



EnQuest PLC, 31 July 2020

EnQuest signs sale and purchase agreement for equity interest in the Bressay Oil Field

EnQuest PLC (together with its subsidiaries, 'EnQuest'), an independent oil and gas production and development company listed on the London and Stockholm stock exchanges (ENQ.L and ENQ.ST), is pleased to announce it has signed a sale and purchase agreement ('SPA') with Equinor to purchase a 40.81% equity interest in the Bressay oil field. Completion of the transaction is subject to the satisfaction of a number of conditions precedent. Under the terms of the SPA and subject to all partner approvals, EnQuest will also assume operatorship of the licences following the plugging and abandonment of the 3/28-1 well by Equinor. The initial consideration is £2.2 million payable as a carry against 50% of Equinor's net share of costs from the point EnQuest assumes operatorship. EnQuest will also make a contingent payment of \$15 million following OGA approval of a Bressay field development plan. There are no gross assets or profit before tax associated with the assets.

Highlights

- 40.81% equity and operatorship for an initial consideration of £2.2 million
 - Payable as a carry against 50% of Equinor's net share of costs from completion
 - A contingent payment of \$15 million to Equinor on regulatory approval of a Bressay field development plan*
- Low-cost addition of up to 115 MMbbls (net) 2C resources, depending on development concept
 - ~65% increase in EnQuest's 2C resources from 173 MMbbls to 288 MMbbls
- A number of development scenarios are under consideration, including a potential tie back to Kraken, reducing emissions, costs and extending its field life
 - No material near-term capital commitments
 - If developed via Kraken, Bressay produced gas may be used for fuel for the FPSO, reducing carbon emissions over the longer term
 - Aligned with EnQuest's proven capabilities in heavy oil, drilling and low risk subsea tie backs
 - Establishes a strategic partnership with Equinor, jointly leveraging UKCS development capabilities
- Appropriate extensions to licence expiry dates and commitments are condition precedents to completion

EnQuest Chief Executive, Amjad Bseisu, said:

"We are delighted we have agreed the acquisition of a material operating interest in the Bressay field and to partner with Equinor. With the addition of up to 115 MMbbls of net 2C resources, Bressay provides EnQuest an opportunity to demonstrate its proven capabilities in low-cost drilling, near-field and heavy oil development. The heavy oil skills and knowledge the Group has acquired from Kraken will help us unlock the potential of this large 1 billion bbl oil in place field. We would like to thank Equinor for their confidence in our capabilities and we look forward to a productive partnership with Equinor and Chrysaor."

Ends

Notes to editors

Bressay is a heavy oil field in the Northern North Sea located in 110 metres water depth and 12 kilometres Northeast of the EnQuest operated Kraken heavy oil field. Bressay is one of the largest undeveloped oil fields in the UKCS with an estimated stock-tank oil initially in place ('STOIIP') of 600 to 1,050 MMbbls. The field was discovered in 1976 and has been appraised through the drilling and testing of four further wells, with flow rates of up to 2,900 bopd achieved.

The Bressay field is located across four UK licence blocks: P234, P493, P920 and P977. Each of these licence blocks has the same equity partnership. Current partners in the Bressay field are Equinor (81.62%) and Chrysaor (18.38%).

*The contingent payment increases to \$30 million in the event that EnQuest sole risks Equinor in the submission of the field development plan.

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Notes to editors**ENQUEST**

EnQuest is an independent production and development company with operations in the UK North Sea and Malaysia. The Group's strategic vision is to be the operator of choice for maturing and underdeveloped hydrocarbon assets by focusing on operational excellence, differential capability, value enhancement and financial discipline.

EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. Its UK operated assets include Thistle/Deveron, Heather/Broom, the Dons area, Magnus, the Greater Kittiwake Area, Scolty/Crathes and Kraken; EnQuest also has an interest in the non-operated Alba producing oil field. At the end of June 2020, EnQuest had interests in 17 UK production licences and was the operator of 15 of these licences. EnQuest's interests in Malaysia include the PM8/Seligi and PM409 Production Sharing Contracts, both of which the Group operates.

Forward-looking statements: This announcement may contain certain forward-looking statements with respect to EnQuest's expectations and plans, strategy, management's objectives, future performance, production, reserves, costs, revenues and other trend information. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this announcement should be construed as a profit forecast. Past share performance cannot be relied upon as a guide to future performance.