EnQuest PLC, 15 November 2013. Interim Management Statement.

Production up 7.2%

Kraken project sanctioned, Field Development Plan approved by DECC

New $1.7 billion credit facility completed

Alma/Galia vessel moved to UK finishing yard

Highlights

Production summary

- Production from 1 January to 31 October 2013 averaged 23,129 Boepd, up 7.2% on the same period last year, with a strong performance from Thistle including a new production well, which came on in mid-August. Thistle/Deveron has produced an average of almost 10,000 Boepd in the first four months of H2 2013.
- EnQuest continues to anticipate full year 2013 average production in the range of 22,000 Boepd to 24,500 Boepd.

Development projects

- Kraken: EnQuest is delighted to announce that it has sanctioned the development of the Kraken field, with 137 MMboe of gross reserves. This will increase EnQuest's net 2P reserves by more than 60 MMboe, resulting in almost a 50% increase in total company reserves compared to 2012 year end. Kraken is expected to produce net peak oil of over 30,000 Boepd and anticipated to come on stream in 2016/17. Net capex to first oil is estimated to be $1.4 billion. Following EnQuest's acquisition of the Greater Kittiwake area assets announced recently, Kraken will become EnQuest's sixth UK North Sea producing hub.
- Alma/Galia: The EnQuest Producer Floating Production Storage and Offloading ('FPSO') vessel is now at the OGN yard on the Tyne in Newcastle, for finishing and commissioning work. On Alma, the first Electric Submersible Pump ('ESP') completion has been successfully installed, with the second completion underway. Production start-up is expected in mid-2014 and plans are being developed for a second phase of drilling, to be sanctioned in 2014.

Funding

- New credit facility: In Q4 2013, EnQuest agreed a new six year US $1.7 billion credit facility; comprising of a committed amount of $1.2 billion, with a further $500 million available through an accordion structure.

EnQuest CEO Amjad Bseisu said:

"Todays' results show that there is increasing momentum behind EnQuest's delivery of sustainable growth in production and reserves.

Strong 7% year-on-year production growth is underpinned by high operational up-times and by strong reservoir performance. We have delivered the sanction of the Kraken development, which increases our reserves by almost 50%. Kraken's 25 year plus field life further increases the sustainability of EnQuest's growth. The Alma/Galia subsea infrastructure is now in place with finishing and completion of the FPSO due in the first half of 2014; Alma/Galia will generate a material increase in EnQuest's net production in 2014. Our acquisition of the Greater Kittiwake area also creates another new EnQuest hub, with its proximity to the Scolty/Crathes discoveries and the Avalon prospect. We have also now started drilling the Cairngorm appraisal well and in Malaysia targets are being matured for a drilling programme in 2014.

We have further enhanced our financial position with a new $1.7bn credit facility; providing capacity both for our current projects and for new opportunities."

Net production

	Daily average 1 Jan' 2013 to 31 Oct' 2013	Daily average 1 Jan' 2012 to 31 Oct' 2012
	(Boepd)	(Boepd)
Thistle/Deveron	6,941	7,845
Dons	11,031	10,203
Heather/Broom	4,315	3,521
Alba	842*	0
Total	23,129	21,569

***** Net production since the completion of the acquisition at the end of March 2013, averaged over the ten months to the end of Oct'.

Average production for the ten months to the end of October 2013 was up 7.2% on the same period last year.

Thistle

- Since EnQuest's last update in August, the new Thistle production well in the Western Fault Block and good uptime performance have driven high levels of production; levels not seen from Thistle since the mid 1990's.
- As previously reported, year to date production from Thistle was lower than the same period in 2012, due to the third party downstream outages and an extended outage of the B turbine generator while the new D turbine was being commissioned.
- The rebuilt B and new D turbine generators now provide 100% redundancy and are expected to be running on fuel gas by the end of November.

Heather

- Heather has continued to deliver strong year on year production growth, reflecting good well performance at Broom and improved operating efficiency at both Heather and Broom.
- The Heather drilling rig activation project is on track to be completed in H2 2013 and rig operations are expected to start in December 2013.

Dons

- Production from the Don fields was up over 8% on the same period last year, benefiting from the continuing good performance from the West Don W6/W4 producer injector pair, following the tie-in of the W6 injector well in Q1 2013. The Don Southwest area 6 injector was completed and brought onstream in H2 2013.

In 2013, production efficiency levels have improved across EnQuest operated producing hubs. A recent report by the 'Oil & Gas UK Production Efficiency Taskforce' showed that in EnQuest's operations across 2010 to 2012, EnQuest exceeded the taskforce's challenging target of 80% production efficiency. The taskforce further reported that in 2012, EnQuest had performed in the top quartile of production efficiency in the UKCS. This is a good result from maturing assets.

Development projects

Kraken

- The Kraken Field Development Plan ('FDP') has been approved by the Department of Energy and Climate Change ('DECC').
- 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.
- First production is anticipated in 2016/2017, with gross peak production of over 50,000 Boepd. The field layout of the development will consist of 25 wells, tied back to an FPSO.
- EnQuest already has 20.4 MMboe of net 2P reserves booked in relation to Kraken; following the sanction, EnQuest will add over 60 MMboe to its net 2P reserves.
- Net capital cost to first oil is expected to be approximately $1.4bn with a gross capital cost to first oil approximately $1.8bn. EnQuest's net capital costs equate to c.$27 per bbl, including the carry. Gross capital costs of the project are estimated to be approximately $3.2bn. EnQuest will have invested about $300m in net capex on Kraken in 2013.
- The major supplier arrangements are already in place, including those for the Floating Production and Storage Offloading ('FPSO') vessel.
- EnQuest is the operator of the development and has a 60% working interest in Kraken. Based on the FDP gross reserves of 137 MMboe, EnQuest will carry its two partners up to approximately $320 million; the actual level of this carry is still subject to a final determination of the gross 2P field reserves. Also as planned under the

acquisition terms, following DECC's approval of the FDP, EnQuest will now pay the deferred consideration of c.$60m for its interest in Kraken.

- Over the life of the field, operating costs are expected to average $20 per Boe, excluding the FPSO leasing costs, Including the leasing costs of the FPSO operational costs are estimated to be approximately $30 per Boe. Opex in the early years of production, or 'plateau' opex, will be c.$15 per barrel, including the FPSO costs. The decommissioning costs of Kraken will be relatively low given the FPSO development solution.

Alma/Galia

The safety case for the Alma/Galia FPSO, the EnQuest Producer, has now been approved by the UK Health and Safety Executive. The EnQuest Producer has been moved to a yard on the Tyne for finishing and commissioning work and to be closer for mobilisation to the field. An assessment of the remaining hook-up and integration work indicates that once hook-up offshore is completed, production can be expected in mid-2014.

In the field, the subsea infrastructure is now in place, with subsea trees and manifolds hooked up, pipelines and umbilicals in place and risers and mooring systems pre-installed awaiting the arrival of the FPSO. Drilling and completion operations continue, with the Stena Spey mobile rig currently on the Alma location, the first ESP completion has been successfully installed on Well K2, with the second ESP completion installation on K3 currently underway. EnQuest's net capex costs for the first phase of the project equate to c.$45 per bbl, with opex at c.$30 per bbl over the life of the field and plateaux opex of c.$20 per bbl. A second phase of drilling is planned to be sanctioned in 2014; this is expected to reduce opex per barrel and capex per barrel over the life of the project.

Business development

Last month, EnQuest announced the acquisition of 50% of the Greater Kittiwake Area ('GKA') assets, close to the Scolty/Crathes discoveries and close to the Avalon prospect, giving EnQuest an additional UK hub and adding 4.7 MMboe to reserves and about 2,000 Boepd of net production. This acquisition fits within EnQuest's goals of managing maturing fields, and of exploiting nearby discoveries and near field exploration opportunities.

The Scolty and Crathes discoveries could benefit from a tie-back to Kittiwake. These opportunities would allow for the extension of the GKA field life. The transaction also provides infill drilling opportunities in the Greater Kittiwake Area fields and exploration opportunities in the GKA area. As part of this transaction, EnQuest is acquiring Centrica's 100% interest in the Kittiwake to Forties oil export pipeline.

Exploration and appraisal

Drilling of the Cairngorm appraisal well has started and should reach target depth around the end of this year.

In Malaysia targets are being matured for new exploration drilling in 2014 in blocks SB307/308; operator's estimates of prospective resources at Kitabu and Maligan are 71 MMboe and 132 MMboe respectively.

Capital expenditure

Following the sanction of the development of the Kraken field, EnQuest expects capital expenditure for 2013 to be in the region of $1.1 billion to $1.2 billion.

Funding

On 31 October 2013, EnQuest established a new US $1.7 billion credit facility, underwritten by BNP Paribas and Scotiabank. The facility comprises a committed amount of $1.2 billion for six years. A further $500 million is available with the lenders' consent and additional reserves. The facility is to be used for general purposes, it replaces the existing facility put in place in Q1 2012.

EnQuest Capital Markets Day

A presentation to investors and analysts will be held today, focusing on the Kraken development. The presentation will start at approximately 09:30 AM GMT, it will also be accessible via an audio webcast - available on the Company's website, at www.enquest.com. A conference call facility will also be available on the following numbers:

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Ends

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Notes to editors

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

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.