

EnQuest PLC 2011 Half Year Results



**Delivering Growth, Strong Cash Flow,
and On Target Production**

Agenda



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

EnQuest PLC Overview & Strategy



Amjad Bseisu
CEO



Highlights: Strong cash flow, production on track

Half year to 30 June 2011, US dollars



- 35% increase in production to 25,210 Boepd, all three hubs showing good growth
 - Overall six well drilling programme delivered ahead of schedule, under budget and with good results
- Reaffirming 26,500 Boepd 2011 full year target
- Already replaced net reserves by the equivalent of c.120% of the expected full year 2011 production
 - Through consolidation of asset base positions and exploration success
- \$338.4m cash flow from operations, compared to \$133.3m in H1'10. Net cash of \$265.7m
- On schedule for sanctioning Alma (formerly Ardmore) and Galia (formerly Duncan) field redevelopment
- On target for upper quartile HSEQ performance in 2011
 - Thistle well delivery team achieved four years without a lost time incident

Delivering strong growth through operatorship and control

Delivering EnQuest's Strategy

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

- § Production up 35%
- § Revamped Thistle Rig
- § Revamping Heather Rig
- § Alma & Crawford on track
 - § Alma possible fourth hub
 - § Could add 25MMboe to 2P

Near field appraisal and exploration

- § H1'11, Area E successful, Area 26 unsuccessful
- § H2'11 - 4 Prospects
 - § Ivy/Crathes/Moon
 - § Tudor Rose

Business development

- § Crawford WI up 32%
- § Broom WI up 8%
- § Crathes WI up 40%

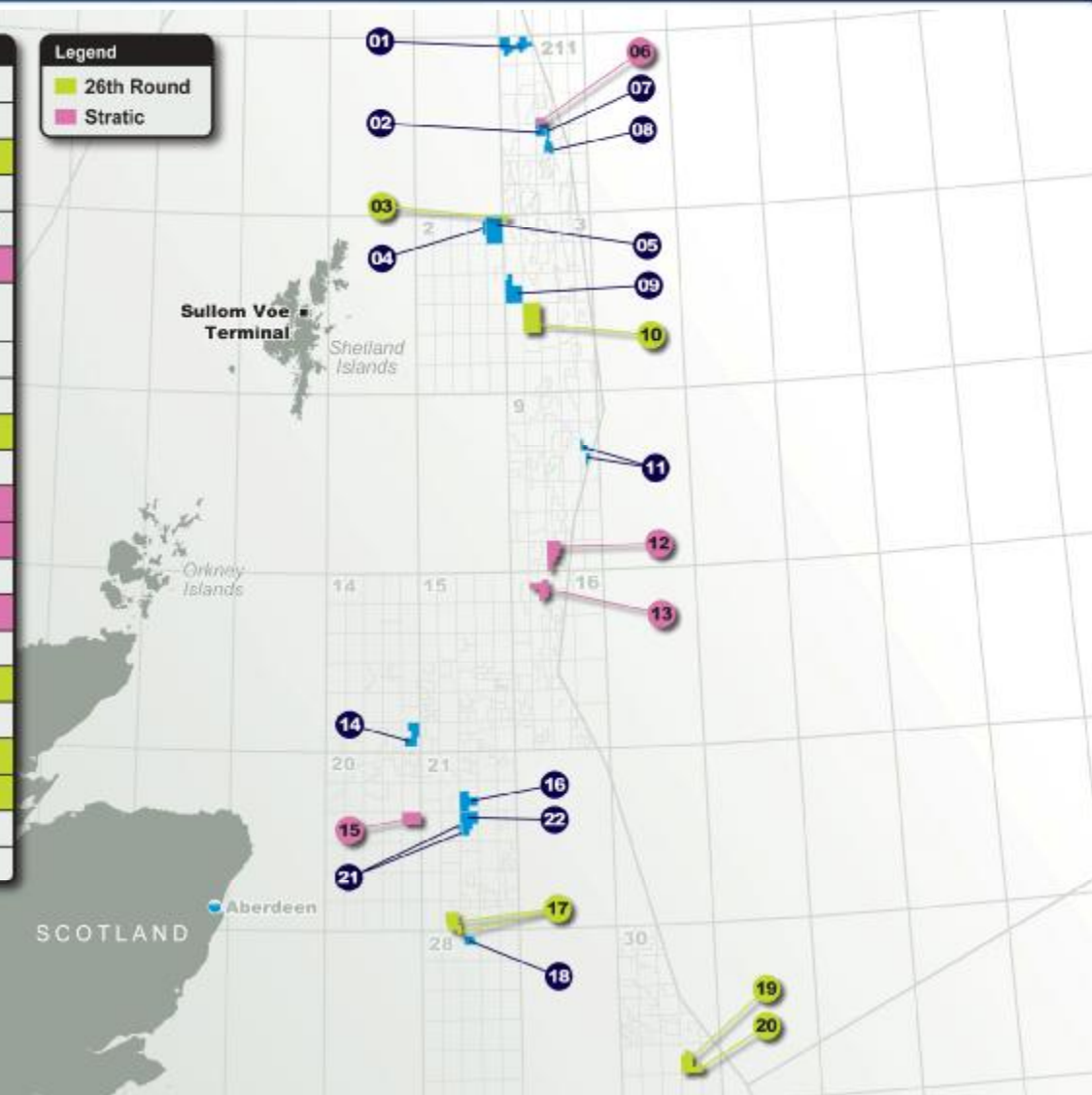
EnQuest's North Sea Licences



No.	Licence	Block/Sub-area	Name
01	P1487	211/1a, 2a & 3a	
02	P1269	211/18c	
03	P1751	3/1c	
04	P902	2/4a	Broom Field
05	P242	2/5	Broom, Heather, SW Heather & Ivy
06	P1200	211/13b	West Don
07	P236	211/18a	West Don, Don SW, Area 26, Thistle & Deveron
08	P475	211/19a	Thistle Field
09	P1608	3/11a	
10	P1753	3/17	
11	P090	9/10b & 9/15a	Burdock & Peik
12	P209	9/28a	Crawford
13	P1214	16/2b	Cairngorm
14	P1463	14/30a	
15	P1582	20/15a	
16	P1107	21/8a	Scolty
17	P1790	21/27a & 28/2a	Pilot
18	P995	28/3a	Elke
19	P1825	30/24b	Galia / Innes
20	P1765	30/24c & 25c	Alma
21	P1416	21/12c & 13a	Crathes
22	P1417	21/13c	

Legend

- 26th Round
- Stratic



Production & Development Opportunities

Building our portfolio since IPO



2P Reserve Assets. WI.	Start of 2010	Latest	Development Opportunities	IPO	26 th Round	Acquisition	Exploration
Thistle	99%	99%	Elke	★			
Deveron	99%	99%	Pilot		★		
Don Southwest	60%	60%	Peik / Burdock	★			
West Don	27.77%	44.95%	Scolty	★			
Conrie	-	60%	Alma		★		
Heather	100%	100%	Galia / Innes		★		
Broom	55%	63%	Crawford			★	
Crawford	-	51%	Cairngorm			★	
			Ivy				★
Net 2P Reserves	80.5MMboe	95.5MMboe*	Tudor Rose				★
			Crathes / Moon			★	★

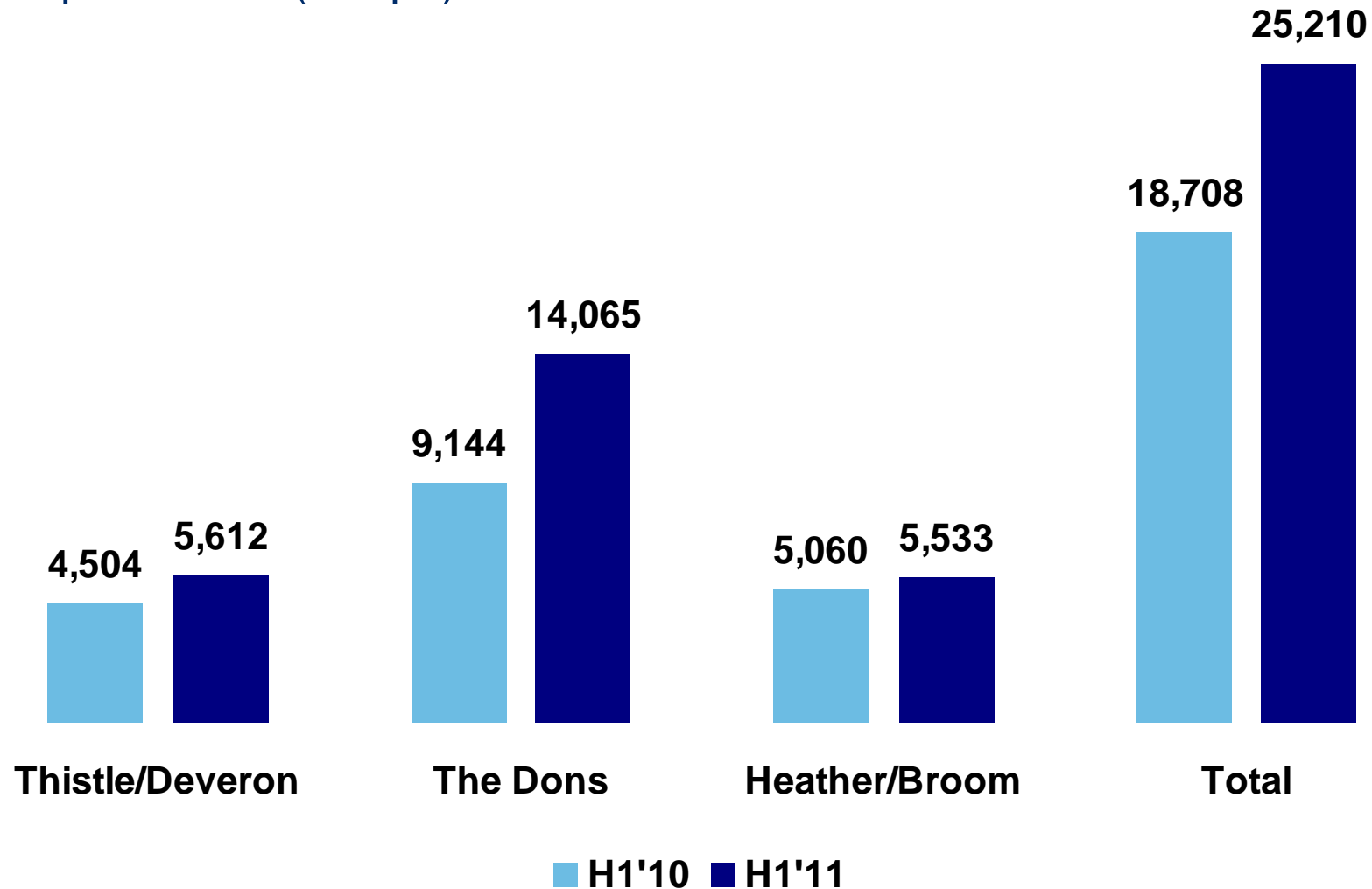
* Unaudited incremental estimates: includes additions from increased working interests and from the success of the Area E Exploration well, does not include any revisions to previous estimates.

2011 First Half Operational Results

Strong production growth, up 35%



Net production (Boepd)

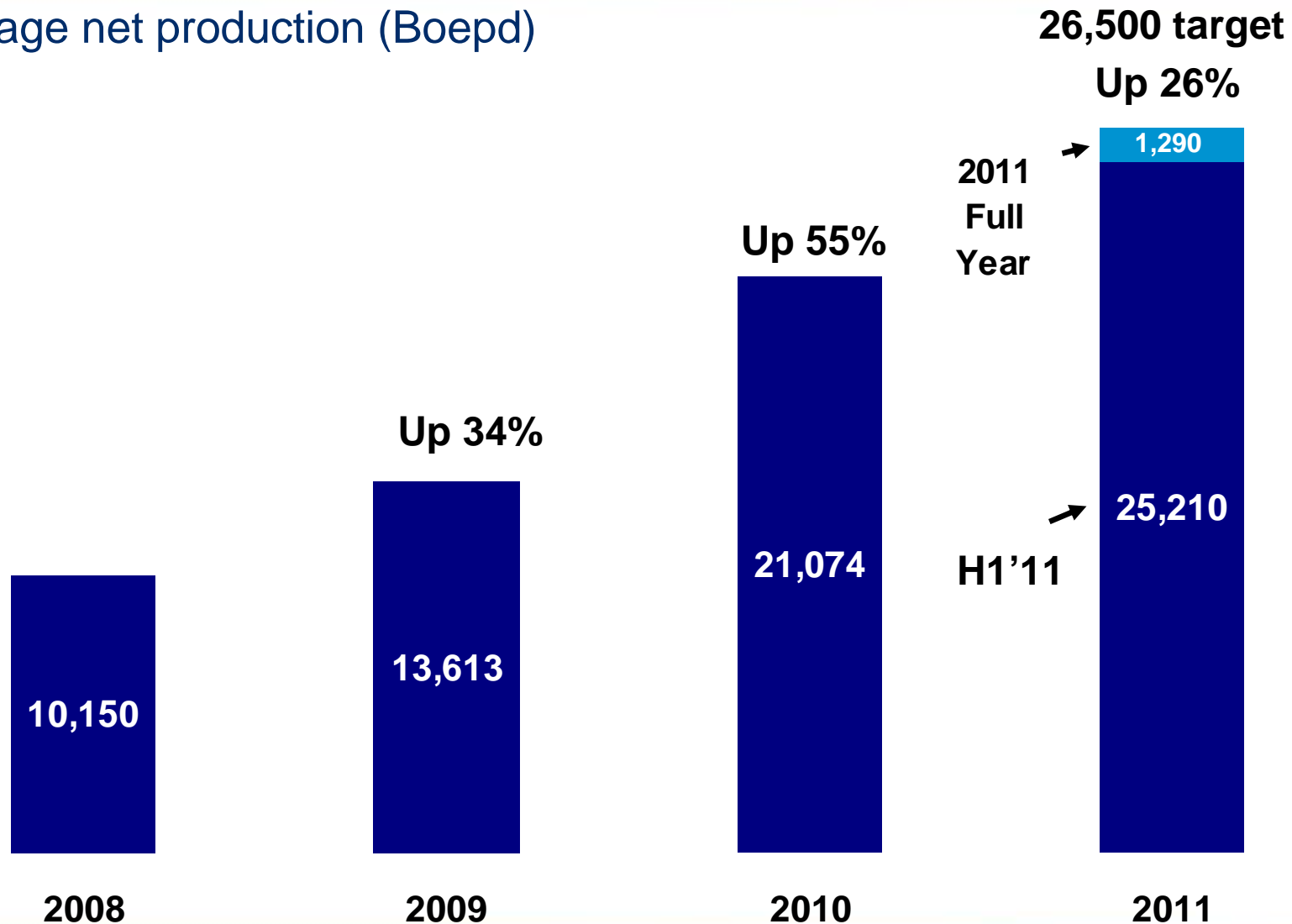


Track Record of Strong Production Growth

2011 target of 26,500 Boepd, a 95% increase since 2009



Average net production (Boepd)



Business Development in 2011

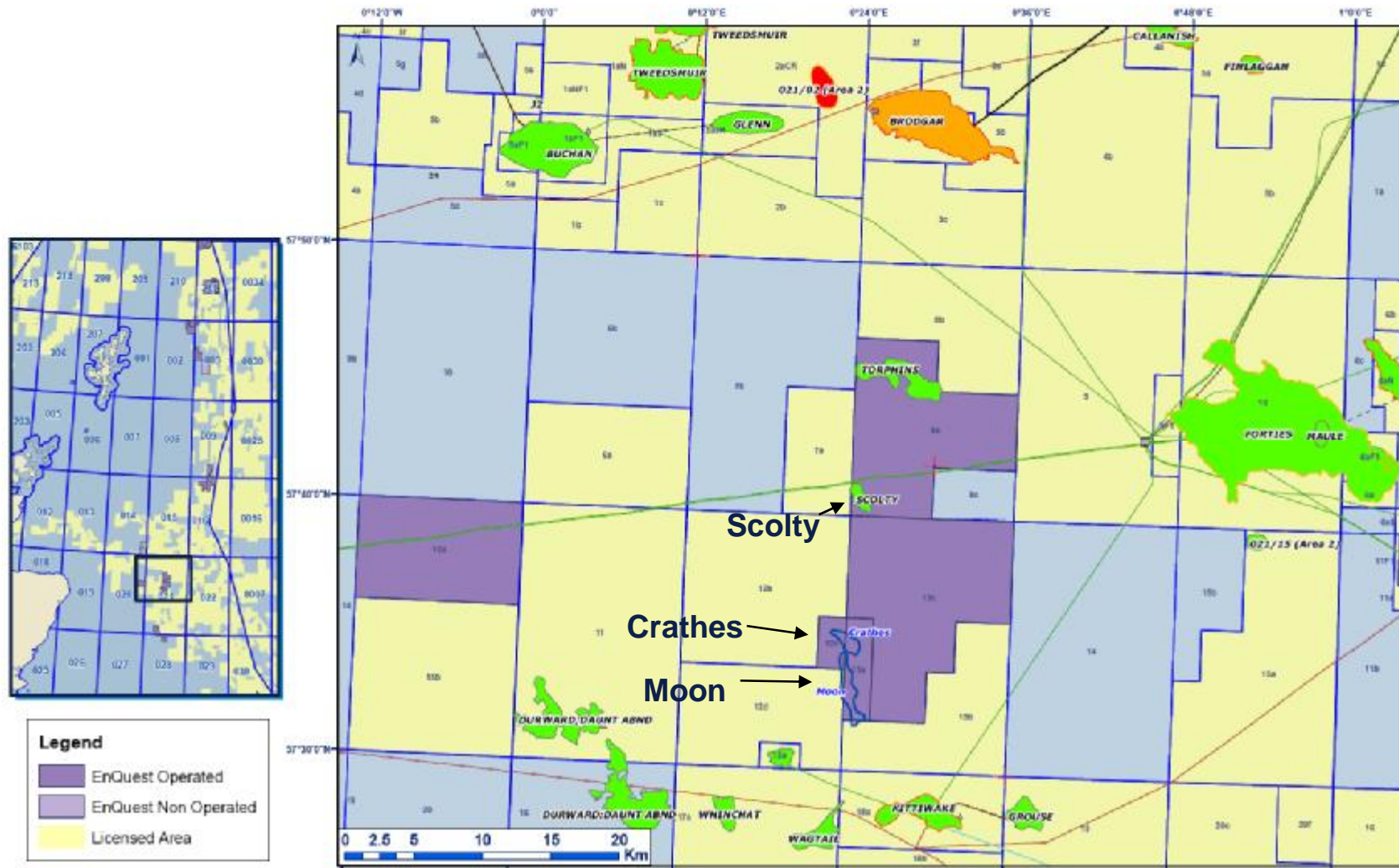
Consolidated positions, increased interests and operatorship



- Acquired 32% stake to take a majority interest and assumed operatorship of proposed Crawford development; sanction programme defined
- Increased working interest in Broom field from 55% to 63%
- Farmed into 40% of and assumed operatorship of Crathes and Moon prospects
- Progressing as planned to sanction of proposed Alma redevelopment
- High level of dialogue with sellers continues
 - Well placed with strong financial position
 - Maintaining disciplined and selective approach

Business Development

Crathes / Moon, close to Scolty



A blue-tinted photograph of a modern office building. The building has a glass facade on the left side and a solid facade on the right. The EnQuest logo is visible on the building's facade. The sky is dark blue with some clouds.

EnQuest PLC Financial Highlights

Jonathan Swinney
Chief Financial Officer

Results Summary

Half year to 30 June



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

	Reported	Pro-forma*	Change
US dollars	2011	2010	%
Export production (Boepd)	25,210	18,708	35
Average realised price per barrel (\$)	106.72**	78.18	37
Revenue (\$ million)	511.4	255.5	100
Cost of sales (\$ million)	279.0	162.7	71
Production and transportation costs (\$/per boe)	29.12	28.21	3
Depletion of oil & gas properties (\$/per boe)	23.11	23.02	0
Gross profit (\$ million)	232.5	92.8	151
Operating profit (\$ million)	215.2	87.8	145
EBITDA***	327.0	166.3	97

* see note at end of appendices – reflects full six months on like-for-like basis

** after oil collar hedging loss of \$23.3m

*** for definition basis, see results announcement

Income Statement

Half year to 30 June



US dollars	Business performance	Exceptional items and depletion of fair value uplift	2011 Reported	2010 Pro-forma
	\$m	\$m	\$m	\$m
Revenue	511.4	-	511.4	224.5
Cost of sales	(279.0)	(9.2)	(288.2)	(137.5)
Gross profit	232.4	(9.2)	223.2	87.0
Exploration and evaluation expenses	(5.3)	-	(5.3)	(0.1)
Gain on disposal of asset held for sale	-	8.6	8.6	-
Impairment on available for sale assets	-	(10.6)	(10.6)	-
Well abandonment	-	8.2	8.2	-
General and administration expenses	(7.9)	-	(7.9)	(1.7)
Other income	4.3	-	4.3	0.9
Other expenses	(8.3)	-	(8.3)	-
Profit/(loss) from operations before tax and finance income/(costs)	215.2	(3.0)	212.2	86.2
Finance costs	(6.7)	-	(6.7)	(4.0)
Finance income	0.6	-	0.6	0.8
Profit/(loss) before tax	209.1	(3.0)	206.1	83.0
Income tax	(140.1)	(43.3)	(183.4)	(47.2)
Profit/(loss) for the period attributable to owners of the parent	69.0	(46.3)	22.7	35.8
Other comprehensive income for the period, after tax (Cash flow hedges)			(9.1)	NA
Total comprehensive income for the period, attributable to owners of the parent			13.6	NA
Earnings per share				
Basic			0.028	NA
Diluted			0.028	NA

Balance Sheet

As at 30 June



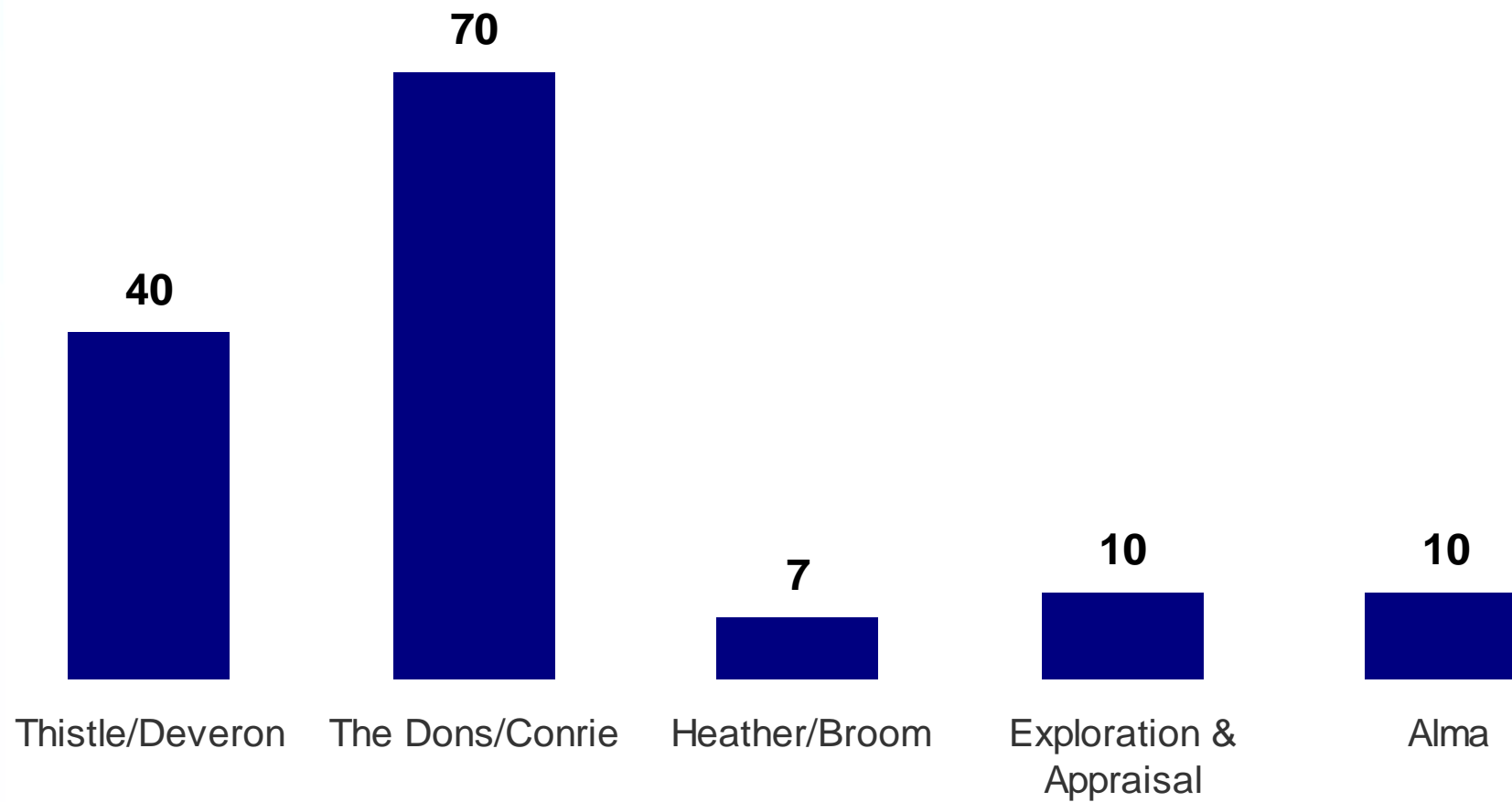
US dollars	2011 \$m	2010 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	1,181	1,136
Goodwill	108	108
Intangible assets	13	12
Asset held for sale	4	10
Investments	9	-
Deferred tax asset	3	9
	1,318	1,275
Current assets		
Inventories	16	13
Trade and other receivables	112	110
Income tax receivable	4	-
Cash and short-term deposits	266	41
	398	164
TOTAL ASSETS	1,716	1,439
EQUITY AND LIABILITIES		
Equity		
Share capital	113	113
Merger reserve	663	663
Cash flow hedge reserve	(9)	-
Share based payment reserve	5	3
Retained earnings	128	104
TOTAL EQUITY	900	883
Non-current liabilities		
Provisions	162	140
Deferred income tax liabilities	457	295
	619	435
Current liabilities		
	197	121
TOTAL LIABILITIES	816	556
TOTAL EQUITY AND LIABILITIES	1,716	1,439

Capex of \$137m

Half year to 30 June 2011



US\$m

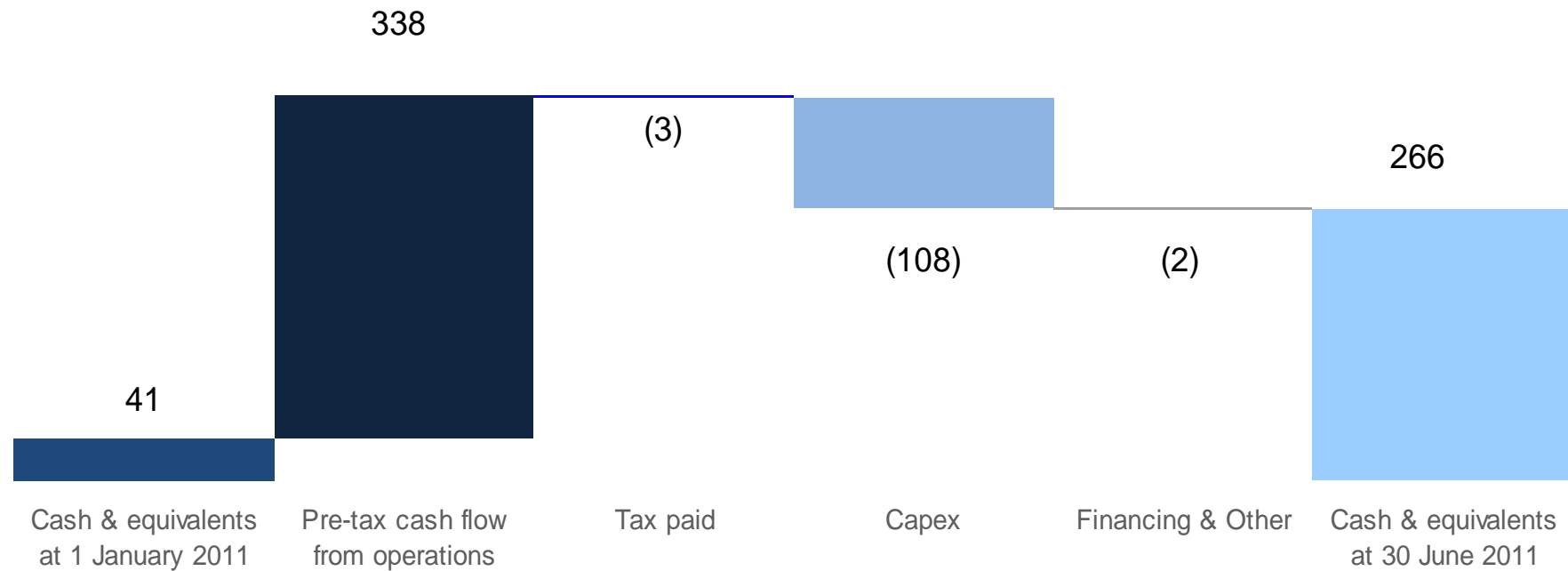


Cash Flow

Half year to 30 June 2011



US\$m



Full Year 2011

- Capex expectations of c.\$300m
- Unit production and transportation costs in line with expectations given current oil price
- Depletion
 - Dependent upon production mix, but anticipated to be approximately \$25/Boe
- G&A
 - In line with expectations, similar to H1'11
- Tax
 - In line with guidance as at time of 2010 results
 - c.\$9m of cash foreign tax is payable in H2'11 in relation to Stratic
- Finance costs
 - Guidance continues to be in the region of \$15m, of which c.\$10m is non cash



EnQuest PLC Review of Operations

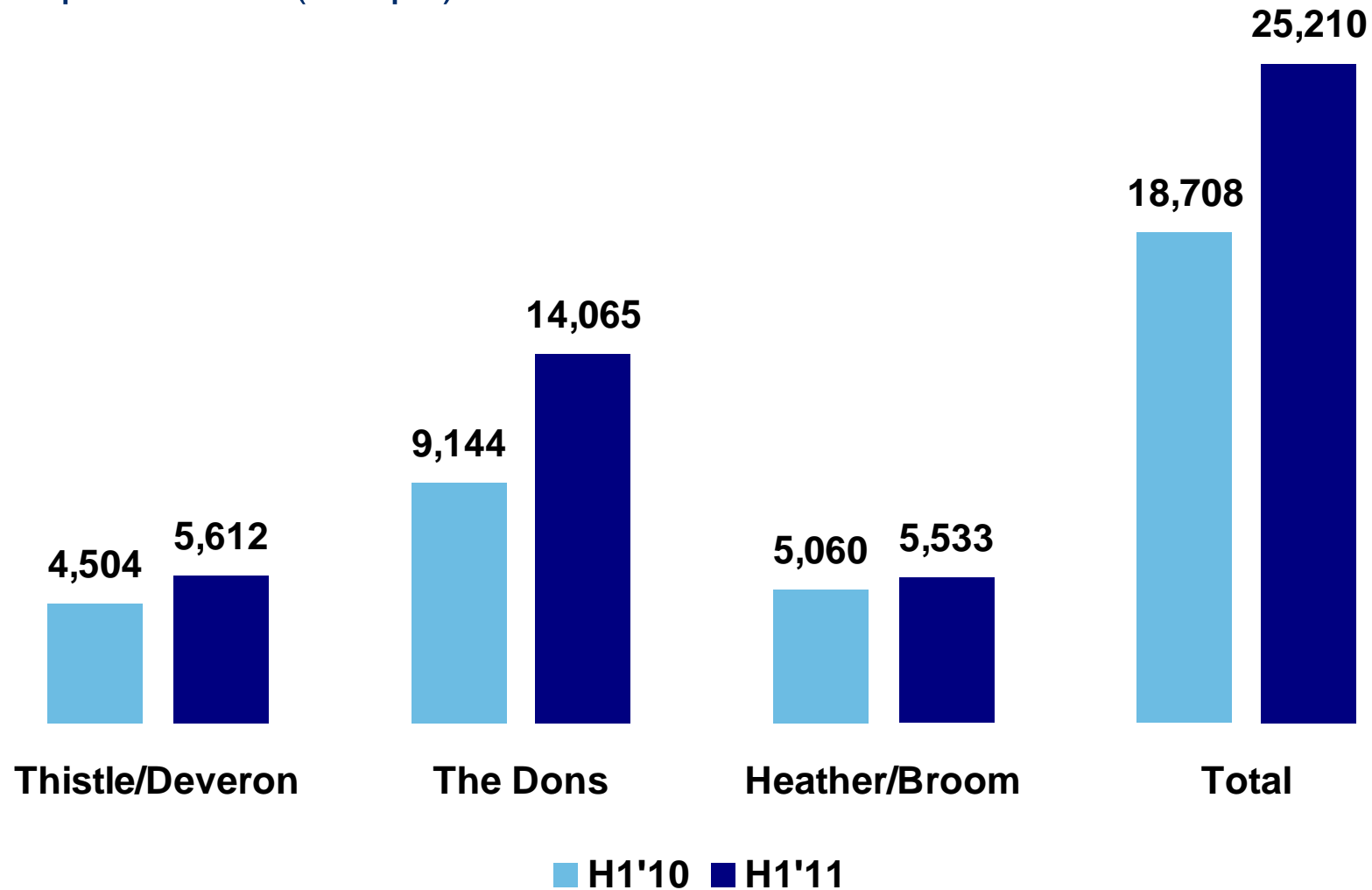
Nigel Hares
Chief Operating Officer

2011 First Half Operational Results

Operatorship driving delivery of results



Net production (Boepd)



Thistle / Deveron Highlights

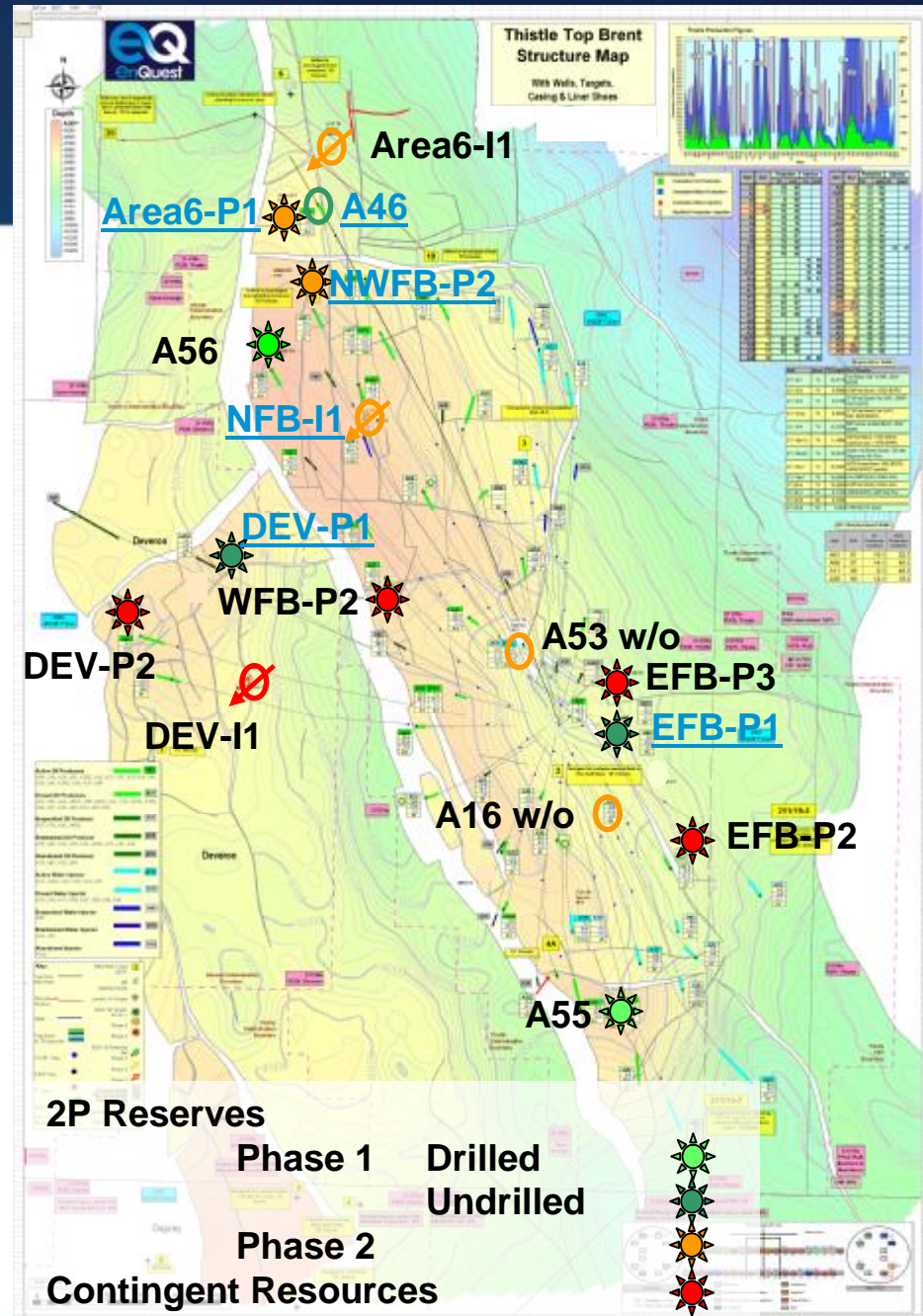
Operations

- Production up 25% on H1'10 despite lower power availability, hence lower water injection
- A56/13 (formerly NWFB-P1) was successfully completed with an electric submersible pump and is producing ahead of prognosis
- A55 (formerly SFB-P1) was perforated in an additional reservoir zone
- Well A57/58 (formerly EFB-P1) was drilled and meets prognosis
- Major power upgrade project sanctioned. Power reliability in 2011 has been lower than 2010

H2'11

- Planned maintenance shutdown for one month in Q3'11
- Water injection workover
- DEV-P1 to be drilled in Q4'11. First well on Deveron field in over 20 years

Thistle / Deveron Drilling Locations



The Don Fields / Conrie Highlights

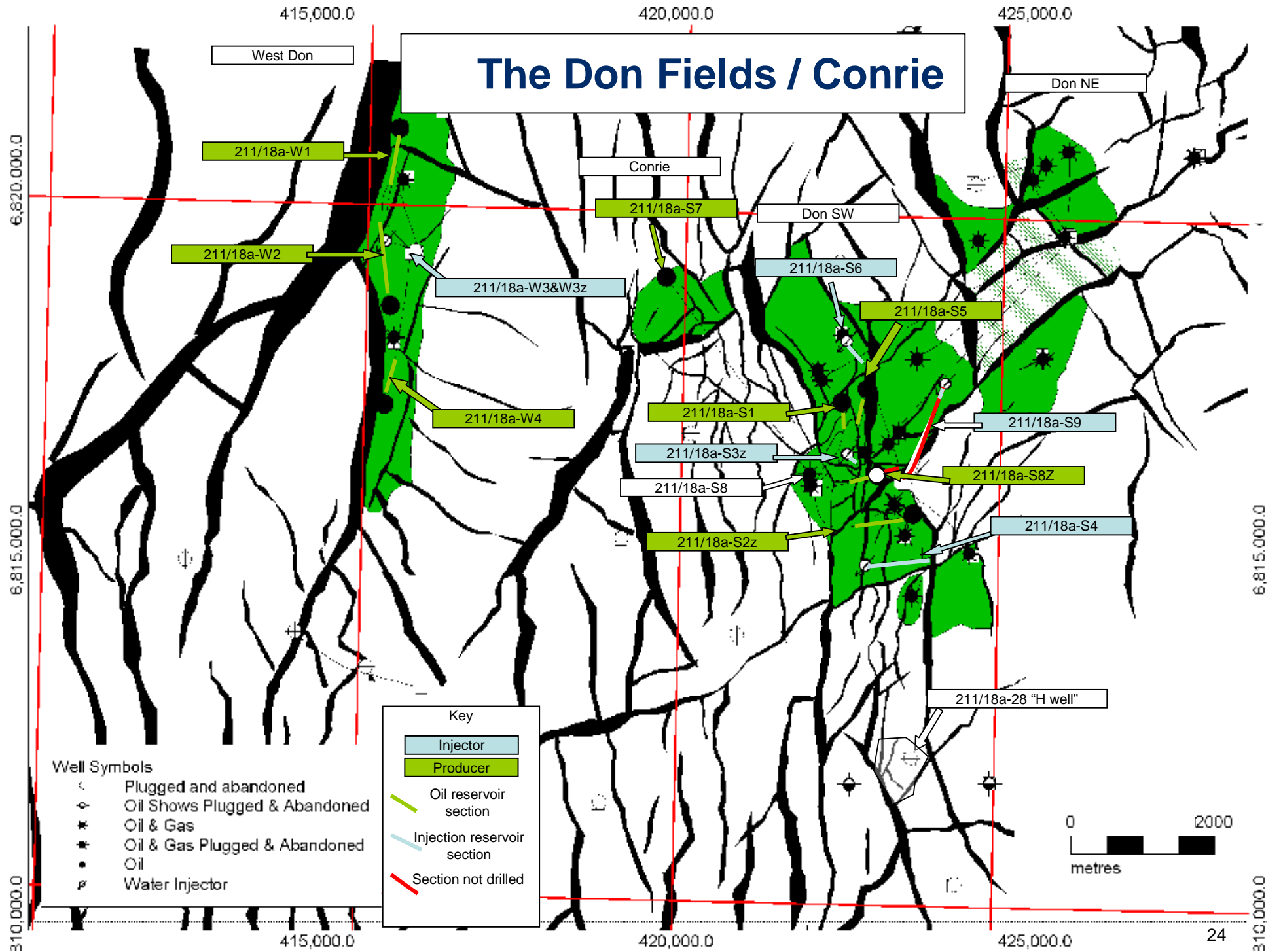
Operations

- Production up 54% over H1'10
- Driven by the successful wells at S5 & S6 in Don Southwest & W4 on West Don, all drilled in 2010
- Production also up as a result of increased equity of 44.95% in West Don, following Stratic acquisition
- Don Southwest Area 26 appraisal well sub-commercial
- Well 211/18a-S7 exploration well successful; field known as Conrie. One of the longest bit runs ever drilled – 12,710ft in one run
- The Don Southwest S8 & S9 producer injector pair were drilled on schedule and on budget; both wells were better than prognosed

H2'11

- Workover to repair leaking gas lift valves / mandrels on S2Z (Don Southwest) and W1 (West Don)
- S8Z (Don Southwest) due for tie in and on production mid August 2011
- S7 (Conrie) due for tie in and on production Q3'11
- S9 (Don Southwest) water injector well due on stream Q3'11

The Don Fields / Conrie



Well Symbols

- Plugged and abandoned
- Oil Shows Plugged & Abandoned
- Oil & Gas
- Oil & Gas Plugged & Abandoned
- Oil
- Water Injector

Key

- Injector
- Producer
- Oil reservoir section
- Injection reservoir section
- Section not drilled

Heather / Broom Highlights

Operations

- Production up 9% over H1'10
- Benefits from the H2'10 installation of a new pipeline from Broom to Heather
- Re-start of Broom BR4 has added production
- New hydrocyclones successfully installed to improve oil in produced water
- Rig reactivation programme sanctioned and started

H2'11

- Ivy exploration well south of Heather to be drilled in Q3'11

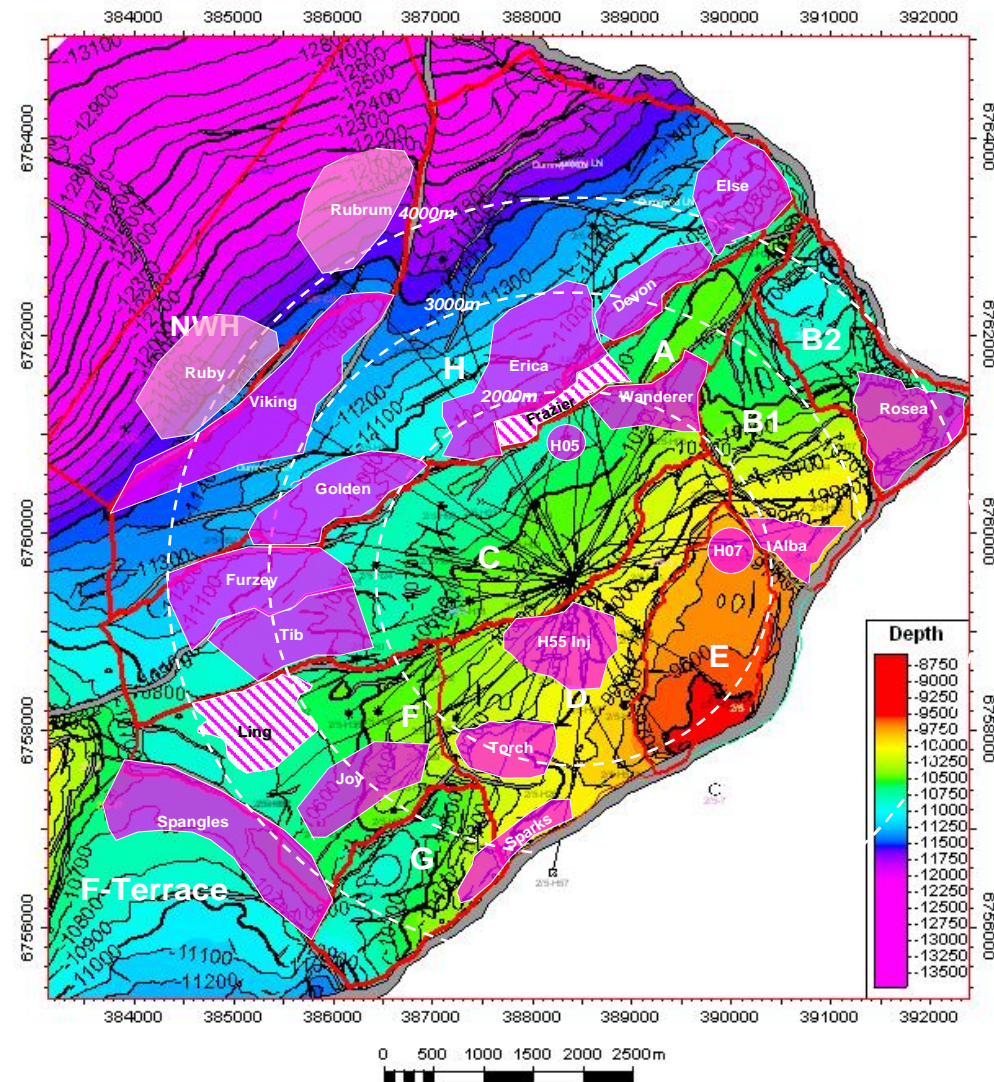


Heather Infill Drilling

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 & Workover Programme

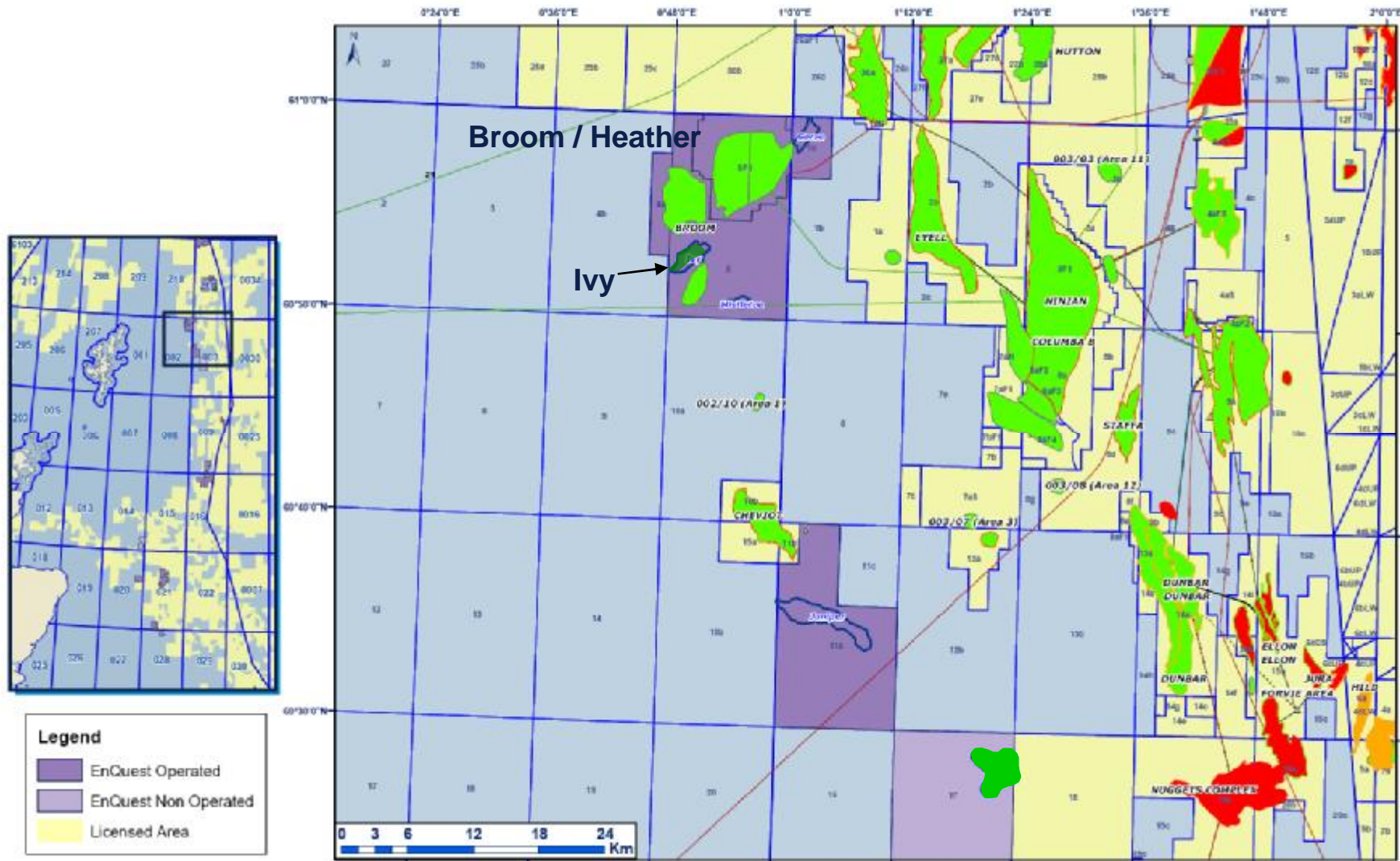
Underpinning targeted 26% increase in production



Well drilling start dates, by quarter

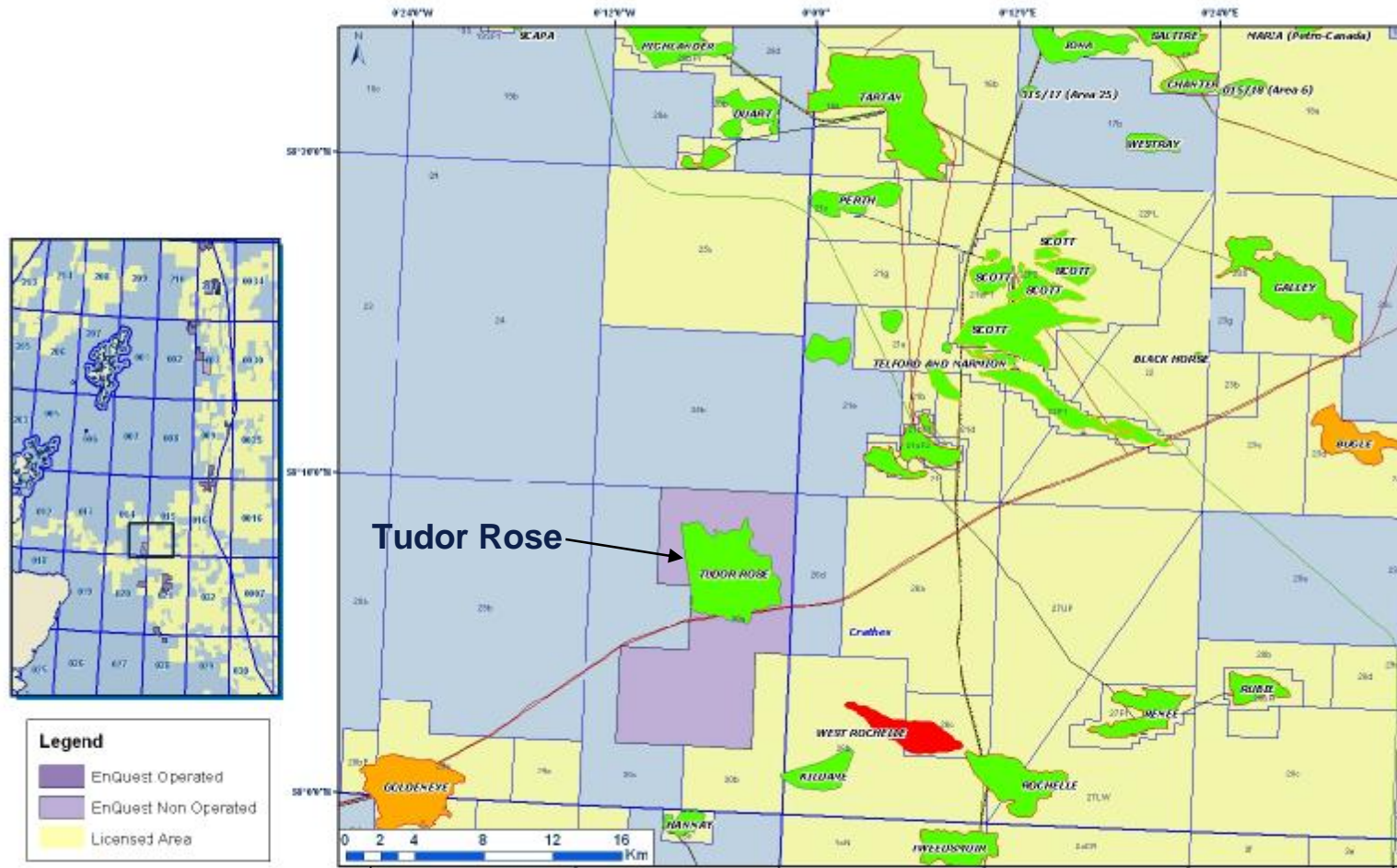
<u>First Quarter, 2011</u>	<u>Second Quarter, 2011</u>
DSW Area E Exploration (Conrie), DSW Area 26 Appraisal, DSW S8Z - Prod, Thistle NWFB - P1.	DSW S9 - INJ, Thistle EFB - P1.
<u>Third Quarter, 2011</u>	<u>Fourth Quarter, 2011</u>
Conrie Completion S7, S2Z Workover, W1 Workover, Ivy Exploration.	Thistle DEV - P1, Crathes Exploration.

Exploration Ivy



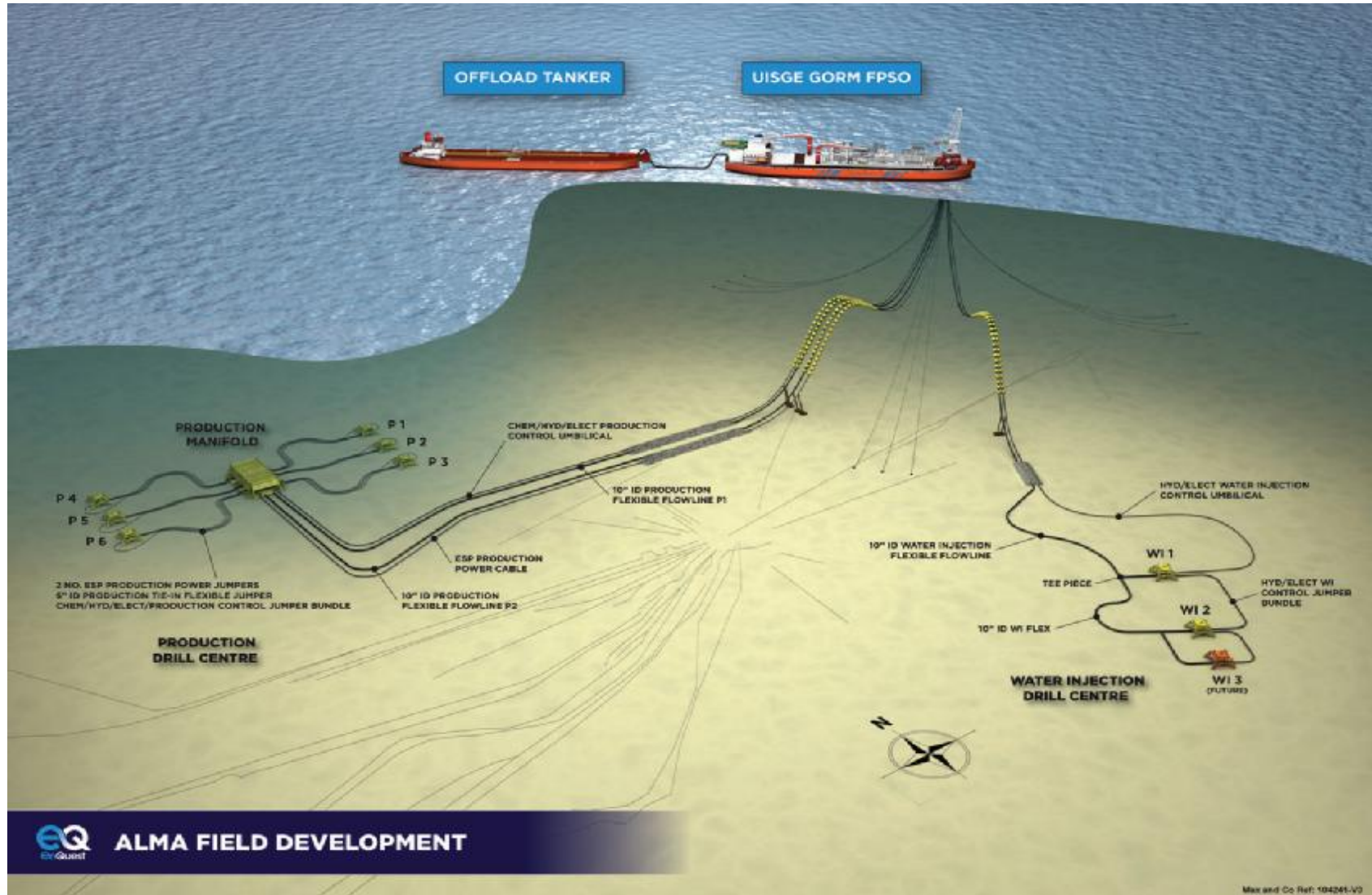
Exploration

Non EnQuest operated, Tudor Rose



Alma Field Development

Environmental Statement Submission



EnQuest PLC Summary

Amjad Bseisu
Chief Executive



2011 Half Year Summary

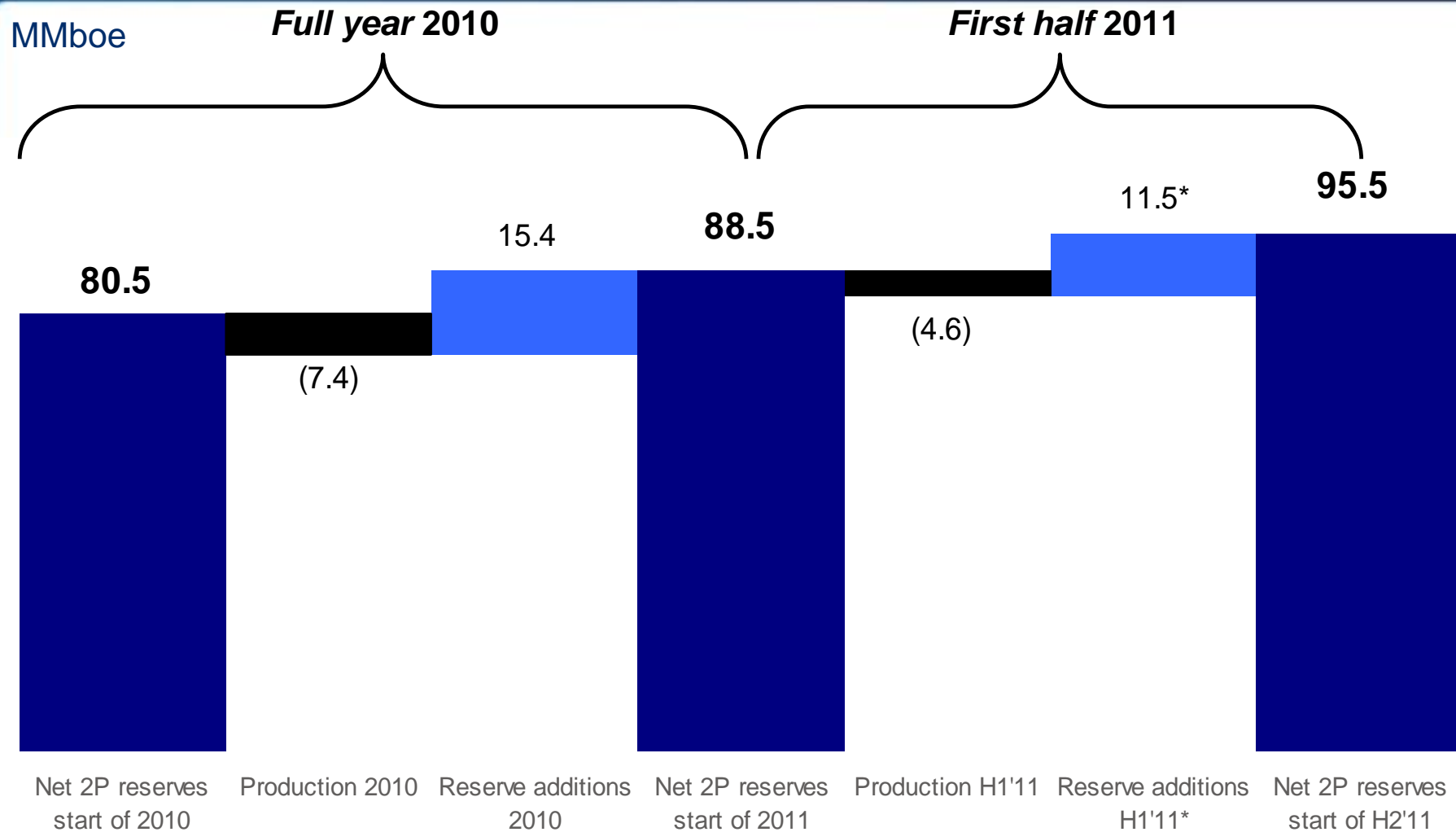
Performed well, growing momentum



- Delivered strong production growth in H1'11, at 25,210 Boepd, up 35% on H1'10
- Good operational performance and excellent results from active six well drilling programme
- Asset consolidation and exploration success has already enabled EnQuest to deliver a c.120% replacement of targeted full year 2011 production
- Strong financials, material cash flow generation

Track Record of Sustainable Delivery and Growth

Develop, produce, replace

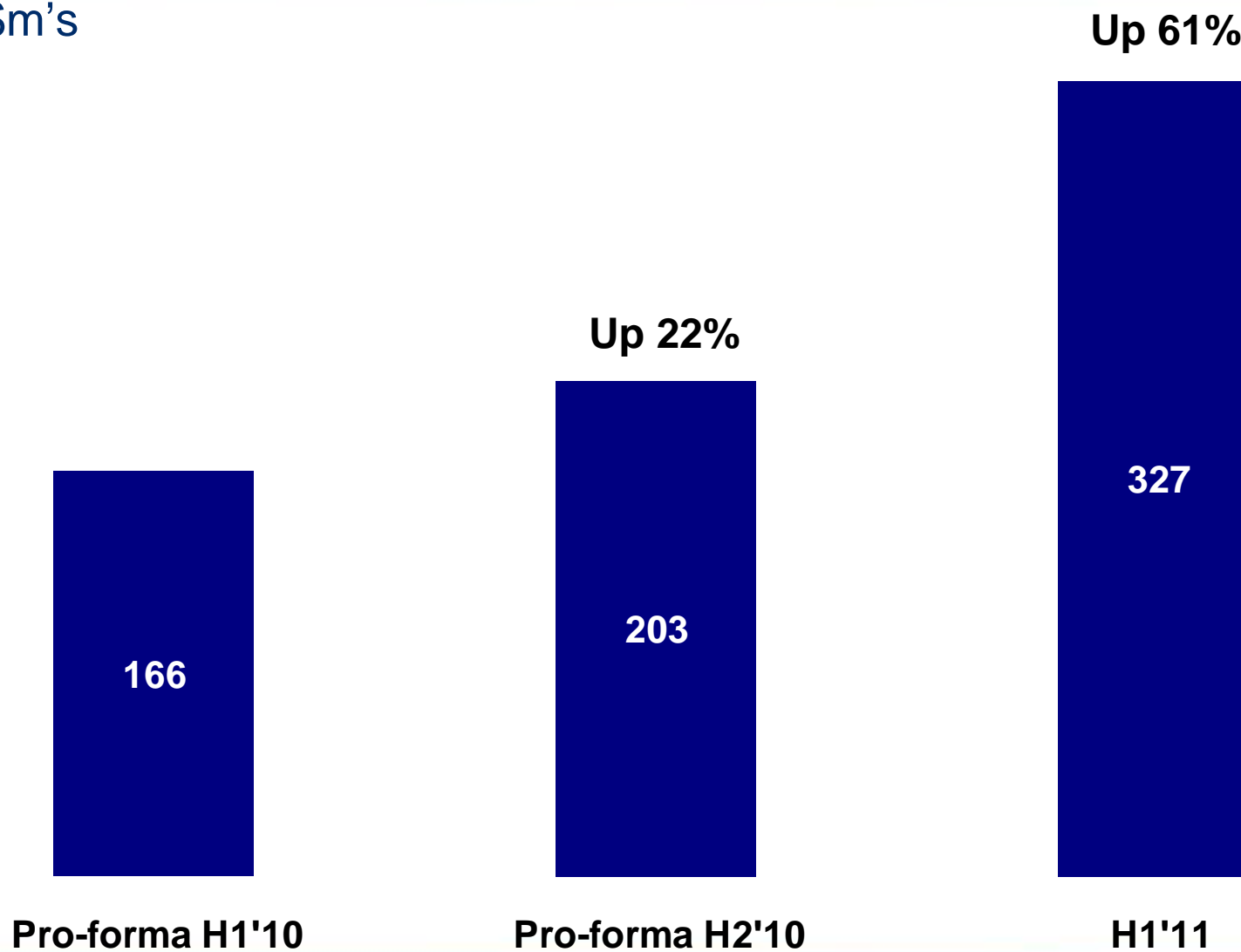


* Unaudited incremental estimates: includes additions from increased working interests and from the success of the Area E Exploration well, does not include any revisions to previous estimates.

Strong EBITDA Generation



US \$m's



Outlook Summary



- Focused operational programme in H2'11
- Three EnQuest operated wells being drilled, one production well and two exploration wells - incorporating three exploration prospects
 - In addition, one non-operated exploration well
- Reactivation of Heather drilling rig, to commence drilling in 2012
- Reaffirmed production target of average 26,500 Boepd for 2011, 26% growth
- On track for sanction of Alma in H2'11
- Working with partners for Crawford sanction in 2012
- 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



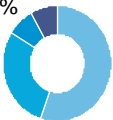

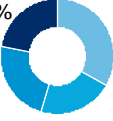


EnQuest Producing Assets

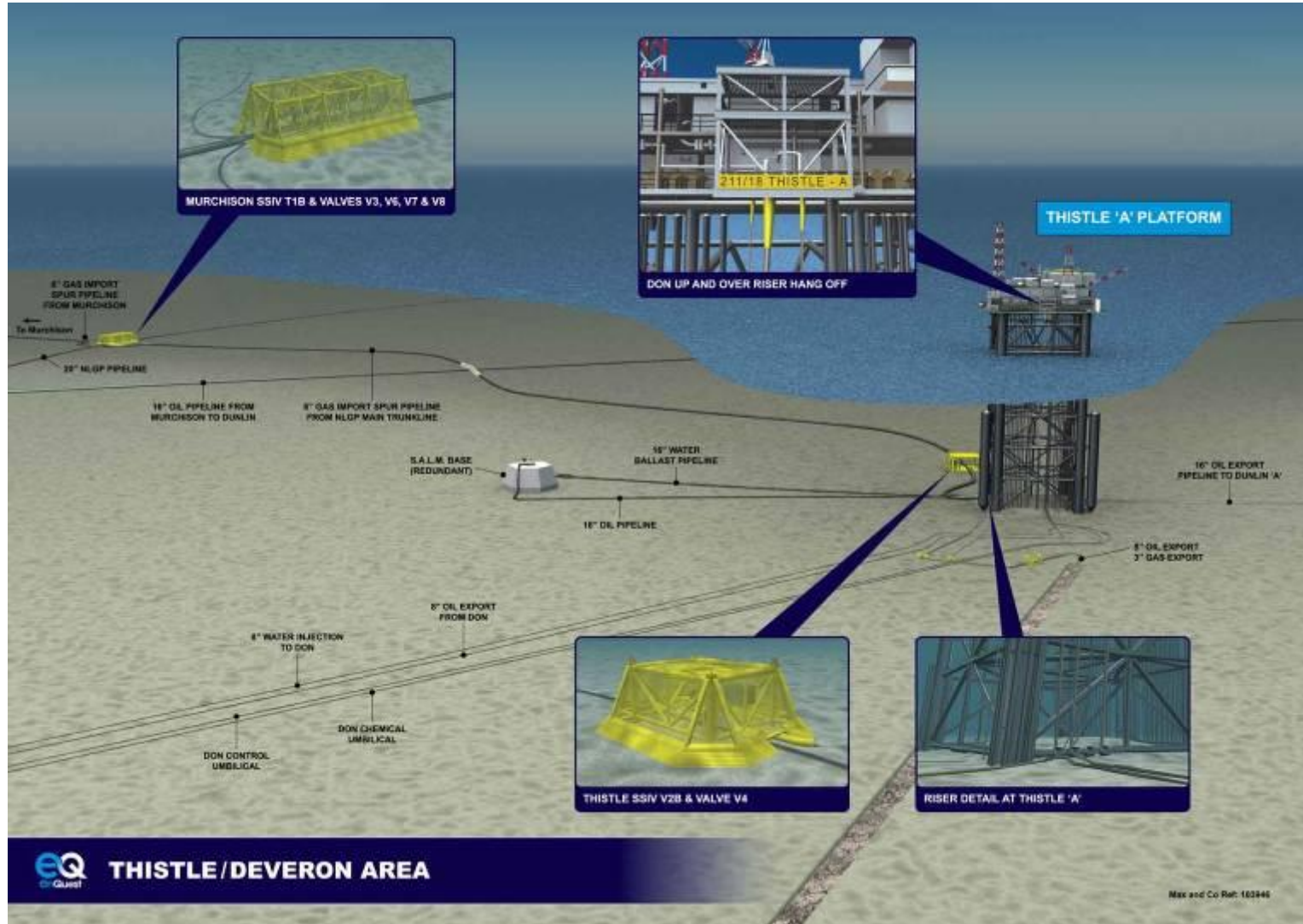
Operatorship driving delivery of results



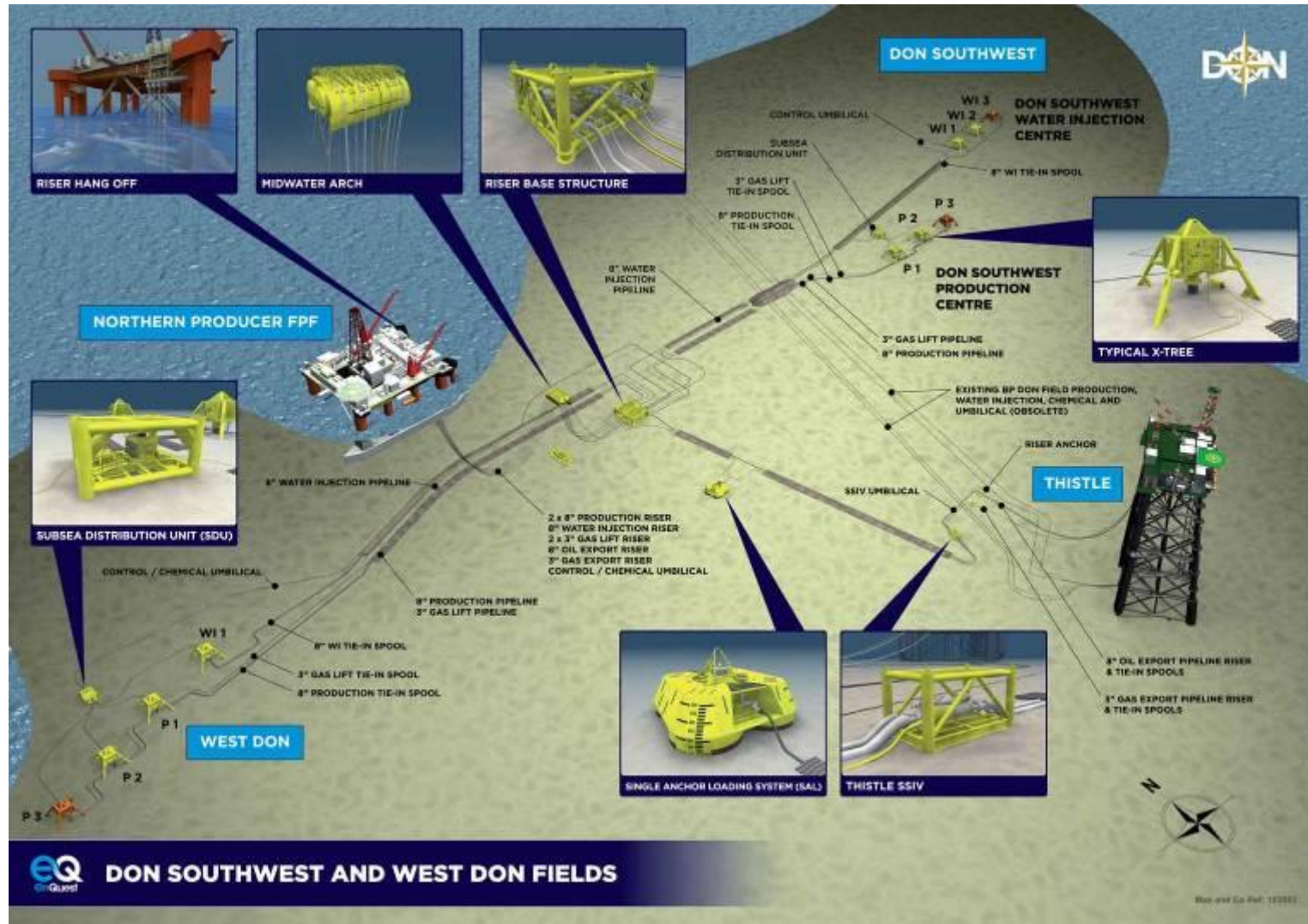
As at 30 June 2011

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%  55% Challenger Minerals 8% Wintershall 29%	55%
Don SW (2009)	EnQuest	Valiant 40%  60%	60%
West Don (2009)	EnQuest	Valiant 17.3%  44.95% First Oil 19.3% Nippon 18.5%	44.95%
Group			\$162.0m balance sheet provision

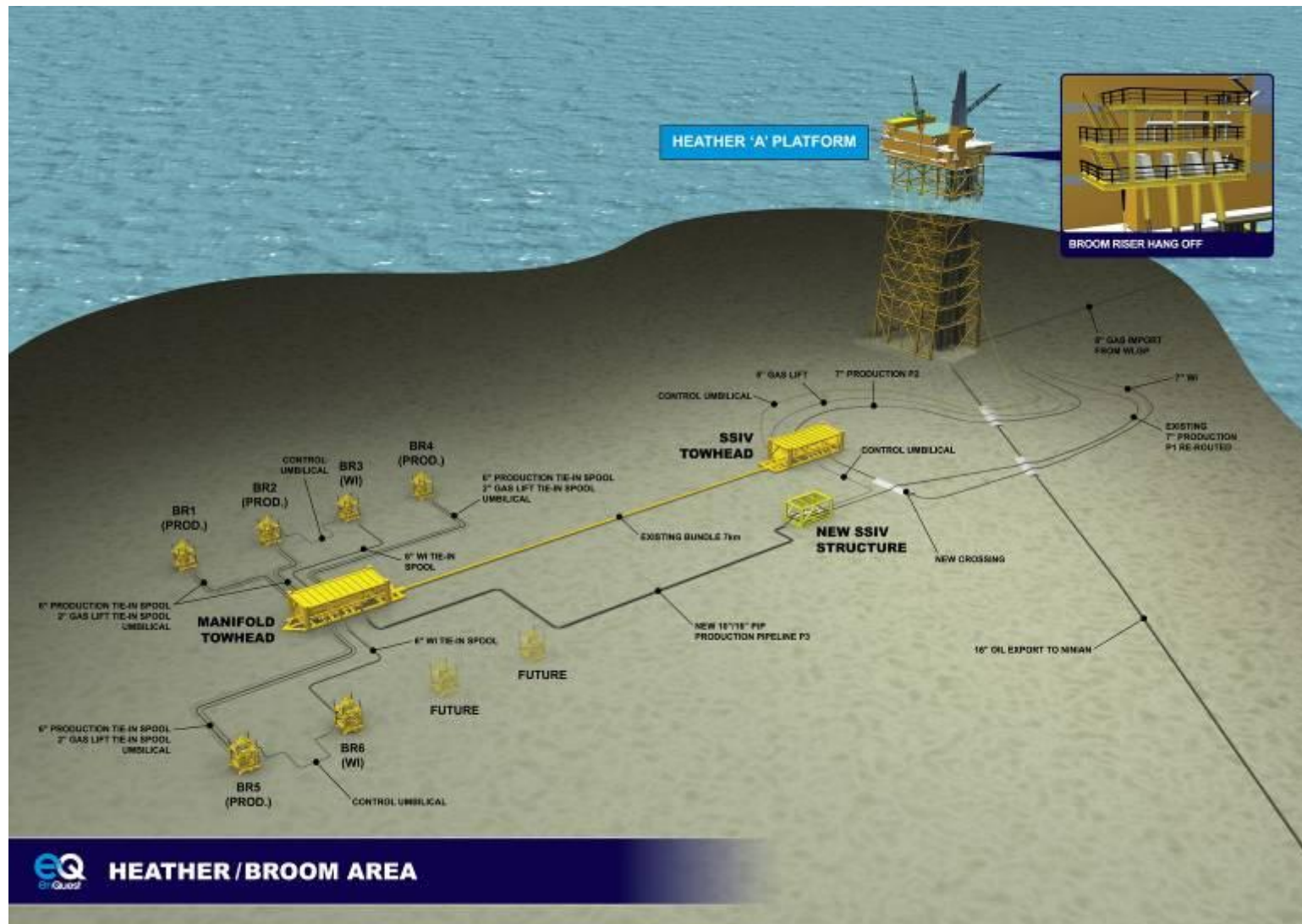
Thistle / Deveron Infrastructure



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



‘Pro-forma’ data reflects the results for the first six calendar months of 2010, as if the assets previously owned by Petrofac Limited and Lundin Petroleum AB were owned by EnQuest throughout the period, to allow comparison with the 2011 six months to 30 June reported results. This pro-forma data for 2010 is as originally reported in the 2010 half year results, which are available to view at www.EnQuest.com.