

EnQuest PLC, 30 May 2024

Annual General Meeting - Operations update

Strong operational performance year to date; full year guidance unchanged

EnQuest Chief Executive, Amjad Bseisu, commented:

“EnQuest has continued to deliver strong operational performance across our operated portfolio during the early part of the year, with production to the end of April averaging 43.6 Kboed (above the mid-point of guidance).

“We continue to achieve top quartile production efficiencies across the portfolio, while our high performing decommissioning team continues to deliver sector leading performance, having completed ten well plug and abandonments in 2024 across Heather and Thistle.

“We are also making good progress in respect of the major right-sizing projects which are underway at the Sullom Voe Terminal, with the new stabilisation facilities expected to be online early next year.

“During this period of political and fiscal uncertainty, we remain actively engaged in efforts to advocate on behalf of the sector and the 200,000 jobs which it supports to create an environment which supports investment in the UK’s delivery of energy security, decarbonisation and a just energy transition.

“Following the commencement of EnQuest’s inaugural shareholder returns programme in April and with the foundations set for a pivot to growth during 2024, we are focused on delivering that growth through transformative acquisitions; utilising our differentiated operating capability and advantaged tax position to accrete value.”

Operating performance

- Group production averaged 43,595 Boepd (guidance 41,000 Boepd to 45,000 Boepd) for the year to date 30 April.
- Kraken reached milestone of 70 million barrels of oil produced during May.
- Magnus five yearly rig recertification nearing completion, with two infill wells and a barrel-adding wellwork programme planned for the second half of the year.

Liquidity and net debt

- Net debt c.\$344 million at 30 April; represents a reduction of c.\$137 million since 31 December 2023 and a reduction of c.\$66 million since 29 February 2024.
- c.\$534 million liquidity at 30 April, providing a platform for transformational transactional growth, enhanced by EnQuest’s advantaged UK tax position.
- EnQuest’s \$15 million share buy back programme commenced on 29 April 2024.

2024 guidance unchanged

- Production guidance: 41,000 Boepd to 45,000 Boepd.
- Cash capital expenditure to total c.\$200 million; operating expenditure to total c.\$415 million; and decommissioning expenditure to total c.\$70 million.
- Investment is scaled to maintain production, maximise cash flow, drive capital efficiency and reduce future emissions and operating costs.

2024 Annual General Meeting

- Subject to shareholder approval at today’s Annual General Meeting (‘AGM’), Jonathan Copus joins the EnQuest Board as an Executive Director, with Rosalind Kainyah MBE and Marianne Daryabegui joining the Board as Non-Executive Directors. As previously announced, Salman Malik, Rani Koya and Liv Monica Stubholt will step down as Directors at the AGM.

Further Detail:

Production:

Group production for the first four months of 2024 averaged 43,595 Boepd, with continued top quartile production uptimes across the operated portfolio maintaining full year average 2023 production levels and partially offsetting the impact of natural field declines.

Upstream:

Production at **Magnus** averaged 15,875 Boepd, with production efficiency of 86% for the period. Following the replacement of a seawater lift pump in the first quarter, which required an unscheduled one-week shutdown, a rolling changeout programme has been initiated to minimise downtime going forward.

The Magnus five-yearly rig recertification scope is expected to be completed in June, ahead of a return to drilling activity in the second half of the year. Two sidetrack wells and multiple scale squeeze activities are planned before the end of 2024. Work to optimise the annual maintenance shutdown is ongoing.

Kraken net production averaged 13,700 Boepd, reflecting 98% production uptime and water injection efficiency of 95% as partial offsets to natural field decline. This continued strong operational performance saw Kraken reach the milestone of 70 million barrels of oil produced during May.

Planning work is underway ahead of the planned return to drilling at Kraken during 2025, with joint venture approval granted to order select long lead equipment required to facilitate the two-well sidetrack programme.

Golden Eagle net production for the year to date 30 April was 3,778 Boepd, with asset production efficiency of around 95%.

The 2023/24 platform drilling programme on this non-operated asset is ongoing, with the first well having been brought online in January 2024. The second well did not encounter sufficient hydrocarbon bearing sands so was not completed, while the third well is in the process of being completed for production. The final planned well in the programme is a water injector, which is due to be completed in mid-2024.

Production from **other UK upstream assets** averaged 2,528 Boepd, reflecting strong uptime of 86% at the Greater Kittiwake Area.

Midstream:

Project activity at the Sullom Voe Terminal ('SVT') is underway, with the commencement of construction of a right-sized oil stabilisation facility. This will enable the continued production from the East of Shetland basin, reduce the terminal power demand and associated emissions, decrease operating costs and release the existing stabilisation facility for decommissioning, reducing the risk profile at site. This project is on schedule to be delivered in early 2025.

The construction of the new stabilisation facilities provides an opportunity to connect SVT to the electrical power grid due to the lower power demand. This grid connection will allow for the retiral of the Sullom Voe Power Station, reducing terminal emissions by 90% and lowering operating costs. This project is at an early stage but it is anticipated that first power from the grid connection could be achieved during 2026.

In **Malaysia**, EnQuest was awarded two accolades at the Malaysia Upstream Awards, including Operator of the Year.

Average production at PM8/Seligi for the first four months of 2024 was 7,714 Boepd, with production uptime remaining high at 93% and benefitting from availability of all compression units this year. Seligi gas, which is produced and handled by EnQuest in exchange for a gas handling and delivery fee, represented 1,486 Boepd of year to date production. Discussions are ongoing between EnQuest and Petronas, seeking to expand on the existing foundational strategic agreement relating to Seligi gas.

The Group has drilled and completed the first infill well of a three well programme utilising a tender assisted rig. First oil was delivered on 9 May, with production rates in line with expectations as optimisation work is ongoing. The remaining two wells in the programme will be completed by July 2024. Three workover wells have been completed in May, with the hydraulic workover unit now being mobilised for the six wells plug and abandonment campaign. The 2024 shutdown is planned for the end of the third quarter to complete critical integrity and maintenance works, including a turbine control panel upgrade to further improve compressor reliability.

Decommissioning:

EnQuest continues to demonstrate top quartile decommissioning capability through performance across its Heather and Thistle projects. As at 30 April, the Group has completed the plug and abandonment of ten wells in total (six wells at Thistle and four wells at Heather) against an annual target of 25 wells. This work is being executed at sector leading cost by EnQuest's dedicated in-house team which, per North Sea Transition Authority review data, has delivered a probabilistic average cost per well for P&A of c.£2.5 million, 42% lower than the industry benchmark of c.£4.3 million.

Liquidity and net debt

During the first quarter of 2024, the Group fully repaid the \$140 million outstanding balance on the RBL facility. Cash flows in the year to date have benefitted from strong production uptimes, supportive and stable commodity prices and a year-to-date overlift position, which is expected to unwind by the end of 2024.

Net debt as at 30 April 2024 was \$344 million, with cash and available facilities of \$534 million, including restricted funds and ring-fenced funds held in joint venture operational accounts totalling \$145 million.

The Group commenced its \$15 million share buyback programme on 29 April. To date, 5.1 million shares have been purchased at an average price of 15.7p. It is intended that the first 25 million shares purchased under the buy back programme will be held in Treasury for issue in due course to the Company's Employee Benefit Trust. After the initial 25 million shares are purchased, all additional shares purchased under the programme will be cancelled.

2024 outlook unchanged

EnQuest remains focused on maintaining its track record of upstream operational excellence and utilising its skills, tax assets and significantly de-leveraged balance sheet to drive growth through acquisition.

The Group remains on track to achieve net production between 41,000 and 45,000 Boepd, with further well activity planned in the second half of the year, most notably at Magnus and at PM8/Seligi, partially offset by planned maintenance shutdowns and natural declines.

Operating expenditures are expected to be approximately \$425 million, cash capital expenditure is expected to be \$200 million and decommissioning expenditure is expected to be around \$70 million.

The Group is due to make its first full year payment under the 35% Energy Profits Levy in the second half of 2024.

As at 30 April 2024, effective for the period May to December 2024 inclusive, EnQuest has hedged c.3.5 MMbbls of oil, predominantly through the use of put options with an average floor price of c.\$60/bbl. The Group has hedged a total of c.1.6 MMbbls for 2025 using put options at an average floor price of c.\$60/bbl.

EnQuest expects to announce its 2024 half year results in September 2024.

Ends

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Notes to editors

ENQUEST

EnQuest is providing creative solutions through the energy transition. As an independent energy company with operations in the UK North Sea and Malaysia, the Group's strategic vision is to be the partner of choice for the responsible management of existing energy assets, applying its core capabilities to create value through the transition.

EnQuest PLC trades the London Stock Exchange.

Please visit our website www.enquest.com for more information on our global operations.

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.