



**EnQuest PLC, 15 November 2013.**

**Green light for one of the largest new oil fields in the North Sea  
The £4 billion Kraken development has been approved by its owners and by DECC**

EnQuest PLC, the largest UK independent oil company in the UK North Sea, has given its go-ahead for a £4 billion investment in the c.140 million barrel oil field Kraken development, set to generate billions of revenue for taxpayers and to support an estimated 20,000 jobs during the project's construction period and an average of approximately 1,000 operational jobs a year over the course of its 25 year life. The development has been approved by the Department of Energy and Climate Change ('DECC'), this is the largest investment announced in the UK North Sea this year and one of the largest UK industrial investments for 2013.

EnQuest is the operator of Kraken and will develop the project on behalf of itself and its partners. The project will be EnQuest's sixth production hub in the UK North Sea. The development has two separate heavy oil fields, both of which will benefit from heavy oil allowances, which the Government has provided support for in order to stimulate investment in the UK North Sea.

Chancellor of the Exchequer, George Osborne said:

"This is a big investment that will create jobs and boost the British economic plan. It is also evidence that our efforts to create a competitive tax regime that gets the most oil and gas out of the North Sea are working."

EnQuest CEO, Amjad Bseisu, said:

"Companies like EnQuest are the future of the North Sea; it is only by combining our skills and expertise with fiscal incentives, such as heavy oil allowances, that really substantial projects like Kraken are possible. Kraken is a transformational project for EnQuest and we are delighted to be able to proceed with it; working with the Government and our partners to maximise the extraction of approximately 140 million barrels of oil in this field, over its 25 year long life.

EnQuest extends the lives of mature oil fields and brings to life previously undeveloped oil fields, using the integrated technical skills of our people and our significant operational scale as the largest independent North Sea producer."

**Highlights:**

- Kraken is a large heavy oil accumulation in the UK North Sea, located in the East Shetland basin, to the west of the North Viking Graben; approximately 125 km east of the Shetland Islands
- The field contains 137 million barrels of oil
- £4 billion of capital and operational investment, 80% of which will be spent in the UK, estimated to generate future revenue of £9 billion
- Using Oil & Gas UK's reporting metrics, the Kraken development will support more than 20,000 UK jobs during the construction period of the project and an average of approximately 1,000 operational jobs in the UK for each year of Kraken's 25 year life.
- Gross peak oil production expected to be over 50,000 barrels of oil per day, first oil production in 2016/2017.
- The Kraken vessel will be one of the largest ever built in the UK North Sea.

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**Notes to editors****About the Kraken Development**

- EnQuest is the operator of the Kraken development, EnQuest's partners on the development have also given their approval for the project to proceed.
- The field development will consist of 25 wells, tied back to the vessel.
- The oil is 'heavy oil' and the development has two separate heavy oil fields, both of which will attract heavy oil allowances; the Government has put a series of such investments in place to stimulate investment in the UK North Sea.
- Kraken will be EnQuest's sixth production hub in the UK North Sea
- Kraken is a large heavy oil accumulation in the UK North Sea, located in the East Shetland basin, to the west of the North Viking Graben; approximately 125 km east of the Shetland Islands
- EnQuest has a 60% interest in Kraken, its partners in the Kraken development are Cairn Energy PLC and First Oil plc.

**About EnQuest**

EnQuest is the largest UK independent producer in the UK North Sea. Oil and gas development and production company EnQuest PLC, trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. It is a constituent of the FTSE 250 index. Its assets include the Thistle, Deveron, Heather, Broom, West Don, Don Southwest and Conrie producing fields and the Alma and Galia development. At the end of H1 2013, EnQuest had interests in 33 production licences covering 45 blocks or part blocks in the UKCS, of which 25 licences are operated by EnQuest. In addition, EnQuest also has an interest in two blocks offshore in Sabah, Malaysia.

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. [www.enquest.com](http://www.enquest.com)

**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, reserves, 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.