ENQUEST PLC, 26 March 2014. Results for the year ended 31 December 2013*.
Production up 6%, significant reserves increase of 66 MMboe, and strong cash flow

Highlights

- Production averaged 24,222 Boepd, up 6.2%, a good performance due to a successful 2013 drilling programme
- Net 2P reserves of 194.8 MMboe, up 66.2 MMboe, reserves replacement ratio of over 850%
- Revenue of $961.2 million, EBITDA** of $621.3 million, reflecting good underlying operational performance
- $984.3 million of cash capital expenditure was invested for the future growth of the business.
- Production guidance for the full year 2014 is for an increase to between 25,000 Boepd and 30,000 Boepd, excluding production from uncompleted transactions.
- Alma/Galia production start-up anticipated in H2 2014
- Kraken progressing to plan, FPSO vessel is expected to arrive in the conversion yard on schedule in Q2 2014
- The Cairngorm appraisal well has recently reached its target, with indications of hydrocarbons in a relatively good quality basement reservoir
- Awarded licence in Don North East Field area in early 2014

* Unless otherwise stated, all figures are before exceptional items and depletion of fair value uplift and are in US dollars.

	2013	2012	Change %
Production (Boepd)	24,222	22,802	6.2
Revenue ($m)	961.2	889.5	8.1
Realised oil price $/bbl	109.7	111.6	(1.7)
Gross profit ($m)	428.9	441.3	(2.8)
Profit before tax & net finance costs ($m)	374.8	405.1	(7.5)
EBITDA ** ($m)	621.3	634.6	(2.1)
Cash generated from operations ($m)	562.7	593.9	(5.3)
Reported basic earnings per share (cents)	24.4	46.2	-
Net (debt)/cash * ($m)**	(381.1)	89.9	-

** EBITDA is calculated by taking profit/loss from operations before tax and finance income/(costs) and adding back depletion (adjusted for depletion of fair value uplift), depreciation, impairment, write-off of intangible oil and gas assets and foreign exchange movements. This foreign exchange adjustment for 2013 is a change to the definition used previously and the prior year EBITDA figure has been restated accordingly. *** Net (debt)/cash represents cash and cash equivalents less borrowings as at the reported cash flow statement date of 31 December.

EnQuest CEO Amjad Bseisu said:

"EnQuest has delivered another good year of growth in production and a significant increase in reserves, supported by strong cash flow. Production growth of over 6% represents an excellent operational and reservoir performance from our existing assets, particularly in the second half.

Companies like EnQuest are the future of the UK North Sea. Having strong and technically focused operations gives us the ability to maximise hydrocarbon recovery. Our objectives are fully aligned with the goals and the recommendations of the recent Wood Review. Our business model is sustainable and is set to deliver a material increase in cash flow from operations over the coming years."

Summary and 2014 Outlook

2013 was another good year of delivery and progress for EnQuest. We continue to demonstrate that by targeting maturing assets and undeveloped oil fields, we can create value and deliver sustainable growth.

In 2014, EnQuest will continue to invest in its current producing assets, bring Alma/Galia onstream, integrate the Greater Kittiwake Area ('GKA') acquisition and make substantial investments in the Kraken development, with Kraken scheduled to come onstream by 2017. We are therefore on course for having six producing operated hubs in the UK and for achieving our objective of annual net production from the UK North Sea of around 50,000 Boepd. Beyond that, we are creating further new potential from our UK asset portfolio and making low cost investments in international opportunities, securing EnQuest's growth for the longer term.

- **Production guidance**: Average production guidance for the full year 2014 is an increase to between 25,000 Boepd and 30,000 Boepd, this excludes production from Didon in Tunisia, as the acquisition has not completed.

- **Drilling programme:** EnQuest plans to deliver over 15 wells in 2014. The drilling programme includes a new production well on Don Southwest, a workover of a production well on GKA, an ongoing intervention programme on Thistle, three production wells and one injection well on Alma/Galia and the recommencement of drilling on Heather for the first time since 2006, with two sidetracks and two workovers. Two production wells are also planned for the non-operated Alba.

- **Exploration and appraisal:** The 2014 exploration and appraisal drilling programme includes wells on Cairngorm, a Kraken satellite and Avalon in the UK. Internationally, in H2 2014, a non-operated well is being matured for drilling in the Sabah area, offshore Malaysia.

- Assessment of the results of the Cairngorm appraisal well is underway; preliminary analysis indicates a 173ft hydrocarbon column was encountered, with evidence of good reservoir properties in the fractured granite. With the results of the previous well and seismic, the overall indications in the structure are now of a total hydrocarbon column of 797ft. Further evaluation is ongoing.

- **Development opportunities:** Scolty/Crathes: Following the acquisition of the GKA assets and the planned drilling of Avalon, options for a proposed Scolty/Crathes development will be assessed. Don North East: Within the first twelve months of the licence, it is intended to submit a field development plan ('FDP') in relation to Area 24, to include at least one production well.

- **Capital and operating expenditure:** In 2014, capital expenditure on current projects is expected to be approximately $1 billion with approximately $400 million being invested in the Kraken development and approximately $200 million in Alma/Galia. Production and transportation costs for 2014 are expected to be in the range $415 million to $435 million, including c.$60 million for GKA and c.$25 million for Alma/Galia.

- **Tax:** The effective tax rate for 2014 is expected to be approximately 60%, based on current oil prices; with continuing investment in the North Sea no material cash tax is expected to be paid on UK operational activities before 2020.

By Production and Development Asset

Thistle/Deveron

- In 2014, capital investment is continuing in the Thistle life extension project; ongoing activities include; a control systems upgrade and significant simplification of processes, jacket integrity improvements and topsides structural integrity improvements.

Don fields

- Production optimising projects continue on the Don fields, with a new production well planned to be drilled in H1 2014 in Don Southwest.

- In Q1 2014, EnQuest applied for and was offered an 'out of round' licence ('Don NE') in the Don North East area for blocks 211/18e and 211/19c, including the Area 23 and Area 24 discovered oil accumulations and an undrilled extension to the Don NE field.

Heather/Broom

- Following the completion of the rig reactivation project, rig operations commenced in Q1 2014 with a workover of the H56 well, due onstream in H1 2014, to be followed by the sidetrack of H44 as a new injection well in the B2 block. The 2014 programme also includes a sidetrack of H48 and a workover of the crestal E-Block producer H47.

- The Heather life extension project includes a three year infill drilling campaign; there are nine wells in the initial programme, targeting 12 MMboe reserves which are included in net 2P reserves.

Alma/Galia

- Drilling and completion operations continue ahead of production start-up. The field is set to generate a material increase to EnQuest's net production, with initial net peak production of c.13,000 Boepd. Production start-up is anticipated in H2 2014.

Kraken

- In Q2 2014 the vessel to be converted to the Kraken FPSO will arrive at the shipyard in Singapore for the conversion scope to commence. Further appraisal drilling will be undertaken on a satellite to the west of the Kraken field in Q3 2014 to assess the upside potential of the field. Contracts for over 60% of the project have now been signed.

Greater Kittiwake Area

- Following completion of the acquisition in Q1 2014, EnQuest has taken over as operator, an early workover programme is planned in 2014 and an assessment of exploration opportunities in the area. EnQuest has a working interest of 50% in GKA, with an overall decommissioning liability of approximately 25%.

Further business development in Q1 2014

Norwegian North Sea

- In January 2014, EnQuest was offered and accepted two licences in the Norwegian 2013 Awards in Pre-defined Areas ('APA') licensing round, both located in the Norwegian Sea. EnQuest was offered production licence 758 ('Rosslyng'), with EnQuest as the operator and having a 35% interest. EnQuest was also offered licence 760 ('Chinook'), with Total as the operator, both Total and EnQuest having a 50% interest each. In both cases, the work commitments in the initial two year period entail 3D seismic licensing and reprocessing.

Review of 2013

Financial

- Strong levels of cash generation continued, with EBITDA of $621.3 million and cash generated from operations of $562.7 million. Net debt was $381.1 million at the end of 2013, after cash outflow of $984.3 million on capital expenditure. Cash generated from operations is slightly lower than the prior year mainly due to costs associated with the new financing facilities put in place in 2013.
- Tax losses increased to $1,087 million at the end of 2013, reflecting the investment programme.
- 2013 revenue of $961.2 million was 8.1% higher than in 2012, mainly due to the increase in production, partly offset by the decrease in the realised average price per barrel of oil sold. There was a slight increase in revenue for 2013 due to an overlift of $2.6 million in 2013, compared to an underlift of $24.4 million in 2012.
- Profit from operations before tax and net finance costs was $374.8 million, a 7.5% decrease over 2012. This reflects the $84.1 million increase in the cost of sales, partly due to a $27.2 million change in the lifting position and also to an increase in transportation costs. Production and transportation costs increased due to increased production volumes, including those from the Alba acquisition, but primarily due to an increase in costs per barrel at the Sullom Voe terminal. Unit production costs of $27.2 per barrel were flat compared to the $27.4 per barrel equivalent costs incurred in 2012.
- Profit after tax of $193.1 million was 25.6% lower than 2012 due to a higher effective tax rate as a result of higher tax benefits in 2012.
- In 2013, $984.3 million of cash capital expenditure was invested for the future growth of the business; $460.5m was invested on the Alma/Galia development and $171.5m on the Kraken development, with approximately $295m invested on the existing producing fields.
- In 2013, EnQuest put in place a new credit facility for up to $1.7 billion and issued retail bonds totalling £155 million.

Production, Development & Reserves

	Net daily average 2013	Net daily average 2012
	(Boepd)	(Boepd)
Thistle/Deveron	7,925	8,058
The Don Fields	11,014	10,992
Heather/Broom	4,339	3,752
Alba	944*	-
Total	24,222	22,802

*Net production since the completion of the acquisition at the end of March 2013, averaged over all of 2013.

Thistle/Deveron

- Production at Thistle/Deveron achieved a net 7,925 Boepd in 2013, with a particularly strong performance in the second half of the year, with peak rates over 16,000 Boepd.
- In H2 2013, production benefitted from strong performance from a new production well which came onstream at the start of August. Thistle's new D turbine and fully rebuilt B turbine are resulting in significantly improved power supply stability. Despite a two week scheduled platform shut down for maintenance in October 2013, production in the second half of 2013 was almost double the levels in the first half.

Don fields

- Production at the Don fields achieved a net 11,014 Boepd in 2013, ahead of the 10,992 Boepd produced in 2012.
- Production benefitted from the West Don W6/W4 producer/injector pair, following the tie in of the W6 injector well in Q1 2013. The Don South West Area 6 producer, S12Z, was completed and brought onstream in June 2013, followed by Area 6 injector, S13, in August. Operational performance highlights in H2 2013 included a record water injection rate of 58,000 bwpd.

Heather/Broom

- Production at Heather/Broom achieved a net 4,339 Boepd in 2013, up 15.6% on 2012, reflecting good well performance at Broom and improved operating efficiency at both Heather and Broom. An improvement in Heather operating uptimes was achieved partly as a result of extensive work on the gas lift compression system. The Heather rig reactivation project was successfully completed in H2 2013, with commissioning in early 2014.

Alma/Galia

- In February 2013, EnQuest announced that it had approved an increase in the scope and specification of the Alma/Galia project with the objective of extending the field life, optimising operating costs and enabling a second phase. The extension of the field life increased gross 2P reserves to 34MMboe.
- The EnQuest Producer is now at a yard on the Tyne to undertake finishing yard scope and onshore commissioning.
- By the end of 2013, subsea infrastructure was in place including trees, pipelines, umbilicals and manifolds. Risers and mooring systems were pre-installed awaiting arrival of the EnQuest Producer FPSO. The first electrical submersible pump ('ESP') was successfully installed on Alma on Well K2, followed by the installation of the second ESP, in well K3.

Kraken

- In H1 2013, an appraisal well confirmed a second accumulation of oil north of Kraken. In H2 2013, the Kraken Field Development Plan ('FDP') was approved by the Department of Energy and Climate Change ('DECC') and sanctioned by EnQuest and its partners. At the time of project sanction, the major supplier arrangements were already in place, including those for the FPSO vessel. First production is anticipated in 2016/2017, with gross peak production of over 50,000 Boepd. Following the project's sanction, EnQuest has added over 60 MMboe to its net 2P reserves.

Reserves

- Audited net 2P reserves at the start of 2014 were 194.8 MMboe, a 51.6% increase on the start of 2013; reflecting a reserves replacement ratio of over 850% and a reserve life of over 20 years. Net 2P reserves include 7 MMboe that will be consumed as lease fuel on the Kraken and Alma/Galia FPSOs.

Ends

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Presentation to Analysts and Investors
A presentation to analysts and investors will be held at 09:30 today. The presentation and Q&A will also be accessible via an audio webcast – available from the investor relations section of the EnQuest website at www.enquest.com. A conference call facility will also be available at 09:30 on the following numbers:

United Kingdom:	**+44 20 3427 1900**	**United States of America:**	**+1 646 254 3388**

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. Its operated assets include the Thistle, Deveron, Heather, Broom, West Don, Don Southwest, Conrie, Kittiwake, Mallard, Gadwall, Goosander and Grouse producing fields and the Alma/Galia and Kraken developments; EnQuest also has an interest in the non-operated Alba producing oil field. EnQuest had 31 UK production licences at the start of 2014. This increases to 37 production licences with the inclusion of the assets from the acquisition of the Greater Kittiwake Area which completed in Q1 2014 and the Don North East area licence which was offered 'out of round' to EnQuest in Q1 2014; these licences cover 47 blocks or part blocks in the UKCS, 30 of the 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.

EnQuest has begun replicating its existing model in the UKCS by targeting previously underdeveloped assets in a small number of other maturing regions; complementing our operations and utilising our deep skills in the UK North Sea. In which context, EnQuest also has interests in two blocks offshore Sabah, in Malaysia and an interest in the Northwest October concession in Egypt.