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EnQuest Sanctions The Development Of Alma And Galia Production Guidance Shows Growth Potential Of Over 20% P.A.

Alma/Galia: 29 MMboe of net 2P reserves

EnQuest PLC ('EnQuest') is pleased to announce that it has sanctioned the development of the Alma and Galia fields, subject to anticipated regulatory approvals. This $850 million project will add a fourth hub to EnQuest's existing operating base, will increase EnQuest's net 2P oil reserves by 29 MMboe and is expected to increase EnQuest's production levels to over 40,000 Boepd in 2014. This project will be a central feature in presentations which EnQuest is giving to investors today.

Medium term production guidance: CAGR of over 20% per annum, 2009 to 2014

EnQuest is also today issuing new medium term production guidance, including the anticipated positive production impact from Alma and Galia. Based on today's guidance, EnQuest would deliver a compound annual growth rate of over 20% per annum between 2009 and 2014.

EnQuest is anticipating average annual production of between 20,000 Boepd and 24,000 Boepd for 2012, between 25,000 Boepd and 30,000 Boepd for 2013 and in excess of 40,000 Boepd for 2014. EnQuest anticipates adding further production through business development opportunities.

Crathes exploration

EnQuest announces today that its Crathes exploration well, 21/13a-5 encountered a 52ft light oil column in excellent quality Palaeocene sands. Following wireline logging, the well will be drilled ahead to the deeper Moon prospect. EnQuest will then evaluate the potential commerciality of the Scolty, Crathes/Moon and Torphins area. EnQuest acquired its 40% interest in Crathes through a recent farm in.

Kildrummy farm in

EnQuest has agreed with Talisman Energy to farm in to a 40% interest in the Kildrummy discovery on 15/12b and 15/17 by drilling an appraisal well. The discovery is estimated to contain 40 MMboe of original oil in place in excellent reservoir sands.

Amjad Bseisu, Chief Executive of EnQuest, said:

The Alma and Galia development shows the continuing growth of EnQuest and the breadth and depth of its capabilities, from subsurface to production. The project reuses existing facilities and is designed to ensure that abandonment costs will be minimised. Alma, formerly the Argyll field, was the first oil field in the UK and was abandoned at relatively low water cut using the technology available at the time. With current technology field life can be extended significantly. This type of opportunity fits the EnQuest model of finding fresh opportunities in mature assets.

The Alma and Galia development provides a material increase of approximately 29MMBoe in EnQuest's reserves and underpins our medium term production growth profile. This is EnQuest's largest new project so far and our fourth hub. We look forward to EnQuest's development and execution team delivering this and other hubs in the future."

Alma and Galia development

- First production is anticipated in Q4 2013, with peak production of over 20,000 Boepd

- Alma and Galia add 29 MMboe of 2P reserves
- Gross capital costs of the project are estimated to be approximately $850 million, with $100 million invested in 2011, this is in addition to EnQuest's underlying 2011 capital investment of approximately $300 million. Over the life of the field operating costs are estimated to be approximately $29 per Boe, significantly less in the early years.
- The development will consist of 7 production wells and 2 water injection/disposal wells, tied back to the modified Uisge Gorm Floating Production and Storage Offloading ('FPSO') vessel. The development plan is designed to be capable of processing high water cut levels up to 95%
- EnQuest anticipates DECC approval of the associated field development plans ('FDP') in the near future

Kildrummy farm in

- EnQuest has farmed in to the Kildrummy discovery on blocks 15/12b and 15/17, subject to normal JV partner and DECC approvals
- EnQuest will earn a 40% working interest (Talisman 40%, ENI 20%) by carrying Talisman's share of the appraisal programme, the net cost of the well is estimated at approximately $32 million
- Current estimate of P50 original oil in place is 40 MMboe in excellent sands, 8km from the Piper platform
- EnQuest is to become the Kildrummy Operator (subject to partner approval under the Joint Operating Agreements) and will operate the appraisal well. If the appraisal is successful EnQuest will also operate the subsequent field development project

2012 Oil Price Hedging

EnQuest has entered into hedging arrangements for 3m barrels of production for 2012. The contracts consist of put spreads and calls, all done on a costless basis.

The presentation being given by EnQuest to investors and analysts will be available on the Company's website, at www.enquest.com

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Notes to editors

EnQuest is the largest UK independent producer in the UK North Sea. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. It is a constituent of the FTSE 250 index and OMX Nordix index. Its assets include the Thistle, Deveron, Heather, Broom, West Don and Don Southwest fields. At the end of the first half of 2011, EnQuest had interests in 20 production licences covering 25 blocks or part blocks in the UKCS, of which 18 licences are operated by EnQuest.

EnQuest believes that the UKCS represents a significant hydrocarbon basin in a low-risk region, which continues to benefit from an extensive installed infrastructure base and skilled labour. EnQuest believes that its assets offer material organic growth opportunities, driven by exploitation of current infrastructure on the UKCS and the development of low risk near field opportunities.

Forward looking statements: This announcement may contain certain forward-looking statements with respect to EnQuest's expectation and plans, strategy, management's objectives, future performance, production, 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 presentation should be construed as a profit forecast. Past share performance cannot be relied on as a guide to future performance.

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