

EnQuest PLC 2010 Full Year Results



Amjad Bseisu
Chief Executive

Delivering Growth

Agenda



- Overview & Strategy CEO, Amjad Bseisu
- Financials CFO, Jonathan Swinney
- Operations COO, Nigel Hares
- Summary CEO, Amjad Bseisu

Highlights of a Great First Year

Full Year to 31 December 2010, US dollars



- Pro-forma* net 21,074 Boepd export production with realised oil price of \$81.3/Boe
- Good operational performance across producing fields; overall 2010 drilling programme was completed ahead of schedule and under budget
- Increased year end net 2P reserves from 80.5 MMboe to 88.5 MMboe
- Increased 2010 pro-forma* revenue to \$614.4 million; pro-forma profit before tax and net finance costs, up to \$169.4 million
- Reported cash flow from operations was \$267.7 million
- Completed acquisition of Stratic Energy Corporation in November 2010
- UK production licences increased from 16 to 26 during 2010

Delivering strong growth

* See note at end of appendices – reflects full twelve months trading on like-for-like basis

Delivering EnQuest's Strategy in the North Sea Development and Production



Vision

- § To become the UK's leading independent oil and gas development and production company
- § To become a technical leader in integrated development
- § To maximise potential from existing fields and future developments in the UKCS

Core Strengths

- § Innovative and cost-efficient development solutions
- § Strong technical, operational, commercial and financial team
- § Continuous improvement in health, safety and environmental performance

Delivering growth

Focus on hubs

**Near field appraisal
and exploration**

**Business
development**

Growing EnQuest's North Sea Licences

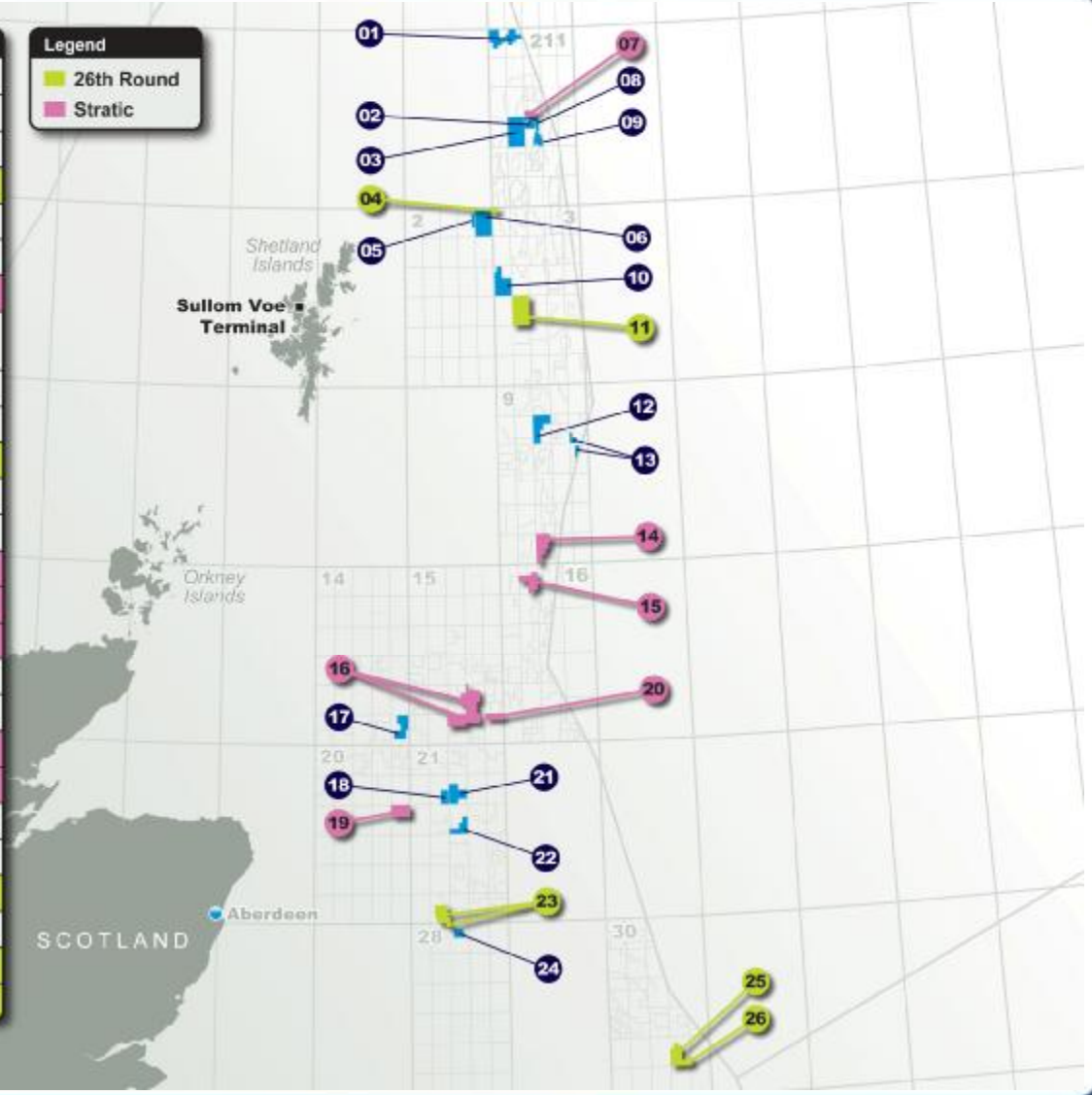
Increased from 16 to 26 in 2010



No.	Licence	Block/Sub-area	Name
01	P1487	211/1a, 2a & 3a	
02	P1269	211/18c	
03	P1455	211/17	
04	P1751	3/1c	
05	P902	2/4a	Broom Field
06	P242	2/5	Broom, Heather, SW Heather & Ivy
07	P1200	211/13b	West Don
08	P236	211/18a	West Don, Don SW, Area 28, Thistle & Deveron
09	P475	211/19a	Thistle Field
10	P1608	3/11a	
11	P1753	3/17	
12	P1645	9/8b	
13	P090	9/10b & 9/15a	Burdock & Peik
14	P209	9/28a	Crawford
15	P1214	16/2b	Cairngorm
16	P1465	15/23c, 24a, 28a & 29e	
17	P1463	14/30a	
18	P1413	21/7a	
19	P1582	20/15a	
20	P1614	15/30b	
21	P1107	21/8a	Scolty
22	P1414	21/13b	
23	P1790	21/27a & 28/2a	Pilot
24	P995	28/3a	Elke
25	P1825	30/24b	Ardmore Area
26	P1765	30/24c & 25c	Ardmore

Legend

- 26th Round
- Stratic

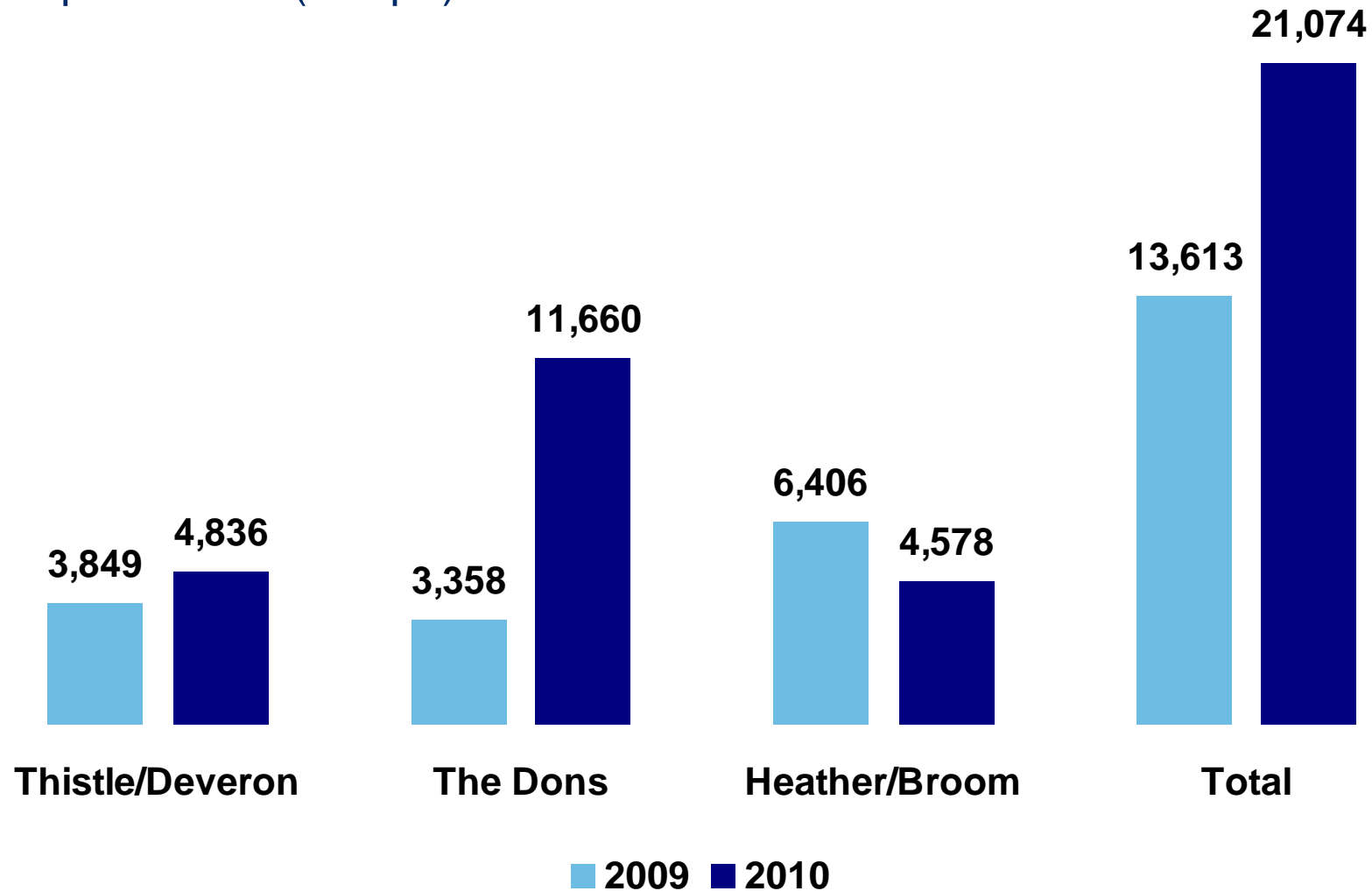


2010 Operational Results

Strong production growth, up 55% on prior year



Net production (Boepd)



2011 Net Production Target Set At 26,500 Boepd

26% growth on 2010



Net production by asset (Boepd)

Assets	2008	2009	2010	2011E
Thistle/Deveron	2,600	3,849	4,836	
The Dons	-	3,358	11,660	
Heather/Broom	7,550	6,406	4,578	
Total (pro-forma)	10,150	13,613	21,074	26,500

26% growth

A blue oval containing the text '26% growth' is positioned to the right of the table. A vertical arrow points downwards from the oval to the '2011E' column of the 'Total (pro-forma)' row.

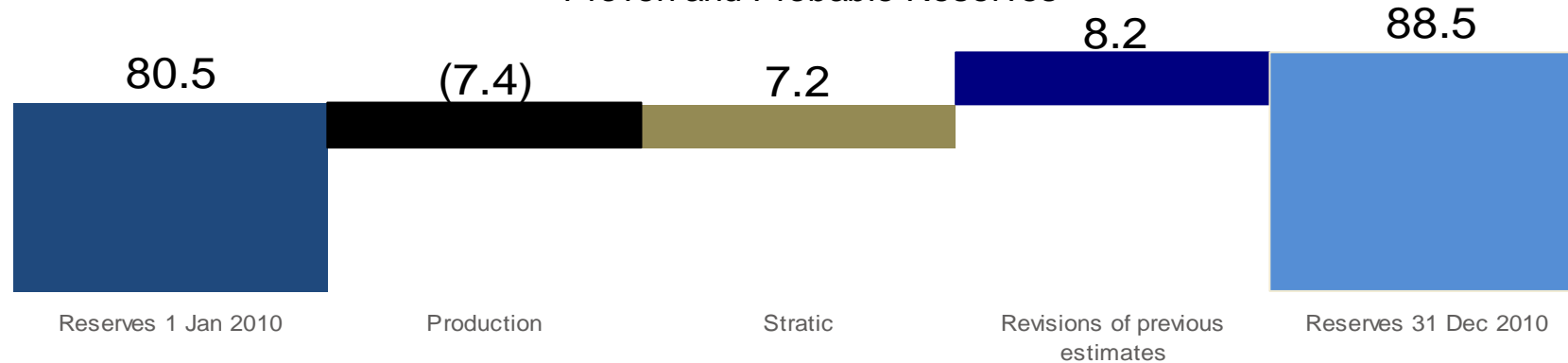
Reserves and Resources

Achieved 10% 2P growth target, 208% replacement ratio



MMboe

Proven and Probable Reserves



Contingent Resources



Note: EnQuest's Proven and Probable Reserves have been audited by a recognised Competent Person

* Comprised of 8.1 MMboe from the Stratic acquisition, less 4.5 MMboe disposed of via the Elke farm-out to KUFPEC (12.5 MMboe of assets in Slovenia were acquired with Stratic and were subsequently disposed of in 2011, they have duly been excluded above)

Growth in 2010



- Delivered one acquisition in 2010; Stratic Energy Corporation, increasing 2P reserves by 7.2 MMboe
- Farmed out 30% of Elke and Pilot Fields to Kuwait Foreign Petroleum Exploration Company ('KUFPEC') - a subsidiary of Kuwait Petroleum Company
 - First upstream entry into Europe
- Organic Growth - Offered all blocks sought in 26th round
 - 3/1c. 100%: Small exploration block adjacent to Heather
 - 21/27a and 28/2. 100%: Pilot heavy oil discovery- Farming out to KUFPEC
 - 30/24, 30/25 part blocks. 100%: Potential redevelopment of Ardmore
 - 3/17. 33.33%: Exploration block operated by Apache
- High level of dialogue with sellers continues in 2011
 - Well placed with strong balance sheet and undrawn credit lines
 - Maintaining disciplined and selective approach

Delivering Operational Excellence

A technical leader in integrated development



Drilling

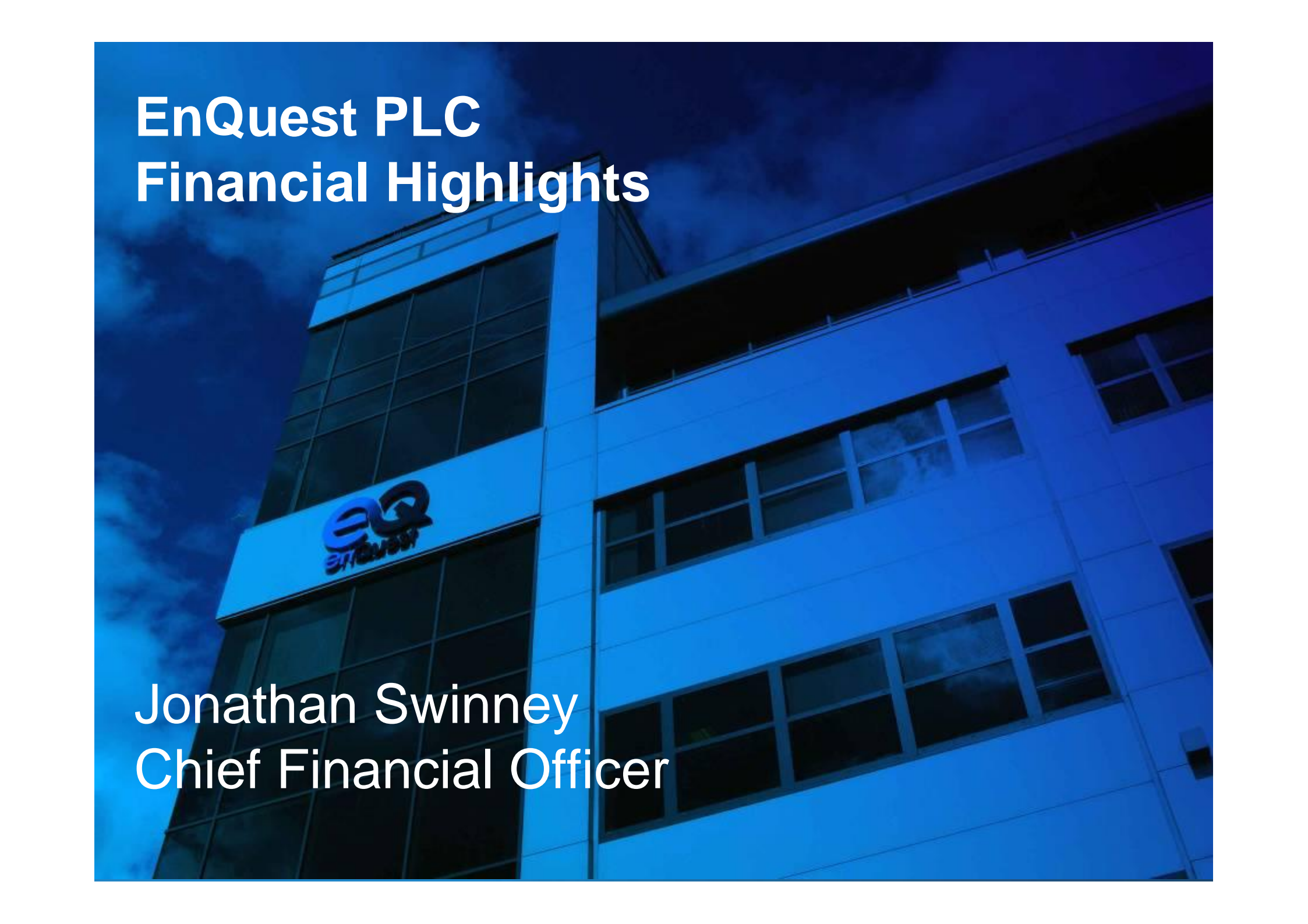
- Seven Wells drilled in 2010, including 4 producers, 1 injector, and 2 exploration/appraisal wells
- Overall drilling Program completed ahead of schedule and under budget
- S5 in Don Southwest drilled in record time (41 days)

Project execution

- Thistle 'up and over' for the Dons completed on time and on budget
- Don Gas line to Thistle completed ahead of schedule
- Broom pipeline replacement and augmentation completed on schedule and under budget

Technical competence

- Increased depth and breadth of technical teams, including reservoir engineering, drilling, G and G, execution and project management.

A blue-tinted photograph of a modern office building with the EnQuest logo on its facade. The building has large glass windows and a white facade. The sky is dark blue with some clouds.

EnQuest PLC Financial Highlights

Jonathan Swinney
Chief Financial Officer

Summary Income Statement

Year ended 31 December



US dollars	Pro-forma*		Reported	
	(pre-exceptionals and fair value adjustments)		(pre-exceptionals and fair value adjustments)	
	2010	2009	2010	2009
	\$m	\$m	\$m	\$m
Revenue	614.4	319.0	583.5	234.0
Cost of sales	(406.4)	(259.6)	(384.5)	(193.1)
<i>Production & transportation costs (\$/Boe)</i>	<i>(30.4)</i>	<i>(34.8)</i>	<i>(30.8)</i>	<i>(39.0)</i>
<i>Depletion of oil and gas properties (\$/Boe)</i>	<i>(22.8)</i>	<i>(18.7)</i>	<i>(22.2)</i>	<i>(13.8)</i>
Gross profit	208.0	59.4	199.0	40.9
Exploration & evaluation expenses	(23.0)	(6.1)	(23.0)	(6.1)
General & administration expenses	(17.1)	(11.4)	(13.8)	(0.1)
Other income (expenses), net	1.5	(17.2)	1.5	(18.1)
Profit from operations before tax and net finance costs	169.4	24.6	163.7	16.6

* See note at end of appendices – reflects full twelve months trading on like-for-like basis

Reported Income Statement

Year ended 31 December



US dollars	Year ended 31 December				
	Business performance	Exceptional items and depletion of fair value uplift	2010	2009	
			Reported in year		
	\$m	\$m	\$m	\$m	
Revenue	583.5	-	583.5	234.0	
Cost of sales	(384.5)	(16.3)	(400.8)	(193.1)	
Gross profit	199.0	(16.3)	182.7	40.9	
Exploration and evaluation expenses	(23.0)	(57.9)	(80.9)	(6.1)	
Impairment of oil & gas assets	-	(2.1)	(2.1)	-	
Well abandonment expenses	-	(8.2)	(8.2)	-	
General and administration expenses	(13.8)	(13.4)	(27.2)	(0.1)	
Other income	7.0	-	7.0	3.5	
Other expenses	(5.5)	-	(5.5)	(21.5)	
Profit/(loss) from operations before tax and finance income/(costs)	163.7	(97.9)	65.8	16.6	
Finance costs	(11.2)	-	(11.2)	(6.4)	
Finance income	1.2	-	1.2	0.8	
Profit/(loss) before tax	153.7	(97.9)	55.8	11.0	
Income tax	(78.6)	49.9	(28.7)	(3.0)	
Profit/(loss) for the period attributable to owners of the parent	75.1	(48.0)	27.1	8.0	
Other comprehensive income for the period, after tax (Cash flow hedges)			-	18.1	
Total comprehensive income for the period, attributable to owners of the parent			27.1	26.1	
Earnings per share (cents)					
Basic			4.0	1.9	
Diluted			4.0	1.9	

Exceptional Items and Fair Value Uplifts



US dollars

- Non-cash items

- \$25m Scolty impaired in H1
- \$35m Peik and Burdock impaired in H2
- \$16m Depletion of PEDL fair value uplift

- Cash items

- \$8m Demerger and listing expenses
- \$5m Stratic acquisition
- \$8m Well abandonment expenses

Pro-Forma Financial Performance Indicators

Year ended 31 December



US dollars	2010	2009	Change
Export production (Boepd)	21,074	13,613	55%
Average realised price per barrel (\$)	81.26	65.14	25%
Revenue (\$ million)	614.4	319.0	93%
Cost of sales (\$ million)	406.4	259.6	57%
Production and transportation costs (\$/per boe)	30.4	34.8	(13)%
Depletion of oil & gas properties (\$/per boe)	22.8	18.7	22%
Gross profit (\$ million)	208.0	59.4	c.3.5 X
Operating profit (\$ million)	169.4	24.6	c. 7 X

Balance Sheet

As at 31 December

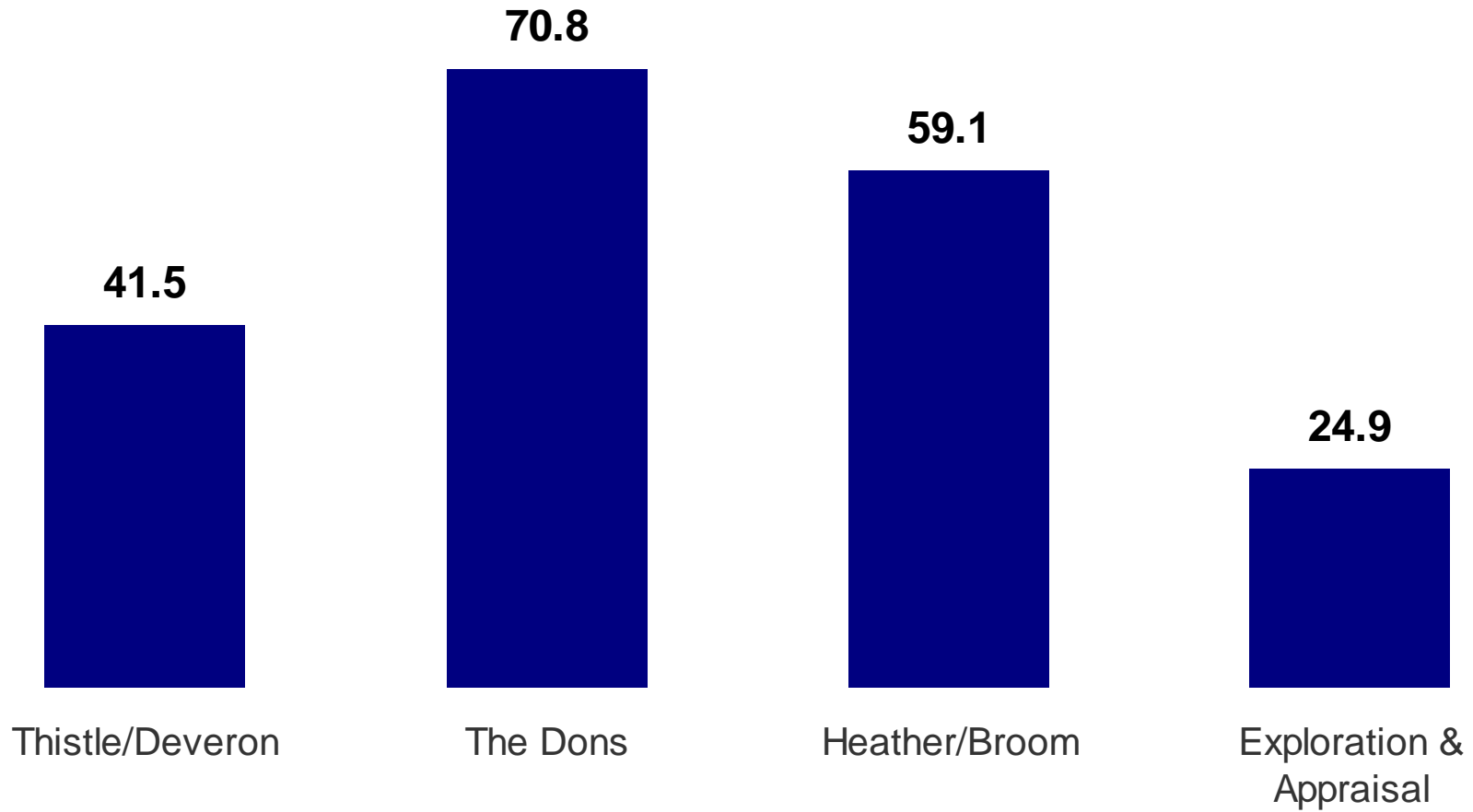


US dollars	2010 \$m	2009 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	1,136.4	518.6
Goodwill	101.9	-
Intangible assets	12.3	71.6
Asset held for sale	18.7	-
Loan receivable from related party	-	21.4
Deferred tax asset	8.9	0.2
	1,278.2	611.8
Current assets		
Inventories	12.4	1.3
Trade and other receivables	107.5	35.8
Due from related parties	-	0.6
Cash and cash equivalents	41.4	7.9
	161.3	45.5
TOTAL ASSETS	1,439.5	657.3
EQUITY AND LIABILITIES		
Equity		
Share capital	113.2	32.2
Merger reserve	662.9	50.8
Other reserves	-	0.1
Share based payment reserve	2.5	-
Retained earnings	104.3	77.2
TOTAL EQUITY	882.9	160.2
Non-current liabilities		
Loans and borrowings	-	156.0
Provisions	140.1	53.2
Deferred income tax liabilities	292.0	252.5
	432.1	461.7
Current liabilities	124.5	35.4
TOTAL LIABILITIES	556.7	497.1
TOTAL EQUITY AND LIABILITIES	1,439.5	657.3

Pro-forma Capex of \$196.3m in 2010



US\$m

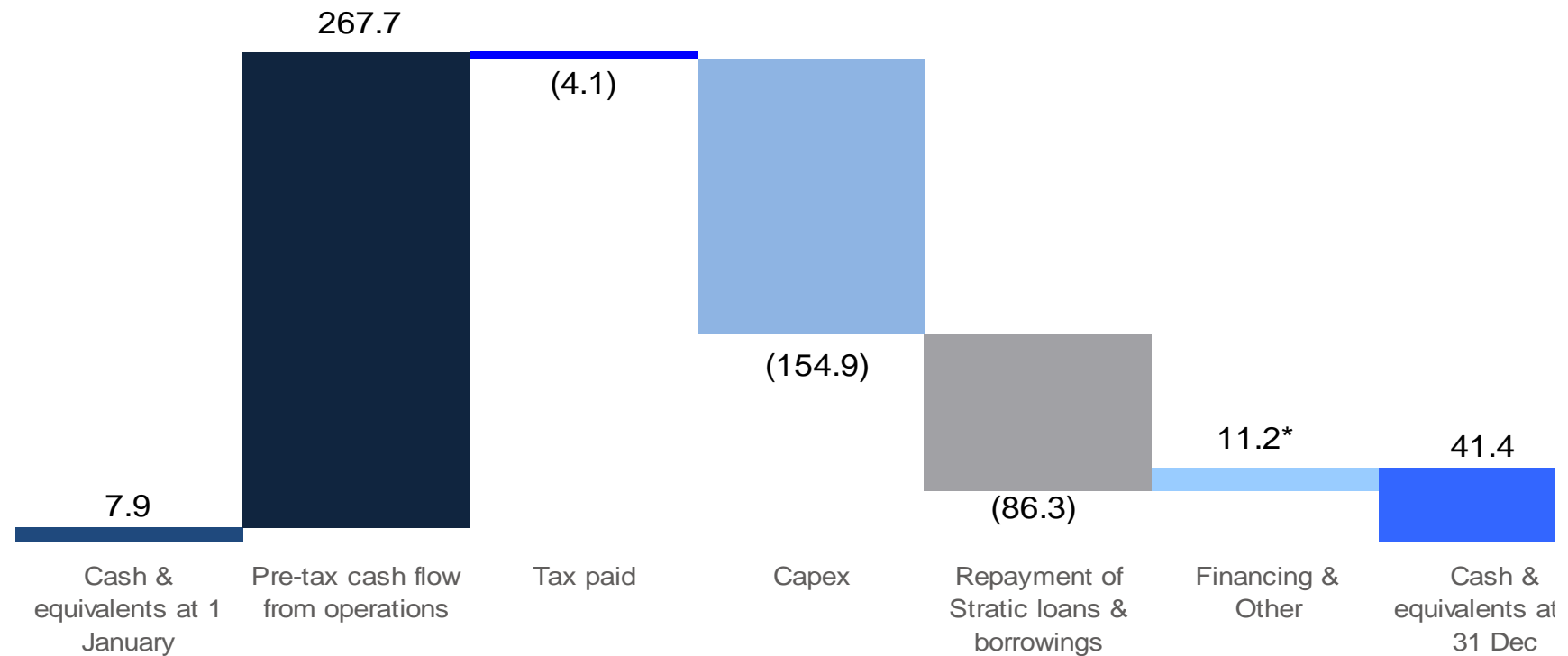


Reported Cash Flow

For the year ended 31 December 2010



US\$m



* Includes \$ 21.6m cash balances re acquisition of subsidiaries and (\$8.4m) of finance costs

Finance Summary & 2011 Outlook



2010

- Production delivery and oil price drove a very good financial performance in 2010, ahead of our expectations

2011

- Capex expectations of c.\$300 million
 - \$250 million on development drilling and facilities
 - \$50 million on exploration and appraisal
- Unit production and transportation costs anticipated to be \$26-\$28/Boe, based on \$85 oil and £1:\$1.60
- Hedging
 - Costless collar over 4 million barrels with average put and call prices at \$75 and \$100 respectively
- Depletion
 - Dependent upon production mix but anticipated to be approximately \$25/Boe
- G&A
 - Similar to 2010
- Tax
 - Pre budget effective tax rate anticipated to be high 50's%
 - Post budget effective tax rate indicatively 70% although one off catch up in 2011
- Finance costs
 - Total finance costs will be dependent on draw downs but otherwise anticipated to be in the region of \$15 million



EnQuest PLC Review of Operations

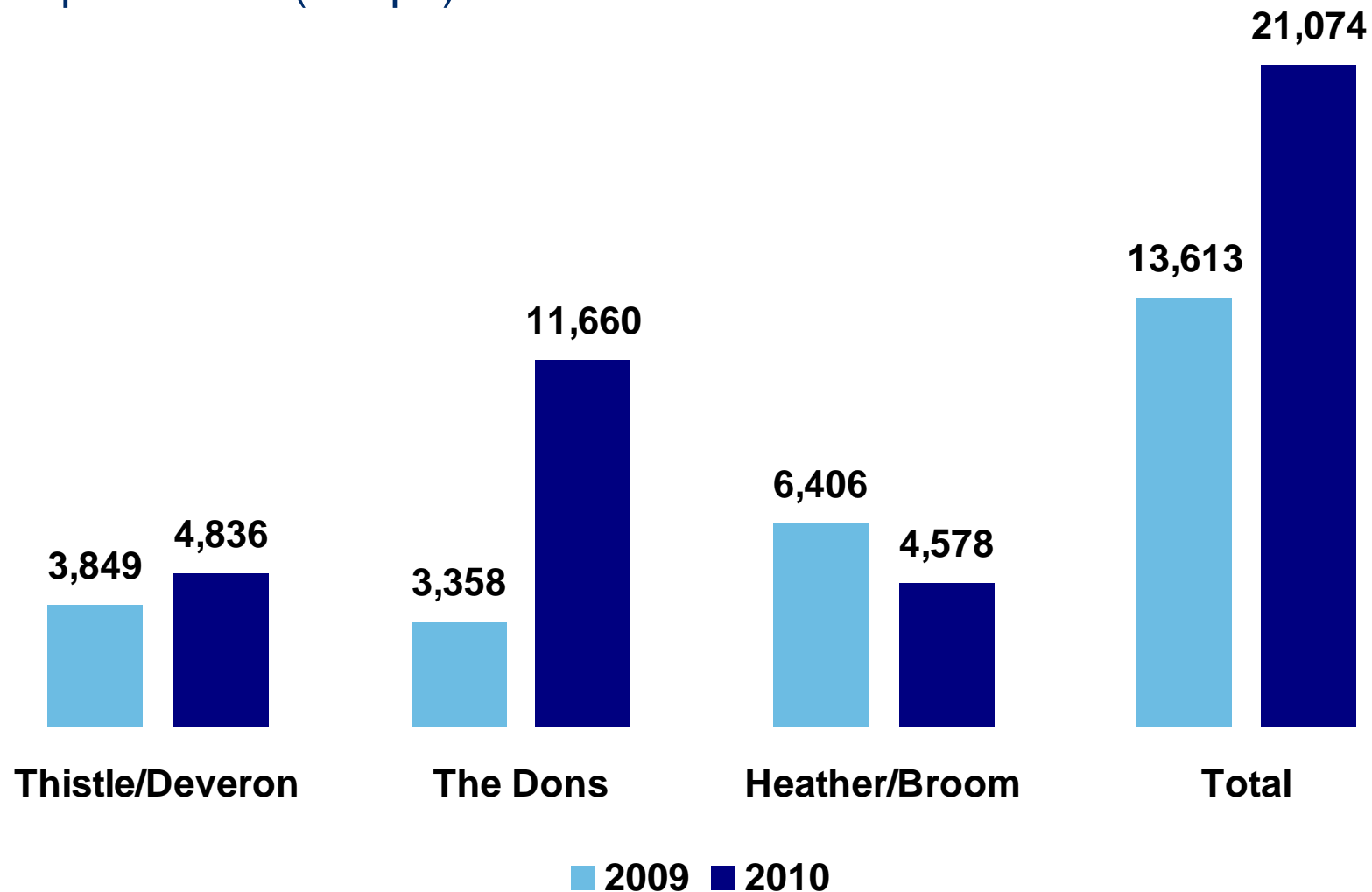
Nigel Hares
Chief Operating Officer

Strong 2010 Operational Results

Operatorship driving delivery of results



Net production (Boepd)



Operations Highlights

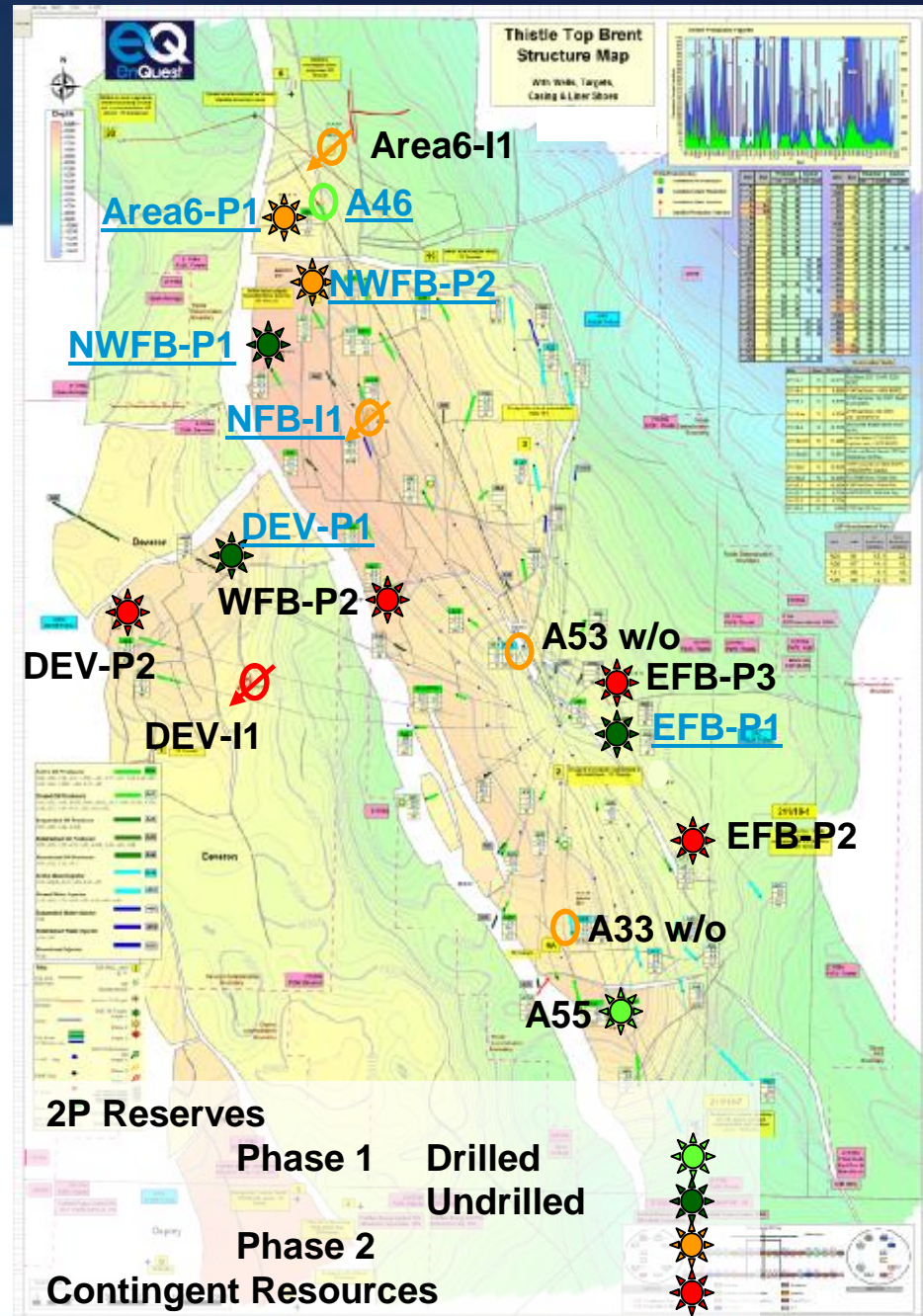
Thistle / Deveron

- Production on plan
- Improved power generation and higher water injection volumes
- Delivered highest production rates since February 2005
- Drilling operations
 - New rig (\$70 million upgrade), commissioned and good performance
 - Workover of well A46 added 600 Boepd
 - Partial well abandonments programme successfully completed
 - First drilling (SFB-P1) on Thistle in over 20 years successfully completed and in production as planned in November, under budget
- Gas export from Dons to Thistle commissioned and used for fuel gas

2011

- Power upgrade project
- 3 further wells NWFB-P1, EFB-P1, DEV-P1

Thistle/Deveron Drilling Locations



Operations Highlights

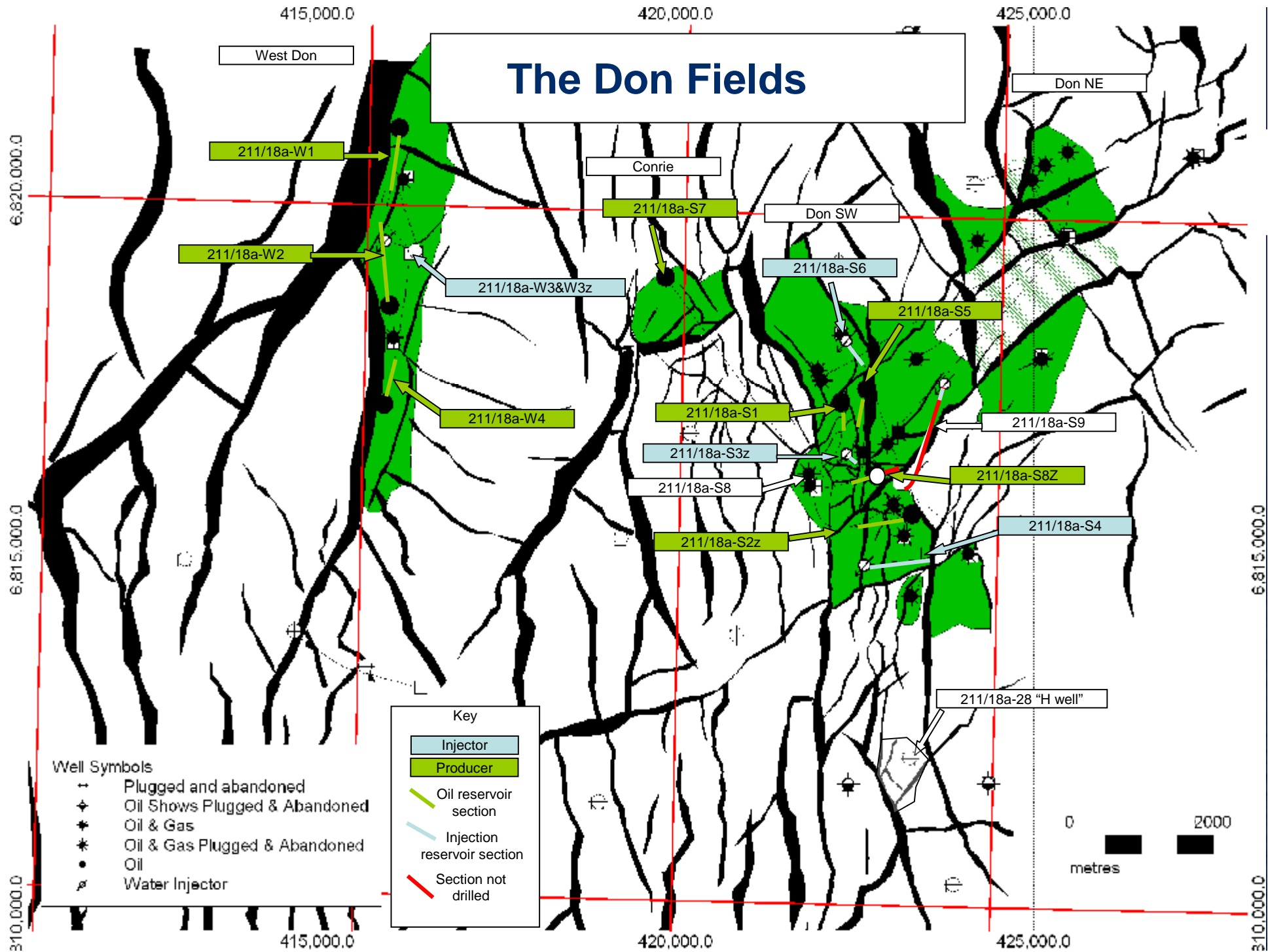
The Don Fields

- Production over three times 2009 levels; driven by three new production wells, delivered faster than expected
 - Transferred from tanker loading to export via Thistle
 - Commissioned water injection system successfully
- Drilling
 - Good drilling performance; record times, ahead of budget
 - S2Z well initial production over net 9,000 Boepd and ahead of plan
 - S5 initial production over net 13,000 Boepd started production end July
 - S6 water injector completed early August
 - West Don production well W4 on stream in November, net initial rate c.12,000 Boepd
 - W2 workover partially successful, Area H dry

2011

- Unsuccessful A26
- Successful drilling at Area E (now the Conrie field), 1st oil 4Q 2011
- Don Southwest, S8 producer, S9 injector

The Don Fields



Operations Highlights

Heather / Broom

- Production close to plan
- 2Q 2010 BR7 NWT well and sidetrack disappointing, tophole suspended for future use
- Broom pipeline improvement project
 - Pipeline successfully installed, enhanced capacity
- Completed extensive project to evaluate remaining drilling potential of Heather field

2011

- Commence \$40 million rig upgrade project. Drilling start 2012
- Ivy exploration well south of Heather

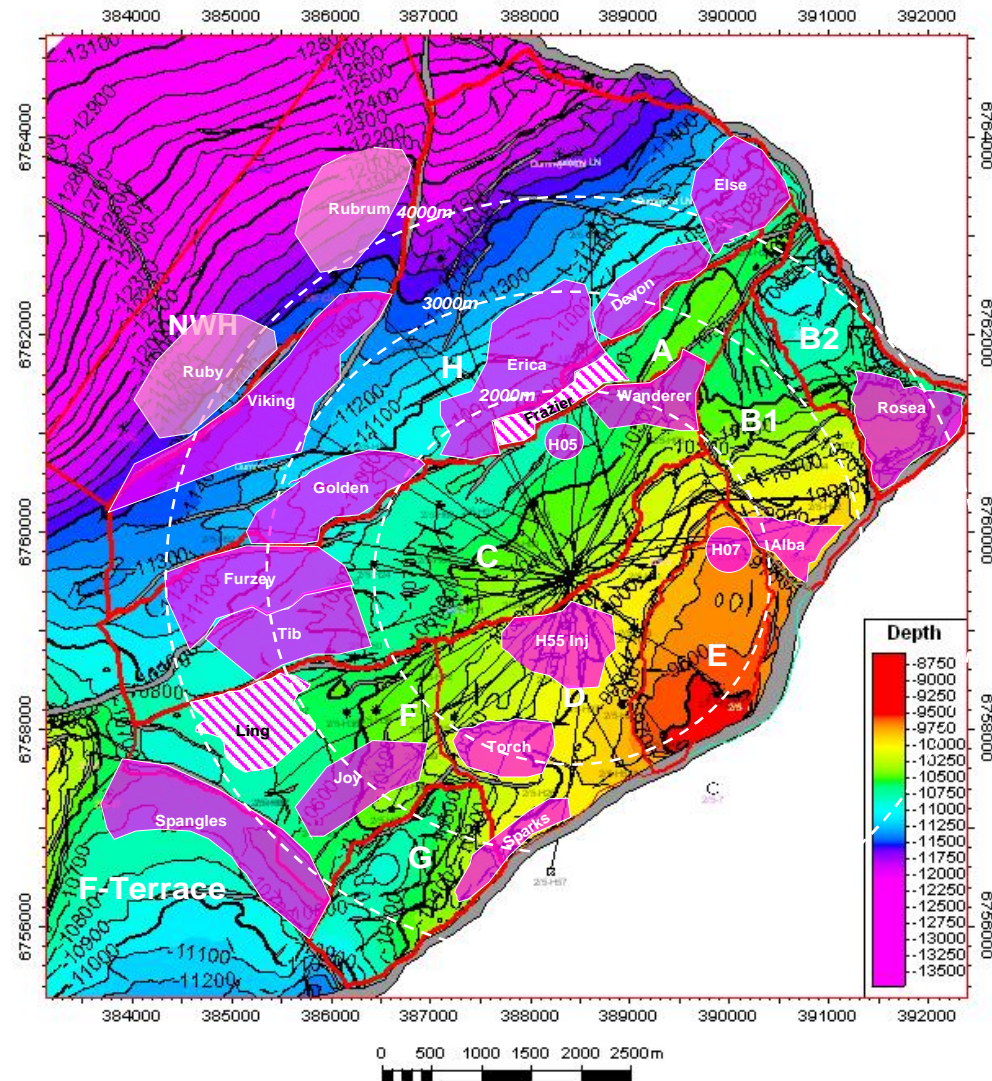


Heather Infill Drilling

Nine infill location targets selected for initial 2012-2014 drilling campaign



- 20 potential infill targets
- 9 targets selected for initial programme, with 14 MMboe reserves
- \$40 million rig upgrade
- \$150 million drilling programme



2011 Drilling Programme

Underpinning targeted 26% increase in production



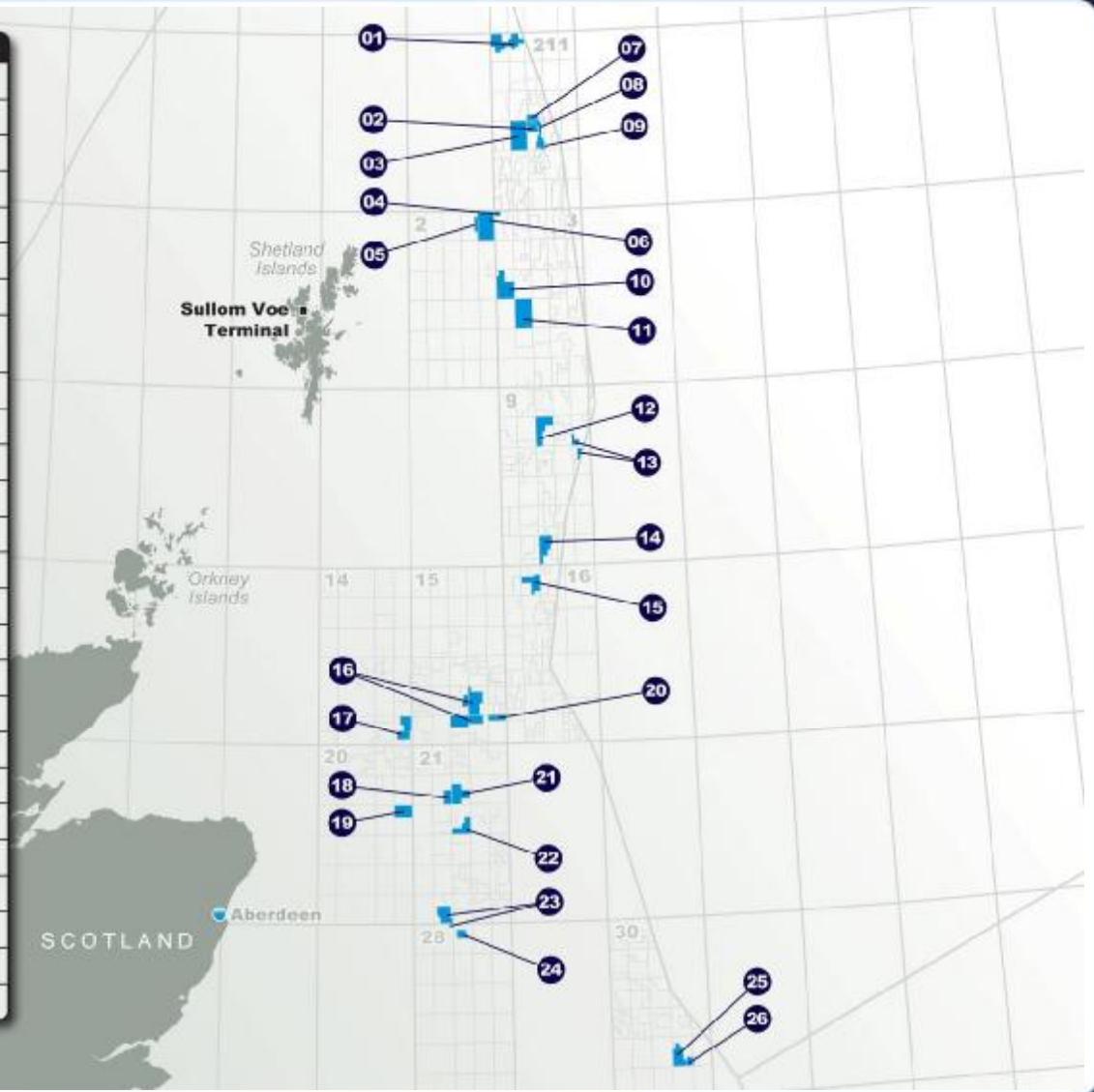
Well drilling start dates, by quarter

<u>First Quarter, 2011</u>	<u>Second Quarter, 2011</u>
<p>DSW Area E, Exploration (Conrie)</p> <p>DSW Area 26, Appraisal DSW, S8-Prod Thistle, NWFB-P1</p>	<p>DSW S9 – INJ Thistle, EFB-P1</p>
<u>Third Quarter, 2011</u>	<u>Fourth Quarter, 2011</u>
<p>Conrie completion, S7 Ivy, Exploration</p>	<p>Thistle, DEV-P1</p>

Potential Development of Discoveries



No.	Licence	Block/Sub-area	Name
01	P1487	211/1a, 2a & 3a	
02	P1269	211/18c	
03	P1455	211/17	
04	P1751	3/1c	
05	P902	2/4a	Broom Field
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26	P1765	30/24c & 25c	Ardmore



EnQuest PLC Summary

Amjad Bseisu
Chief Executive



2010 Summary

Performed well, growing momentum



- Delivered strong production growth in 2010, at 21,074 Boepd, up 55% on 2009 and above target
- Continued focus on further building and enhancing operation and execution skills
- Good operational performance and excellent results from active seven well drilling programme
- Successful business development helped EnQuest achieve a significant on target 10% increase in 2P reserves to 88.5 MMboe, and a 208% replacement ratio
- Strong financials, excellent cash flow generation

Outlook Summary

On track to deliver sustainable growth



- Focused operational programme in 2011
 - Eight wells being drilled
 - Total capex of \$300m
 - Targeting production of 26,500 Boepd, 26% growth
 - Reactivation of Heather drilling rig
 - Looking at 26th round field for possible development
 - Working with partners for possible Crawford sanction
- Further organic growth and business development anticipated in the North Sea and in due course further afield
- A substantial exploitation company in 2012 and well beyond

Technical *Skills*
Operational *Scale*
Financial *Strength*





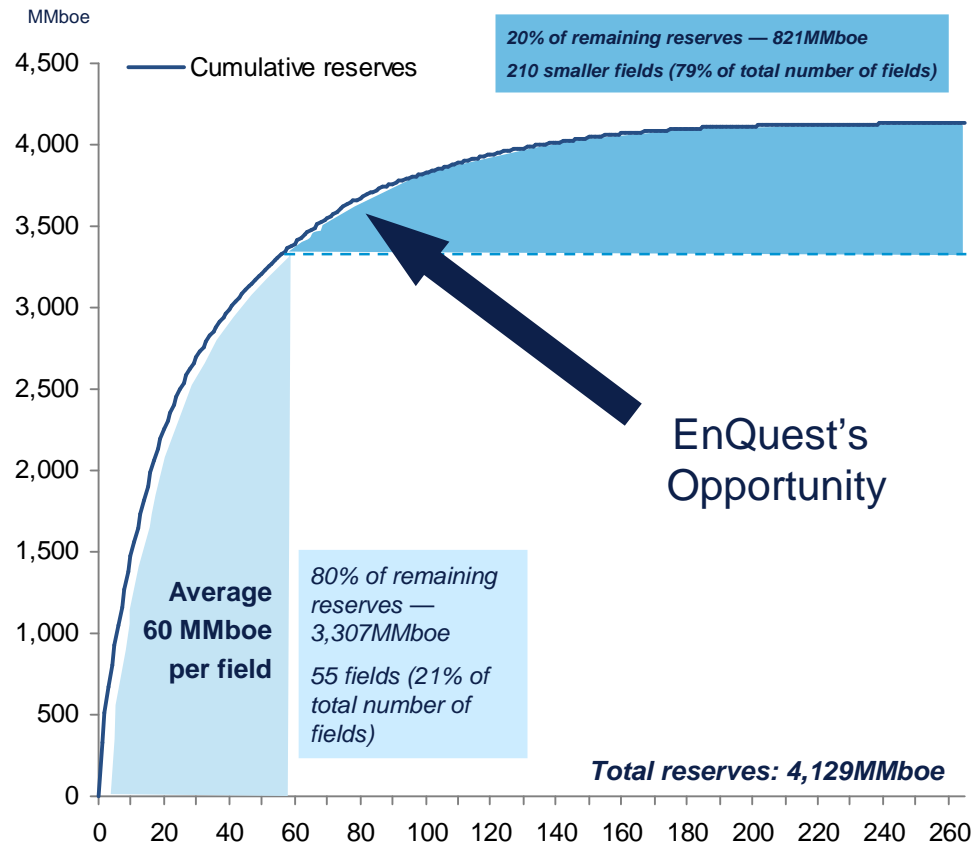
EnQuest Appendix



Significant Opportunities Remain in the UKCS



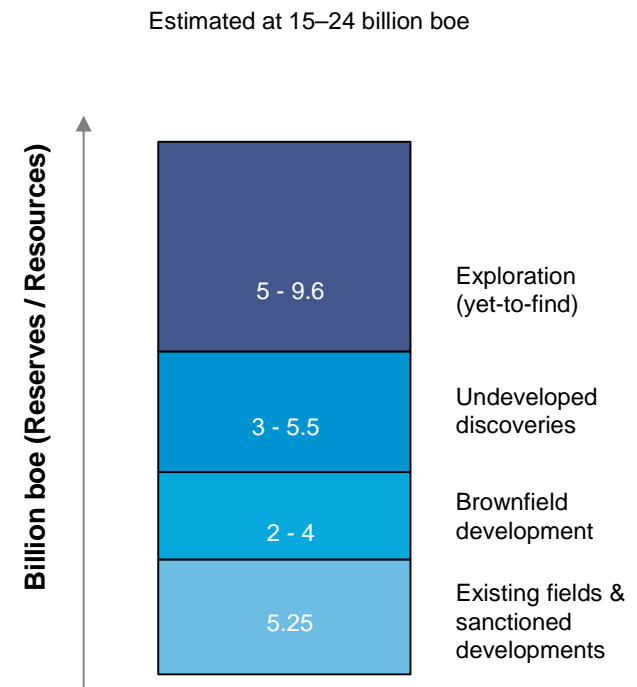
Combined majors' North Sea UK remaining reserves¹



Source: Wood Mackenzie

¹ Majors include BP, Chevron, ConocoPhillips, ENI, ExxonMobil, Shell and Total

UKCS projected reserves and resources



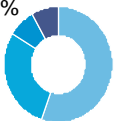

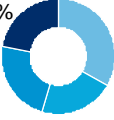


Source: Oil & Gas UK, 2010 Economic Report

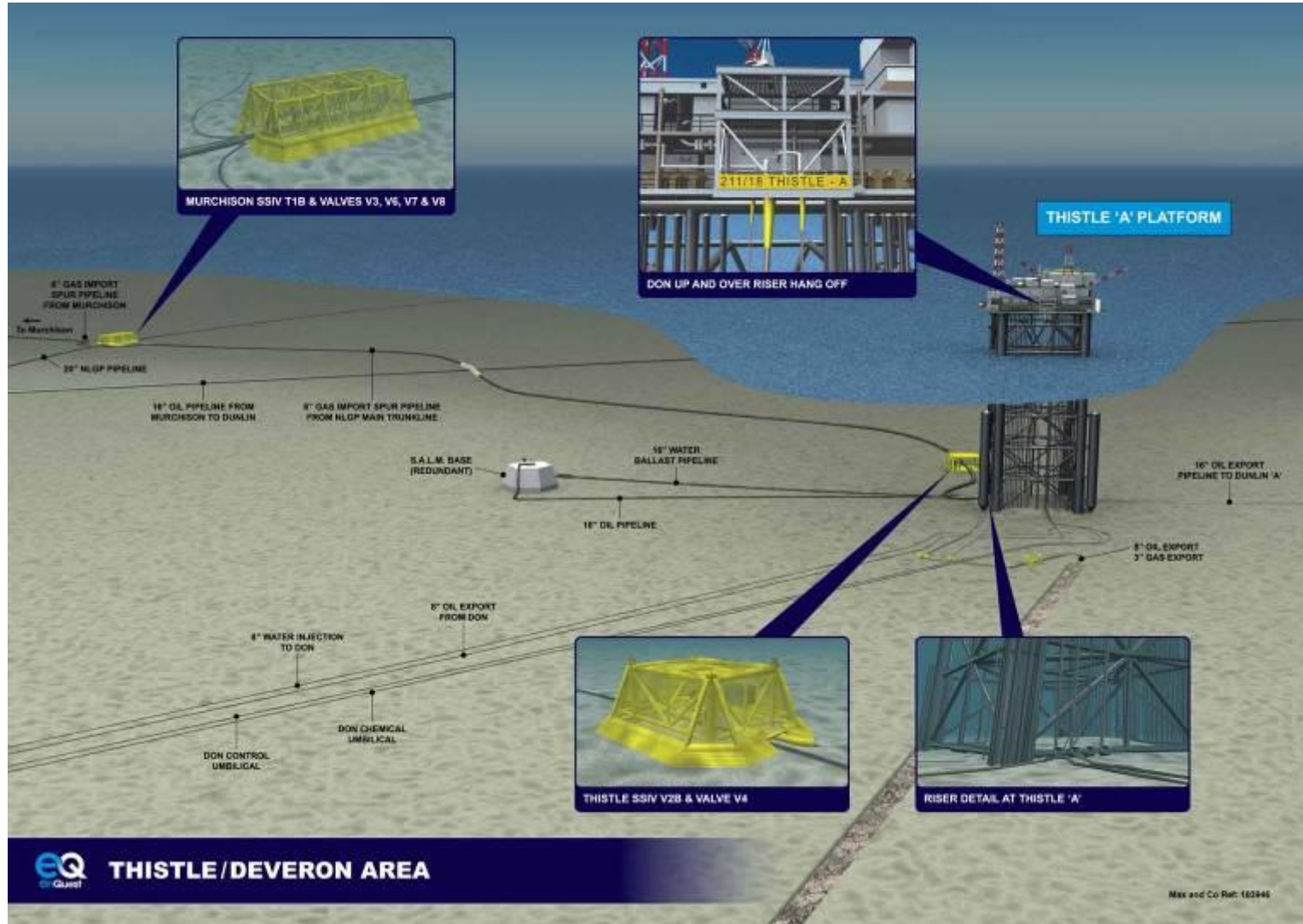
EnQuest Producing Assets

Operatorship driving delivery of results



Field (first oil)	Operator	Working interest	Decommissioning liability %
Thistle/Deveron (1978)	EnQuest	BP 1%  99%	Existing obligations remain with former owners
Heather (1978)	EnQuest	 100%	37.5%
Broom (2004)	EnQuest	Dyas UK 8% Challenger Minerals 8% Wintershall 29%  55%	55%
Don SW (2009)	EnQuest	Valiant 40%  60%	60%
West Don (2009)	EnQuest	Valiant 17.3% First Oil 19.3%  44.95% Nippon 18.5%	44.95%
Group			\$140.1m balance sheet provision

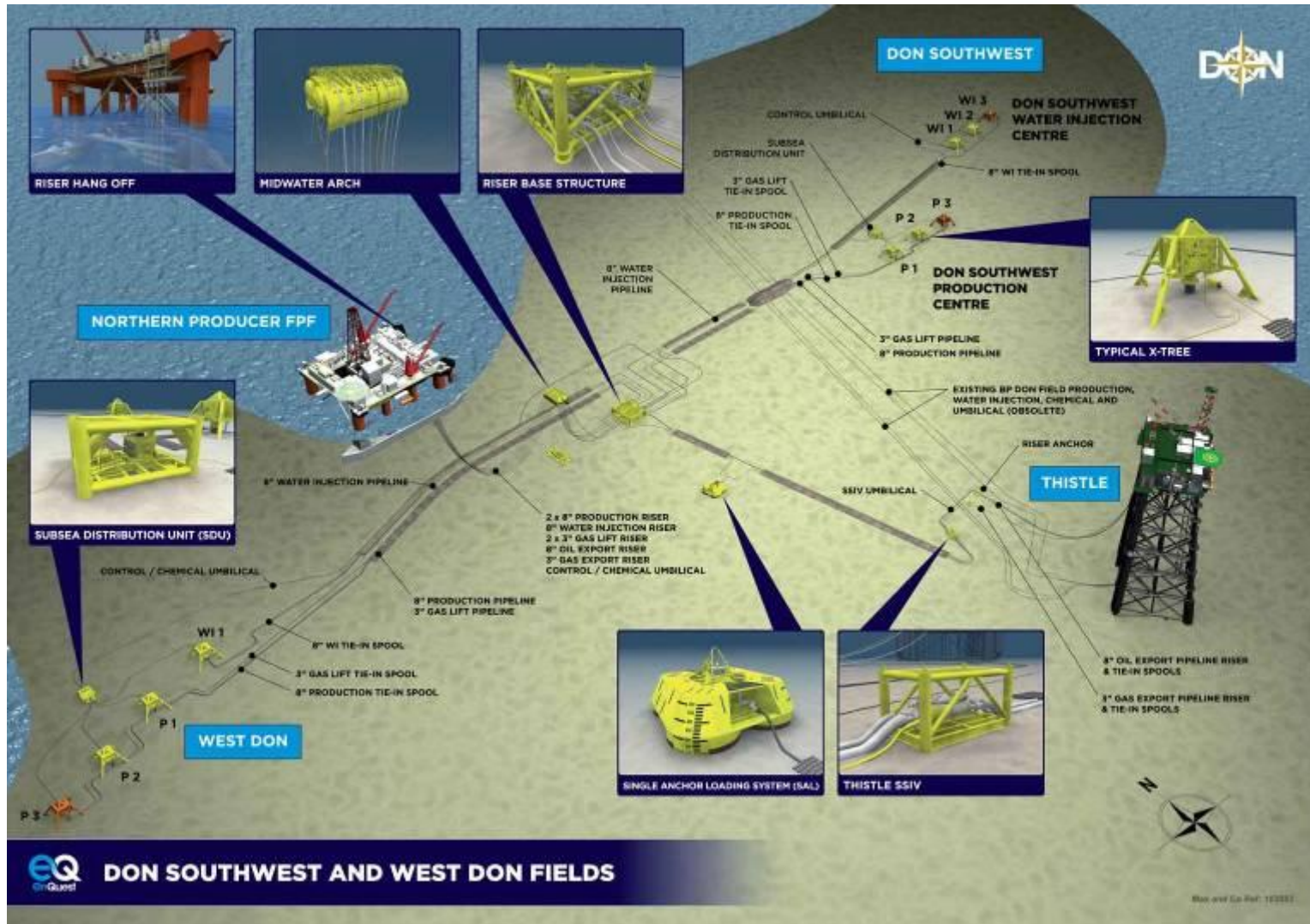
Thistle / Deveron Infrastructure



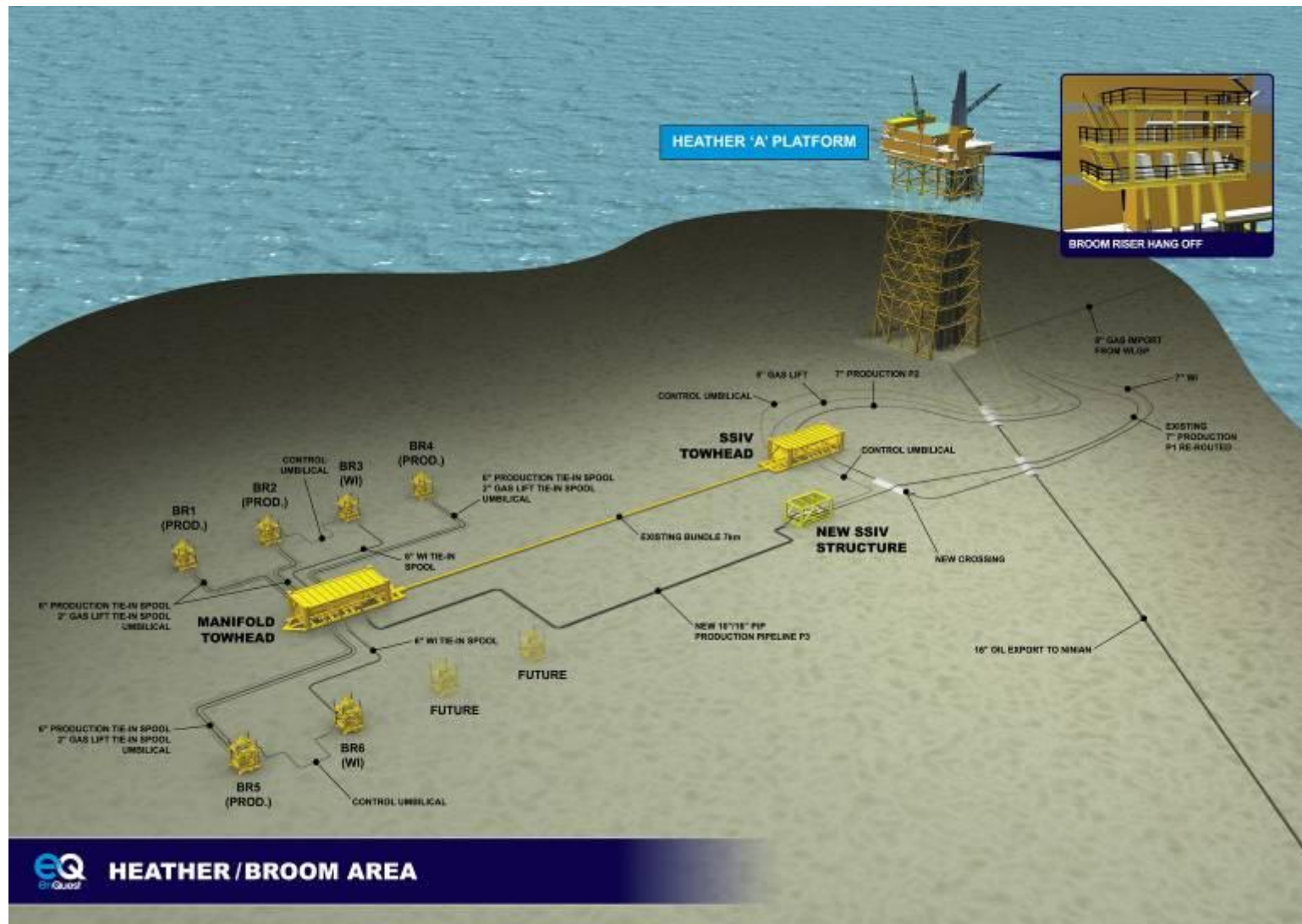
EQ THISTLE / DEVERON AREA

Max and Co Ref: 163446

The Don Fields Infrastructure



Heather / Broom Infrastructure



Forward-looking statements



This presentation 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.

Definition of “Pro-forma” in these Materials



Detailed ‘pro-forma’ note; in April 2010 the newly incorporated independent entity EnQuest PLC acquired the demerged UK North Sea assets of Petrofac Limited and Lundin Petroleum AB respectively. This transaction has been accounted for as a pooling of interest of EnQuest and the former Lundin business (Lundin North Sea BV, ‘LNS’). The result is the net assets of LNS remain at the previous carrying amounts. The acquisition of the former Petrofac business (Petrofac Energy Developments Limited, ‘PEDL’) is treated as an acquisition by LNS of PEDL. The full year Group statement of consolidated income published today therefore includes the trading results for LNS from the start of the 2010 calendar year with the inclusion of the PEDL trading results from 5 April 2010. In order to aid comparability of performance, the Directors have elected to also prepare a separate abridged pro-forma full year consolidated income statement for the 12 months ended 31 December 2010 and 31 December 2009. This abridged pro-forma income statement presents the trading results for both LNS and PEDL from the start of the 2010 calendar year, as though PEDL was part of the Group for the full period ended 31 December 2010 and similarly for the prior period. The Directors have also elected to present certain other data including, inter-alia, production figures, on the same pro-forma basis. Throughout this document, comments or data presented on a pro-forma basis are identified as “pro-forma”.