplemental to, and should be read in conjunction with the Original Prospectus and the First Supplementary Prospectus. To the extent that there is any inconsistency between a statement in this Supplementary Prospectus and a statement contained in the Original Prospectus or the First Supplementary Prospectus, the statement in this Supplementary Prospectus will prevail. Any decision to invest in the Ordinary Shares should be based on consideration of the Original Prospectus, as supplemented by the First Supplementary Prospectus, this Supplementary Prospectus and any further supplementary prospectus, as a whole. This Supplementary Prospectus has been prepared in accordance with section 87G of FSMA and the UK Prospectus Regulation Rules.*

### 1. Background

#### 1.1 First Supplementary Prospectus

*Restatement of the EnQuest Group's 2020 Financial Statements*

Subsequent to the publication of the Original Prospectus, the EnQuest Group published the First Supplementary Prospectus on 5 October 2021 in relation to the restatement of its Group Income Statement and Group Balance Sheet of the 2020 Financial Statements as a result of the Deferred Tax Asset Adjustment and the consequential updates to the unaudited pro forma financial information.

#### 1.2 Second Supplementary Prospectus

*Audited interim financial information on the Golden Eagle Asset for the three months ended 31 March 2021*

As previously explained in the First Supplementary Prospectus, Listing Rules 6.2.1R and 6.2.4R require EnQuest to have published audited historical financial information in respect of the Golden Eagle Asset that has a latest balance sheet date that is not more than six months before the date of the Original Prospectus and not more than nine months before the date of Re-admission.

It is now expected that Completion and Re-admission will take place before the end of October 2021 due to the time taken to transfer the Golden Eagle Asset to North Sea (Golden Eagle) Resources Ltd, being the entity which the Company will acquire from Suncor. The balance sheet date of the audited financial information in respect of the Golden Eagle Asset contained in Part 7 ("*Financial Information on the Golden Eagle Asset*") of the Original Prospectus is 31 December 2020 and will have been prepared at a date that is more than nine months before the date of Re-admission.

Therefore, this Supplementary Prospectus contains audited historical financial information in respect of the Golden Eagle Asset for the three months ended 31 March 2021 in order to meet the requirements of Listing Rules 6.2.1R and 6.2.4R and to enable Re-admission to occur once the conditions to Completion have been satisfied.

### 2. Supplementary Information

#### 2.1 Golden Eagle 2021 Interim Financial Statements

Set out in Part 2 ("*Financial Information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020*") of this Supplementary Prospectus is the interim financial information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020, together with the notes to that interim financial information, and the accountant's report on that interim financial information.

The information referred to above supplements the information set out in:

- (a) paragraphs 4 and 10 of Part 1 ("*Letter from the Chairman of EnQuest PLC*") of the Original Prospectus; and

(b) Part 7 ("*Financial Information on the Golden Eagle Asset*") of the Original Prospectus.

2.2 **Operating and financial review of the interim financial information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020**

Set out in Part 3 ("*Supplemental Operating and Financial Review of the Golden Eagle Asset*") of this Supplementary Prospectus is the operating and financial review of the interim financial information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020.

The information referred to above supplements the information set out in Part 6 ("*Operating and Financial Review of the Golden Eagle Asset*") of the Original Prospectus.

2.3 **Additions to the summary information**

This Supplementary Prospectus supplements the summary information in the row entitled "*Key financial information*" in the section entitled "*Summary*" of the Original Prospectus (as supplemented by the First Supplementary Prospectus) with the inclusion of additional financial information on the Golden Eagle Area Development as set out below:

Key financial information	<p><b>Golden Eagle Area Development</b></p> <p>The tables below set out the summary financial information of Suncor's 26.69 per cent. non-operated working interest in the Golden Eagle Area Development (the "<b>Golden Eagle Asset</b>") for the periods indicated. The financial information has been extracted without material adjustment from the historical financial information of the Golden Eagle Asset for the relevant periods. From Completion, the EnQuest Group will account for the Golden Eagle Asset in US dollars as a single cash-generating unit.</p>		
		<b>Three months ended 31 March</b>	
	<b>Income statement</b>	<b>2021</b>	<b>2020</b>
		<b>(Audited)</b>	<b>(Unaudited)</b>
		<b>\$000</b>	<b>\$000</b>
	<b>Turnover</b> .....	51,187	35,826
	Cost of sales.....	(25,321)	(18,432)
	<b>Gross profit</b> .....	25,866	17,394
	Unwinding of discount on decommissioning.....	(1,083)	(924)
	<b>Profit before tax</b> .....	24,783	16,470
	Tax on profit.....	(9,682)	(6,639)
	<b>Profit and comprehensive income for the financial year</b> .....	15,101	9,831
	 <b>Balance Sheet</b>	<b>As at</b>	
		<b>31 March 2021</b>	<b>31 December</b>
		<b>(Audited)</b>	<b>2020 (Audited)</b>
		<b>\$000</b>	<b>\$000</b>
	Assets		
	Non-current assets.....	132,301	133,902
	Current assets.....	23,386	24,534
	<b>Total assets</b> .....	<b>155,687</b>	<b>158,436</b>
	Current liabilities.....	(15,951)	(14,040)
	Net current assets.....	7,435	10,494
	Total assets less current liabilities.....	148,252	144,396
	Total liabilities.....	(158,372)	(152,780)
	<b>Net (liabilities) / assets</b> .....	<b>(2,685)</b>	<b>5,656</b>



<b>Statement of directly attributable cash flows</b>		
	<b>Three months ended 31 March</b>	
	<b>2021 (Audited) \$000</b>	<b>2020 (Unaudited) \$000</b>
<b>Cash flows from operating activities</b>		
Gross profit for the financial year .....	25,866	17,394
<i>Adjustments for:</i>		
Depreciation, depletion and amortisation .....	16,209	14,261
Decrease in debtors .....	1,931	37,666
Increase in stocks .....	(342)	(465)
Increase in trade creditors .....	1,633	155
Directly attributable cash flows from operating activities .	45,297	69,011
<b>Cash flows from investing activities</b>		
Purchases of fixed assets .....	(10,440)	(128)
Directly attributable cash flows from investing activities	(10,440)	(128)
<b>Directly attributable net cash flows</b> .....	<b>34,857</b>	<b>68,883</b>

**PART 2 – FINANCIAL INFORMATION ON THE GOLDEN EAGLE ASSET FOR THE  
THREE MONTHS ENDED 31 MARCH 2021 AND 31 MARCH 2020**

**Section A: Accountant's Report on the historical financial information**



1 New Street Square  
London  
EC4A 3HQ

The Board of Directors  
on behalf of EnQuest PLC  
5th Floor, Cunard House  
15 Regent Street  
London  
SW1Y 4LR

J.P. Morgan Securities plc  
25 Bank Street  
London  
E14 5JP

20 October 2021

Dear Sirs/Mesdames

**Golden Eagle Asset ("Target")**

We report on the financial information of the Target for the three months ended 31 March 2021 set out in Part 2 of this Supplementary Prospectus relating to the re-admission of ordinary shares of EnQuest PLC (the "**Company**") dated 20 October 2021 (the "**Supplementary Prospectus**"). This report is required by Annex 1 item 18.3.1 of the UK version of the Commission delegated regulation (EU) No 2019/980 (the "**Prospectus Delegated Regulation**") and the Prospectus Delegated Regulation as applied by Listing Rule 13.5.21R and is given for the purpose of complying with these requirements and for no other purpose.

We have not audited or reviewed the financial information for the three month period ended 31 March 2020 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

**Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Supplementary Prospectus, a true and fair view of the state of affairs of the Target as at 31 March 2021 and of its profits and cash flows for the three months ended 31 March 2021 in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

**Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 2 to the Historical Financial Information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility

and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1 item 1.3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Supplementary Prospectus.

### **Basis of preparation**

This financial information has been prepared for inclusion in the Supplementary Prospectus on the basis of the accounting policies set out in Note 3 of the Historical Financial Information.

### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ("**FRC**") in the United Kingdom. We are independent of the Company and the Target in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Target's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Conclusions relating to going concern**

In performing this engagement on the financial information, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial information is appropriate.

Based on the work we have performed, we have not identified any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the Target's ability to continue as a going concern for a period of at least 12 months from the date of this opinion.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Supplementary Prospectus and declare that to the best of our knowledge the information contained in this report is, in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Supplementary Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Delegated Regulation and for no other purpose.

Yours faithfully

Deloitte LLP

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom. Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("**DTTL**"). DTTL and each of its member*

*firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.*

## Section B: Financial information on the Golden Eagle Asset

### Income statement

		3 months ended 31 March 2021 (Audited) \$000	3 months ended 31 March 2020 (Unaudited) \$000
	Note		
<b>Turnover</b> .....	5	51,187	35,826
Cost of sales.....	6	(25,321)	(18,432)
<b>Gross profit</b> .....		25,866	17,394
Unwinding of discount on decommissioning.....	12	(1,083)	(924)
<b>Profit before taxation</b> .....		24,783	16,470
Tax on profit .....	7	(9,682)	(6,639)
<b>Profit and comprehensive income for the financial period</b> .....		15,101	9,831

The Golden Eagle Asset's results are derived from continuing activities in all periods.

There are no material differences between the profit before taxation and the retained profit for the financial period stated above and their historical cost equivalents.

The accompanying notes are an integral part of this historical financial information.

**Balance sheet**

		<b>31 March 2021</b>	<b>31 December 2020</b>
		<b>(Audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>\$000</b>	<b>\$000</b>
<b>Non-current assets</b>			
Intangible assets .....	8	512	502
Tangible assets .....	8	127,805	131,191
Deferred tax asset .....	13	3,984	2,209
		<u>132,301</u>	<u>133,902</u>
<b>Current assets</b>			
Inventory .....	9	14,007	13,411
Trade and other receivables .....	10	9,379	11,123
		<u>23,386</u>	<u>24,534</u>
<b>Total assets</b> .....		<u>155,687</u>	<u>158,436</u>
<b>Current liabilities</b>			
Trade and other payables .....	11	(15,951)	(14,040)
<b>Net current assets</b> .....		<u>7,435</u>	<u>10,494</u>
<b>Non-current liabilities</b>			
Provisions for liabilities .....	12	(142,421)	(138,740)
		<u>(142,421)</u>	<u>(138,740)</u>
<b>Total liabilities</b> .....		<u>(158,372)</u>	<u>(152,780)</u>
<b>Net (liabilities) / assets</b> .....		<u>(2,685)</u>	<u>5,656</u>

The accompanying notes are an integral part of this historical financial information.

**Statements of directly attributable cash flows**

	<b>3 months ended 31 March 2021 (Audited) \$000</b>	<b>3 months ended 31 March 2020 (Unaudited) \$000</b>
<b>Cash flows from operating activities</b>		
Gross profit for the financial period .....	25,866	17,394
<i>Adjustments for:</i>		
Depreciation, depletion and amortisation .....	16,209	14,261
(Increase)/decrease in debtors.....	1,931	37,666
(Increase)/decrease in stocks .....	(342)	(465)
Increase/(decrease) in trade creditors .....	1,633	155
Directly attributable cash flows from operating activities .....	45,297	69,011
<b>Cash flows from investing activities</b>		
Purchases of fixed assets .....	(10,440)	(128)
Directly attributable cash flows from investing activities.....	(10,440)	(128)
<b>Directly attributable net cash flows</b> .....	34,857	68,883

The accompanying notes are an integral part of this historical financial information. Refer to Note 2.1(a) for the basis of preparation of this statement of directly attributable cash flows.

## Notes to the financial information

### 1. General information

The Golden Eagle Asset is an asset owned by North Sea (Golden Eagle) Resources Limited, a limited liability company, incorporated and domiciled in England and Wales. North Sea (Golden Eagle) Resources Limited is indirectly owned by Suncor Energy Inc. ("**Suncor**"). The principal activities of the Golden Eagle Asset are oil and gas development and production within the UK North Sea.

EnQuest PLC ("**EnQuest**") signed an agreement on 4 February 2021 to purchase Suncor's entire 26.69%, non-operated equity interest in the Golden Eagle Area Development Asset. The asset was transferred into a shell legal entity, North Sea (Golden Eagle) Resources Limited, on 1 October 2021 and EnQuest will purchase that entity. The acquisition will be funded from the EnQuest Group's existing senior secured revolving borrowing base facility (the "**RBL**"), the successful equity raise and existing cash balances.

### 2. Basis of preparation and departures from IFRS

The Golden Eagle Asset did not constitute a legal entity that has prepared financial statements throughout the period from 1 January 2021 to 31 March 2021, and the comparative period. As such, this financial information has been prepared on a carve-out basis, reflecting the assets, liabilities and transactions directly attributable to the Golden Eagle Asset and specifically for this document. The financial information has been prepared on the basis that the relevant periods are full accounting periods and therefore the requirements of IAS34 Interim Financial Reporting have not been applied. The financial information has been prepared in accordance with the requirements of the Listing Rules and in accordance with this basis of preparation. The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union, except as described in this note.

#### 2.1 *Accounting principles*

IFRSs do not provide for the specific accounting treatments set out below, and accordingly in preparing the financial information certain accounting conventions commonly used for the presentation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departures from IFRS as set out in this Note 2.1. In other respects, IFRSs as applied by EnQuest in the preparation of its 2020 Financial Statements have been applied.

#### (a) *Statement of directly attributable cash flows*

No cash or funding balances are directly attributable to the Golden Eagle Asset, and therefore a full statement of cash flows in accordance with IAS 7 *Statement of Cash Flows* cannot be prepared. However, certain cash flow transactions can be allocated to the Golden Eagle Asset, in particular the following:

- revenue from the sale of hydrocarbons;
- operating and capital expenditure costs, which are paid directly to the operator of the Golden Eagle Asset;
- other operating costs, such as insurance and marketing fees, that are not billed directly by the operator of the Golden Eagle Asset; and
- changes in working capital balances associated directly with the Golden Eagle Asset.

Accordingly, cash flow information, set out on page 12 above has been presented for all directly attributable cash flow transactions within the financial information, but because funding and other cash flow balances are excluded from the financial information, full IFRS cash flow information cannot be included.



(b) ***Equity and funding***

The presented financial information represents the assets and liabilities which can be directly attributed to the Golden Eagle Asset. All funding for the Golden Eagle Asset was provided centrally by Suncor to the host legal entity and was not attributed to specific assets. Therefore, the financial information presented excludes any cash and funding balances which would otherwise be included within net assets. As the financial information is for the Golden Eagle Asset, and not a legal entity, there is no associated issued share capital. The effective funding of net assets (i.e. total equity) is therefore representative of balances which could otherwise include share capital, other invested equity, retained earnings and funding to / from the Golden Eagle Asset, and any cash balances that might otherwise be attributable to the entity. However, as none of these items are specific to the Golden Eagle Asset, no breakdown of this funding of the Golden Eagle Asset can be provided, and therefore no statement of movements of this funding of the net assets can be shown, as would be required by IAS 1 *Presentation of Financial Information*.

For the reasons set out above it is not possible to allocate any funding charges directly to the Golden Eagle Asset and therefore the income statement set out on page 10 above does not include any interest or other funding costs.

2.2 ***Other information relevant to the basis of preparation***

(a) ***Allocation of corporate overheads***

Under the ownership of Suncor, certain corporate overheads have been allocated to the host legal entity which owned the Golden Eagle Asset in the period for which financial information is being presented. Such corporate overheads relate to costs for central functions such as HR, finance, legal, supply chain and IT. The overheads were allocated to the legal entity based on the headcount of the legal entity. However, the headcount of the legal entity is not specific to the Golden Eagle Asset, or to the other assets within the legal entity. Therefore, the corporate overheads cannot be allocated to the Golden Eagle Asset based on headcount, and other bases of allocation are not meaningful. As a result, no Suncor or entity overheads have been allocated to the Golden Eagle Asset for the purposes of the financial information, for any of the periods reported. Under the ownership of EnQuest, Suncor overheads would not be relevant to the financial performance of the Golden Eagle Asset.

(b) ***Taxation***

The accounting policy adopted in the preparation of this financial information for taxation is included in Note 3 to the financial information.

The accounting for deferred taxation for the Golden Eagle Asset is specific to the Golden Eagle Asset, and therefore deferred tax balances and movements are shown within the financial information on this basis.

Corporation tax is generally levied at an entity basis, not at an asset level, and therefore for the purposes of the financial information, corporation tax has been estimated as follows:

- For the income statement, current tax is calculated by applying the statutory rate of tax applicable to North Sea oil and gas assets, being 40% for each of the periods. Adjustments have been made for any factors specific to the Golden Eagle Asset, including relevant adjustments in respect of the prior period.
- For the purposes of the cash flow statement, the payment of corporation tax is undertaken at the corporate entity level and is therefore excluded from the cash flow statement.

Within the balance sheet, any corporation tax due is treated as part of the general funding of the Golden Eagle Asset, and is therefore excluded from the allocated assets and liabilities.

(c) ***Going concern***

The Golden Eagle Asset has its own direct cash flows associated with revenue and certain operating and capital costs. However, the Golden Eagle Asset does not have allocable funding and certain corporate overheads are not attributed, and therefore no assessment can be made of the ability of the Golden Eagle Asset to continue as a going concern in the absence of the wider Suncor Group Companies or the EnQuest Group. Accordingly, no assessment has been made of the going concern status of the Golden Eagle Asset.

However, the financial information has been drawn up on a going concern basis of accounting, assuming that the acquisition of the Golden Eagle Asset by EnQuest is completed. No assessment has been made of whether this basis of accounting would be appropriate if the acquisition by EnQuest is not completed.

When considering whether the going concern basis of accounting is appropriate assuming that EnQuest's acquisition of the Golden Eagle Asset completes, the Directors have prepared cash flow forecasts for the 12 month period from the date of approval of these statements, covering the enlarged EnQuest Group. In making their assessment, the Directors have evaluated the EnQuest Group's forecast production, likely oil prices and the EnQuest Group's operating and capital expenditure requirements in the forecast period.

On 10 June 2021, EnQuest entered into a \$750 million multicurrency RBL, with a maturity date not expected to arise before October 2023. As detailed in Note 1, it is expected that the facility will be used to fund the acquisition of the Golden Eagle Asset, having already been used to repay prior secured debt facilities.

After making enquiries, the Directors have a reasonable expectation that EnQuest has adequate resources to continue in operational existence for the foreseeable future, being at least a 12 month period from the date of approval of this financial information. Accordingly, they believe that the going concern basis of preparation is appropriate for the financial information in respect of the Golden Eagle Asset.

(d) ***Foreign currency***

The functional currency of the host legal entity is Great British Pounds, and the functional currency of the Golden Eagle Asset is therefore assumed to also be the Great British Pound. For the purpose of this financial information, US Dollars has been adopted as the presentational currency.

(e) ***Disclosure requirements***

The financial information does not include certain disclosures which could be required for conformity with IFRS or the Companies Act. Disclosures have been provided where relevant and possible in the context of the basis of preparation of the financial information, as set out in this Note 2 to the financial information.

3. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of this financial information are set out below. These policies have been consistently applied to all periods presented. The historical financial information has been prepared in accordance with the basis of preparation set out in Note 2 to the historical financial information, and following the recognition and measurement principles of International Financial Reporting Standards as endorsed by the EU and applied by EnQuest in its annual report and accounts for the year ended 31 December 2020.

Changes in reserves estimates, estimated decommissioning costs, price and exchange rate assumptions and other variables used in unit of production calculations are accounted for prospectively over the remaining commercially recoverable reserves of the field.

3.1 ***Foreign currency translation***

*Functional and presentation currency*

Items included in the financial information of the Golden Eagle Asset are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Great British Pound (GBP). The financial information is presented in US dollars (USD), which is the presentational currency of EnQuest.

Transactions in currencies other than the functional currency are recorded at the prevailing rate of exchange on the date of the transaction. At the period 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 transaction. 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.

For the purposes of presenting the financial information in US dollars, the income statement and cash flow is translated at the average exchange rate for the applicable period, and the balance sheet is translated at the rate applicable to the balance sheet date. The relevant exchange rates are shown below:

	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2020</b>
US dollar exchange rate			
Average	1.36	1.28	1.31
Closing	1.38	1.35	1.24

### 3.2 *Fixed assets*

#### *Intangible fixed assets*

The costs to acquire non-producing oil and gas properties or licenses to explore, drill exploratory wells and the costs to evaluate the commercial potential of underlying resources are initially capitalised as intangible fixed assets. Certain exploration costs, including geological, geophysical and seismic expenditures, are charged to Exploration expense as incurred.

Intangible fixed assets are subject to technical, commercial and management review to confirm the continued intent to develop and extract the underlying resources. If an area or exploration well is no longer considered commercially viable, the related capitalised costs are charged to Exploration expense.

When management determines with reasonable certainty that the intangible asset will be developed, as evidenced by the classification of proved or probable reserves and the appropriate internal and external approvals, the asset is transferred to tangible fixed assets.

#### *Tangible fixed assets*

Tangible fixed assets are initially recorded at cost.

The costs to acquire developed or producing oil and gas properties, and to develop oil and gas properties, and drilling development wells, and the costs to construct and install development infrastructure, such as wellhead equipment, well platforms, well pairs, offshore platforms, subsea structures and an estimate of decommissioning costs, are capitalised within tangible fixed assets.

#### *Depreciation, depletion and amortisation*

Intangible fixed assets are not subject to depreciation, depletion and amortisation. Once transferred to producing fields within tangible fixed assets and commercial production commences, these costs are depleted on a unit-of-production basis over proved developed reserves.

Capital expenditures are not depleted until assets are substantially completed and ready for their intended use.

Costs to develop oil and gas properties are depleted on a unit-of-production basis over proved developed reserves. A portion of these costs may not be depleted if they relate to undeveloped reserves. Costs related to offshore facilities are depleted over proved and probable reserves.

Depreciation, depletion and amortisation rates are reviewed annually or when events or conditions occur that impact capitalised costs, reserves or estimated service lives.

### 3.3 *Impairment of non-financial assets*

Assets that have an indefinite life are not subject to amortisation and are tested at each reporting period for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 3.4 *Financial instruments*

The Golden Eagle Asset classifies its financial instruments into one of the following categories: fair value through profit or loss (FVTPL) or at amortised cost. This determination is made at initial recognition. All financial instruments are initially recognised at fair value on the balance sheet, net of any transaction costs except for financial instruments classified as fair value through profit and loss, where transaction costs are expensed as incurred. Subsequent measurement of financial instruments is based on their classification. The Golden Eagle Asset classifies accounts receivable as financial assets at amortised cost, and accounts payable and accrued liabilities and other long-term liabilities as financial liabilities at amortised cost.

The fair value of a financial instrument is determined, whenever possible, based on observable market data. If not available, the Golden Eagle Asset uses third party models and valuation methodologies that utilise observable market data that includes forward commodity prices, foreign exchange rates and interest rates to estimate the fair value of financial instruments. In addition to market information, the Golden Eagle Asset incorporates transaction-specific details that market participants would utilise in a fair value measurement, including the impact of non-performance risk.

### 3.5 *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 3.6 *Impairment of financial assets*

At each reporting date, the Golden Eagle Asset assesses the expected credit losses associated with its financial assets measured at amortised cost. Expected credit losses are measured as the difference between the cash flows that are due to the Golden Eagle Asset and the cash flows that the Golden Eagle Asset expects to receive, discounted at the effective interest rate determined at initial recognition. For trade accounts receivable, the Golden Eagle Asset applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. To measure expected credit losses, accounts receivable are grouped based on the number of days the receivables have been outstanding and the internal credit assessments of the customers. Credit risk for longer-term receivables is assessed based on an external credit rating of the counterparty. For longer-term receivables with credit risk that has not increased significantly since the date of recognition, the Golden Eagle Asset measures the expected credit loss as the 12-month expected credit loss. Expected credit losses are recognised in profit for the financial period.

### 3.7 *Inventory*

Inventory is stated at the lower of cost and net realisable value. Cost represents the purchase price of spare parts and consumables. Net realisable value is based on estimated selling price, less further costs

expected to be incurred to complete or dispose. Provision is made for obsolete, slow-moving or defective items where appropriate.

### 3.8 *Trade payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

### 3.9 *Current and deferred income tax*

The reported tax amounts for the Golden Eagle Asset are allocations, as taxes are calculated on a legal entity basis.

Current tax is calculated by applying the applicable statutory tax rate to taxable profits for the period, which is calculated in accordance with the tax laws of the country in which the Golden Eagle Asset is tax resident. Tax rates applied are those which are enacted or substantively enacted at each balance sheet date. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other accounting periods and it further excludes items of income or expenses that are never taxable or deductible.

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at each balance sheet date.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will be utilised in the future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and all available evidence is considered in evaluating the recoverability of these deferred tax assets.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities relating to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 3.10 *Provisions*

#### *Decommissioning costs*

The Golden Eagle Asset recognises liabilities for the future decommissioning and restoration of exploration and evaluation assets. These provisions are based on estimated costs, which take into account the anticipated method of decommissioning. Estimated decommissioning costs are discounted to present value. Period charges for changes in the net present value of the decommissioning provision arising from discounting are included in the income statement. The discounted present value is capitalised in fixed assets and depreciated on a unit of production basis. These costs are assumed to be eligible for tax relief, based on current tax legislation.

### 3.11 *Turnover*

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Revenue is recorded when control passes to the customer, in accordance with specified contract terms. All operating revenue is earned at a point in time and is based on the consideration that the Golden Eagle Asset expects to receive for the transfer of the goods to the customer.

### 3.12 *Petroleum over-lifts and under-lifts*

The quantities of oil and other hydrocarbons actually lifted may differ from the Golden Eagle Asset's entitlements. This gives rise to over-lift or under-lift which is accounted for at the lower of cost or net realisable value ("**NRV**"). Under-lift is shown in debtors, and over-lift is shown in creditors. This movement is presented within cost of sales.

#### 4. **Critical accounting estimates and judgements**

The preparation of financial information in accordance with the measurement and recognition principles of IFRS requires management to make estimates and judgments that affect reported assets, liabilities, revenues, expenses, gains, losses, and disclosures of contingencies. These estimates and judgements are subject to change based on experience and new information.

On 30 January 2020, the World Health Organisation declared the Coronavirus disease (COVID-19) outbreak a Public Health Emergency of International Concern and, on 10 March 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. Whilst a number of these restrictions remain in place, in recent months the demand for commodities and related prices have increased as restrictions have been relaxed.

The operations and business of the Golden Eagle Asset are particularly sensitive to changes in the demand for, and prices of, commodities that are closely linked to the Golden Eagle Asset's financial performance, including crude oil. The potential direct and indirect impacts of the economic instability have been considered in management's estimates, and assumptions at the period end have been reflected in the results with any significant changes described in the relevant financial information notes.

The financial information areas that require significant judgement or represent key sources of estimation uncertainty are as follows:

##### (a) ***Asset impairment and reversals***

Management applies judgement in assessing the existence of impairment and impairment reversal indicators based on various internal and external factors. Management did not identify any such indicators in the period.

##### (b) ***Decommissioning and restoration costs***

The Golden Eagle Asset recognises liabilities for the future decommissioning and restoration of intangible and tangible assets based on estimated future decommissioning and restoration costs. Management applies judgement in assessing the existence and extent, as well as, the expected method of reclamation of the Golden Eagle Asset's decommissioning and restoration obligations. Management also uses judgement to determine whether the nature of the activities performed is related to decommissioning and restoration activities or normal operating activities.

Actual costs are uncertain and estimates may vary as a result of changes to relevant laws and regulations related to the use of certain technologies, the emergence of new technology, operating experience, prices and closure plans. The estimated timing of future decommissioning and restoration may change due to certain factors, including reserves life. Changes to estimates related to future expected costs, discount rates, inflation assumptions, and timing may have a material impact on the amounts presented. However, changes in many of these estimates will be dealt with by a corresponding increase / decrease in the decommissioning asset within tangible fixed assets, and will not have a direct impact on the income statement prior to the recognition of a related DD&A charge. For this reason, and also given the number of individual assumptions underpinning the decommissioning estimates, it is not practical to disclose the impact on the income statement of a reasonably possible change in specific costs estimates.

A 1% variation in the discount rate would change the decommissioning liability by approximately \$13.6 million before taxation (31 December 2020: \$13.3 million).

#### 5. **Turnover**

The Golden Eagle Asset's activities arise predominantly from a single class of business, being oil and gas production. All production activities originate in the United Kingdom. The geographical analysis by destination is as follows:

	<b>3 months ended 31 March 2021 (Audited)</b>	<b>3 months ended 31 March 2020 (Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Europe .....	455	35,826
China .....	50,732	-
	<u>51,187</u>	<u>35,826</u>

6. **Cost of sales**

	<b>3 months ended 31 March 2021 (Audited)</b>	<b>3 months ended 31 March 2020 (Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Operating costs .....	5,948	6,105
Depreciation, depletion and amortisation (note 8) .....	16,209	14,261
Change in net underlift/overlift balance .....	1,706	(2,743)
Transportation .....	1,458	809
	<u>25,321</u>	<u>18,432</u>

The Golden Eagle Asset does not have any direct employees.

7. **Tax on profit**

	<b>3 months ended 31 March 2021 (Audited)</b>	<b>3 months ended 31 March 2020 (Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current tax</b>		
Current tax charge on profits of the period .....	11,396	12,265
<b>Deferred tax</b>		
Deferred tax credit (note 13) .....	(1,714)	(5,626)
<b>Total tax charge</b> .....	<u>9,682</u>	<u>6,639</u>

The amount of tax on the Golden Eagle Asset's profit before taxation differs from the theoretical amount that would arise by applying the applicable rate of tax and is reconciled as follows:

	<b>3 months ended 31 March 2021 (Audited)</b>	<b>3 months ended 31 March 2020 (Unaudited)</b>
	<b>\$000</b>	<b>\$000</b>
Profit before taxation .....	24,783	16,470
Tax on profit before taxation at UK tax rate of 40% applicable to a North Sea oil and gas producer (2020: 40.00%) .....	9,913	6,588
Effects of		
Investment allowance .....	(261)	(3)
Other .....	30	54
	<u>9,682</u>	<u>6,639</u>



8. **Fixed assets**

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
<b>Intangible assets – oil and gas exploration assets</b>		
At beginning of period – 1 January .....	502	487
Exchange difference .....	10	15
	<u>512</u>	<u>502</u>

<b><u>Tangible assets</u></b>	<b>Producing fields</b>	<b>Decommission- ing</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Cost</b>			
At 31 December 2019 .....	812,088	79,090	891,178
Additions/changes in decommissioning .....	15,813	18,739	34,552
Exchange difference .....	25,535	2,399	27,934
At 31 December 2020 .....	853,436	100,228	953,664
Additions/changes in decommissioning .....	10,440	-	10,440
Exchange difference .....	16,026	1,868	17,894
At 31 March 2021 .....	<u>879,902</u>	<u>102,096</u>	<u>981,998</u>
<b>Accumulated depreciation</b>			
At 31 December 2019 .....	673,298	70,918	744,216
Charge .....	48,936	3,734	52,670
Exchange difference .....	23,222	2,365	25,587
At 31 December 2020 .....	745,456	77,017	822,473
Charge .....	13,558	2,651	16,209
Exchange difference .....	14,046	1,465	15,511
At 31 March 2021 .....	<u>773,060</u>	<u>81,133</u>	<u>854,193</u>
<b>Net book value</b>			
At 31 March 2021 .....	<u>106,842</u>	<u>20,963</u>	<u>127,805</u>
At 31 December 2020 .....	<u>107,980</u>	<u>23,211</u>	<u>131,191</u>

At 31 March 2021, the balance of assets under construction included in tangibles and not subject to depreciation or depletion was \$5.0 million (31 December 2020: \$10.7 million).

For impairment testing purposes, where required the recoverable amount of cash generating units (CGU's) and individual assets is determined based on the higher of fair value less costs of disposal or value-in-use calculations. The key estimates the Golden Eagle Asset applies in determining the recoverable amount normally include estimated future commodity prices, discount rates, expected production volumes, future operating and development costs and tax rates. In determining the recoverable amount, management may also be required to make judgements regarding the likelihood of occurrence of a future event.

Changes to these estimates and judgements will affect the recoverable amounts of CGU's and individual assets and may then require a material adjustment to their related carrying value.

9. **Inventory**

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
Materials and supplies .....	14,007	13,411

The inventory value includes \$9.8 million (31 December 2020 \$9.4 million) of inventory for current and future development wells and \$4.2 million (31 December 2020: \$4.0 million) for pipeline stock.

10. **Trade and other receivables**

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
Underlift .....	8,995	10,641
Accrued income.....	119	39
Other debtors .....	265	443
	<u>9,379</u>	<u>11,123</u>

The carrying value of the trade and other receivables as stated above are considered to be a reasonable approximation to their fair value due to their short-term maturities. As disclosed in Note 3, underlift is valued at the lower of cost and NRV at the prevailing balance sheet date.

11. **Trade and other payables**

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
Trade payables.....	-	953
Accrued expenses .....	15,951	13,087
	<u>15,951</u>	<u>14,040</u>

The carrying value of the 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. Trade payables are non-interest bearing and settled on terms within 15 days.

12. **Provisions for liabilities**

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
Decommissioning costs .....	142,421	138,740

The movement on decommissioning costs comprises:

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
At beginning of period – 1 January .....	138,740	112,689
Changes .....	-	18,739
Unwinding of discount .....	1,083	3,684
Exchange difference .....	2,598	3,628
	<u>142,421</u>	<u>138,740</u>

Decommissioning estimates are based on the latest technical assessments available of the costs involved and the date at which they will be incurred. Based on the latest estimate, decommissioning is expected to commence in 2027. A weighted average credit-adjusted risk-free interest rate of 3.1% was used to discount the provision recognised at 31 March 2021 (31 December 2020: 3.1%). The credit-adjusted risk-free interest rate used reflects the expected time frame of the provisions.

### 13. Deferred tax (asset)/liability

Deferred tax relates to the following:

	<b>Accelerated capital allowances</b>	<b>Decommission- ing provision</b>	<b>Other</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 31 December 2019	58,980	(45,075)	294	14,199
Charge/(credit) to income statement .....	(7,652)	(8,563)	289	(15,926)
Exchange difference	1,350	(1,858)	26	(482)
At 31 December 2020	52,678	(55,496)	609	(2,209)
Charge/(Credit) to income statement (note 7)	(2,307)	(434)	1,027	(1,714)
Exchange difference	956	(1,039)	22	(61)
At 31 March 2021	51,327	(56,969)	1,658	(3,984)

### 14. Financial commitments

	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>(Audited)</b>	<b>(Audited)</b>
	<b>\$000</b>	<b>\$000</b>
Commitments for the acquisition of intangible and tangible fixed assets .....	2,715	5,947

Capital commitments predominately relate to the infill drilling.

### 15. Subsequent events

Subsequent to 31 March 2021, and in accordance with the agreement between EnQuest and Suncor to purchase Suncor's entire 26.69% non-operated equity interest in the Golden Eagle Area Development Asset signed on 4 February 2021, the Golden Eagle Asset was transferred into a shell legal entity, North Sea (Golden Eagle) Resources Limited, on 1 October 2021 with the intention that EnQuest will purchase that entity.

**PART 3 – SUPPLEMENTAL OPERATING AND FINANCIAL REVIEW OF THE GOLDEN EAGLE ASSET**

The following review should be read in conjunction with the financial information of the Golden Eagle Asset as at and for the three months ended 31 March 2021 and 31 March 2020, which is set out in Part 2 (“Financial Information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020”) of this document. You should read the entire document, the Original Prospectus and First Supplementary Prospectus and not just rely on the information set out below, and you should not rely solely on key and summarised information. Deloitte LLP issued an audit opinion in respect of the financial information for the Golden Eagle Asset for the three months ended 31 March 2021.

**1. Results of operations**

The following table sets forth certain of the Golden Eagle Asset's historical revenue and expense items for the three months ended 31 March 2021 and 2020.

	<b>For the year three months ended 31 March</b>	
	<b>2021 (Audited)</b>	<b>2020 (Unaudited)</b>
	<i>(in USD millions)</i>	
Revenue.....	51.2	35.8
Cost of Sales.....	(25.3)	(18.4)
<b>Gross profit</b> .....	<b>25.9</b>	<b>17.4</b>
Unwinding of discount on decommissioning .....	(1.1)	(0.9)
<b>Profit before taxation</b> .....	<b>24.8</b>	<b>16.5</b>
Tax on profit.....	(9.7)	(6.6)
<b>Profit and comprehensive income for the financial year</b>	<b>15.1</b>	<b>9.8</b>

**1.1 Comparison of the Golden Eagle Asset's results of operations for the three months ended 31 March 2021 and 31 March 2020**

**(a) Revenue**

Revenue increased by \$15.4 million, or 43.0 per cent., to \$51.2 million for the three months ended 31 March 2021, from \$35.8 million for the three months ended 31 March 2020, primarily due to materially higher production.

Revenue is predominantly derived from oil sales. For the three months ended 31 March 2021, oil sales were \$50.7 million compared with \$35.7 million in the three months ended 31 March 2020. The increase was driven by an increase of production. The Golden Eagle Asset's average realised oil price for three months ended 31 March 2021 was \$50.8/Boe compared to \$56.8/Boe for three months ended 31 March 2020. Over the period price has decreased by 10.7 per cent.

The Golden Eagle Asset's North Sea production, on a working interest basis, increased by 3,242 boepd, or 38.3 per cent., to 11,717 boepd for the three months ended 31 March 2021 from 8,475 boepd for the three months ended 31 March 2020. This increase was primarily driven by the impact of infill drilling completed in the period, partially offset by natural reservoir decline.

**(b) Cost of sales**

The following table sets forth details of the Golden Eagle Asset's cost of sales for the three months ended 31 March 2020 and 2021.

	<b>For the three months ended 31 March</b>	
	<b>2021 (Audited)</b>	<b>2020 (Unaudited)</b>
	<i>(in USD millions)</i>	
Operating costs.....	5.9	6.1
Depreciation, depletion and amortisation.....	16.2	14.3
(Increase)/decrease in net underlift balance.....	1.7	(2.8)
Transportation .....	1.5	0.8
<b>Total</b> .....	<b>25.3</b>	<b>18.4</b>

Cost of sales increased by \$6.9 million, or 37.5 per cent., to \$25.3 million for the three months ended 31 March 2021 from \$18.4 million for the three months ended 31 March 2020, primarily driven by movements in net underlift and increased depreciation, depletion and amortisation and transportation costs.

Operating costs were \$5.9 million for the three months ended 31 March 2021 and \$6.1 million for the three months ended 31 March 2020.

Average unit operating costs decreased by \$2.3/Boe, or 28.8 per cent, to \$5.6/Boe for the three months ended 31 March 2021 from \$7.9/Boe for the three months ended 31 March 2020, reflecting higher production.

Depreciation, depletion and amortisation expense increased by \$1.9 million, or 13.7 per cent, to \$16.2 million for the three months ended 31 March 2021 from \$14.3 million for the three months ended 31 March 2020, due to higher production.

In the three months ended 31 March 2021, the net underlift position reduced by \$1.7 million compared to an increase in the net underlift position by \$2.8 million in the three months ended 31 March 2020.

(c) *Tax on profit*

The Golden Eagle Asset recorded a tax expense of \$9.7 million in the three months ended 31 March 2021 and of \$6.6 million in the three months ended 31 March 2020.

(d) *Profit and comprehensive income for the financial year*

As a result of the factors described above, the Golden Eagle Asset recorded a net profit of \$15.1 million for the three months ended 31 March 2021, compared to a net profit of \$9.8 million for the three months ended 31 March 2020.

## PART 4 - ADDITIONAL INFORMATION

### 1. Responsibility

The Company and its Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

<u>Name</u>	<u>Position</u>
Martin Houston	Non-Executive Chairman
Amjad Bseisu	Chief Executive
Jonathan Swinney	Chief Financial Officer
Howard Paver	Senior Independent Director
Philip Holland	Non-Executive Director
Carl Hughes	Non-Executive Director
Farina Khan	Non-Executive Director
Liv Monica Stubholt	Non-Executive Director
John Winterman	Non-Executive Director

### 2. Consent

Deloitte LLP has given and has not withdrawn its written consent to the inclusion of its accountant's report on the financial information on the Golden Eagle Asset set out in section B of Part 2 ("*Financial Information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020*") of this Supplementary Prospectus and has authorised the contents of its reports which are included in this Supplementary Prospectus for the purposes of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules and for the purposes of Annex 1, Item 1.3 of the UK version of Commission Delegated Regulation (EU) 2019/980.

### 3. No significant change

There has been no significant change in the financial position or performance of the Golden Eagle Asset since 31 March 2021, being the date to which the last audited financial statements of the Golden Eagle Asset were prepared.

### 4. Documents available for inspection

Copies of the following documents will be published on the Company's website at [www.enquest.com](http://www.enquest.com) and available for inspection, subject to compliance with appropriate COVID-19 precautionary measures, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until Re-admission at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW:

- (a) the letter of consent referred to in paragraph 2 above;
- (b) the report by Deloitte LLP on the financial information on the Golden Eagle Asset set out in section B of Part 2 ("*Financial Information on the Golden Eagle Asset for the three months ended 31 March 2021 and 31 March 2020*") of this Supplementary Prospectus; and
- (c) this document.