



ENQUEST PLC, 29 JUNE 2020

Reports on Payments to Governments for the Year ended 31 December 2019

This report provides information in accordance with DTR 4.3A in respect of payments made by the Company to Governments for the year ended 31 December 2019 and in compliance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209).

This report is available to download from: <https://www.enquest.com/corporate-responsibility/business-conduct>

**Basis of preparation**

The payments disclosed, which are on a cash basis, are based on where the obligation for the payment arose (i.e. at a project or corporate level). Where a payment or a series of related payments do not exceed £86,000, they are not required to be disclosed under the UK Regulations, however this has been disclosed in aggregate at a corporate level for clarity over obligations.

All of the payments disclosed in accordance with the Directive have been made to national Governments, either directly or through a Ministry or Department of the national Government, with the exception of the Malaysian payments in respect of production entitlements, supplementary payments, royalties, research CESS and education commitment payments which are paid to PETRONAS (Petroleum Nasional Berhad, the National Oil Company of Malaysia).

By licence										
Project/entity name	Licence	Production entitlements		Taxes	Royalties	Licence fees	Education commitment payment	Research CESS	Supplementary payments	TOTAL
		mboe	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Kraken & Kraken North	P1077	-	-	-	-	574	-	-	-	574
Alma & Galia	P1765 & P1825	-	-	-	-	607	-	-	-	607
Heather & Broom	P242 & P902	-	-	-	-	422	-	-	-	422
Greater Kittiwake Area	P73 & P238	-	-	-	-	202	-	-	-	202
Dons (including Ythan & Conrie)	P236, P1200 & P2137	-	-	-	-	518	-	-	-	518
Thistle & Deveron	P236 & P475	-	-	-	-	108	-	-	-	108
Scolty & Crathes	P1107 & P1617	-	-	-	-	434	-	-	-	434
Magnus	P193	-	-	-	-	367	-	-	-	367
Corporate		-	-	10,624	-	112	-	-	-	10,736
<b>Total United Kingdom</b>		-	-	<b>10,624</b>	-	<b>3,344</b>	-	-	-	<b>13,968</b>
Corporate		-	-	(2,285)	-	-	-	-	-	(2,285)
<b>Total Norway</b>		-	-	<b>(2,285)</b>	-	-	-	-	-	<b>(2,285)</b>
PM-8E		1,029	62,922	-	1,905	-	-	681	21,069	86,577
Tanjong Baram		-	-	-	-	-	100	-	-	100
Corporate		-	-	17,814	-	-	-	-	-	17,814
<b>Total Malaysia</b>		<b>1,029</b>	<b>62,922</b>	<b>17,814</b>	<b>1,905</b>	-	<b>100</b>	<b>681</b>	<b>21,069</b>	<b>104,491</b>
<b>Total Group</b>		<b>1,029</b>	<b>62,922</b>	<b>26,153</b>	<b>1,905</b>	<b>3,344</b>	<b>100</b>	<b>681</b>	<b>21,069</b>	<b>116,174</b>

By Government									
Project/entity name Licence	Production entitlements		Taxes	Royalties	Licence fees	Education commitment payment	Research CESS	Supplementary payments	TOTAL
	mboe	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
HM Revenue and Customs	-	-	10,624	-	-	-	-	-	10,624
Department of Business, Energy and Industrial Strategy	-	-	-	-	3,344	-	-	-	3,344
<b>Total United Kingdom</b>	-	-	<b>10,624</b>	-	<b>3,344</b>	-	-	-	<b>13,968</b>
Skatteetaten	-	-	(2,285)	-	-	-	-	-	(2,285)
<b>Total Norway</b>	-	-	<b>(2,285)</b>	-	-	-	-	-	<b>(2,285)</b>
PETRONAS	1,029	62,922	-	1,905	-	100	681	21,069	86,677
Malaysian Inland Revenue Board	-	-	17,814	-	-	-	-	-	17,814
<b>Total Malaysia</b>	<b>1,029</b>	<b>62,922</b>	<b>17,814</b>	<b>1,905</b>	-	<b>100</b>	<b>681</b>	<b>21,069</b>	<b>104,491</b>
<b>Total Group</b>	<b>1,029</b>	<b>62,922</b>	<b>26,153</b>	<b>1,905</b>	<b>3,344</b>	<b>100</b>	<b>681</b>	<b>21,069</b>	<b>116,174</b>

Production entitlements expressed in barrels

This includes non-cash royalties and state non-participating interest paid in barrels of oil or gas out of EnQuest's working interest share of production in a licence. The figures disclosed are produced on an entitlement basis rather than a liftings basis. It does not include the Government's or National Oil Company's working interest share of production in a licence. Production entitlements are assessed on a quarterly basis and are valued at the price used to determine entitlement.

Taxes

This represents cash tax calculated on the basis of profits including income or capital gains. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebates received from the Government or revenue authority during the year and excludes fines and penalties.

Royalties

This represents cash royalties paid to Governments during the year for the extraction of oil or gas. The terms of the royalties are described within our Production Sharing Contracts ('PSC') and can vary from project to project within one country. Royalties paid in kind have been recognised within the production entitlements category.

Licence fees

This represents total, rather than working interest share of, licence fees, rental fees, entry fees and other levies or consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments if applicable).

Education commitment payment

This represents the annual education contribution paid to PETRONAS pursuant to the Tanjong Baram Risk Service Contract.

Research CESS

Research CESS payments are contractual amounts due under the PM-8E PSC, and are based on EnQuest's entitlement to production. These payments are made to PETRONAS.

Supplementary payments

Supplementary payments are required under the PM-8E PSC and are based on EnQuest's entitlement to profit oil and profit gas. These payments are made to PETRONAS.

Ends

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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, Alma/Galia and Kraken; EnQuest also has an interest in the non-operated Alba producing oil field. At the end of December 2019, 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.