

Differential capabilities to deliver portfolio value

2019 Capital Markets Day



Differential capabilities to deliver portfolio value

Contents

EnQuest at a glance

- Operator of choice for maturing hydrocarbon assets

Investment proposition

- Proven track record, improving balance sheet and differential capabilities to create value

Value creation

- Portfolio opportunities

Financial performance

- Portfolio performance, cash flow generation and capital discipline driving down debt

Concluding remarks



Amjad Bseisu
Chief Executive



Bob Davenport
Managing Director –
North Sea



Jonathan Swinney
Chief Financial Officer

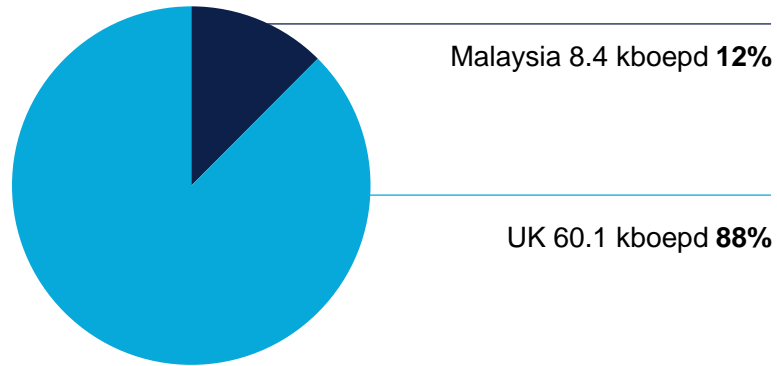


EnQuest at a glance

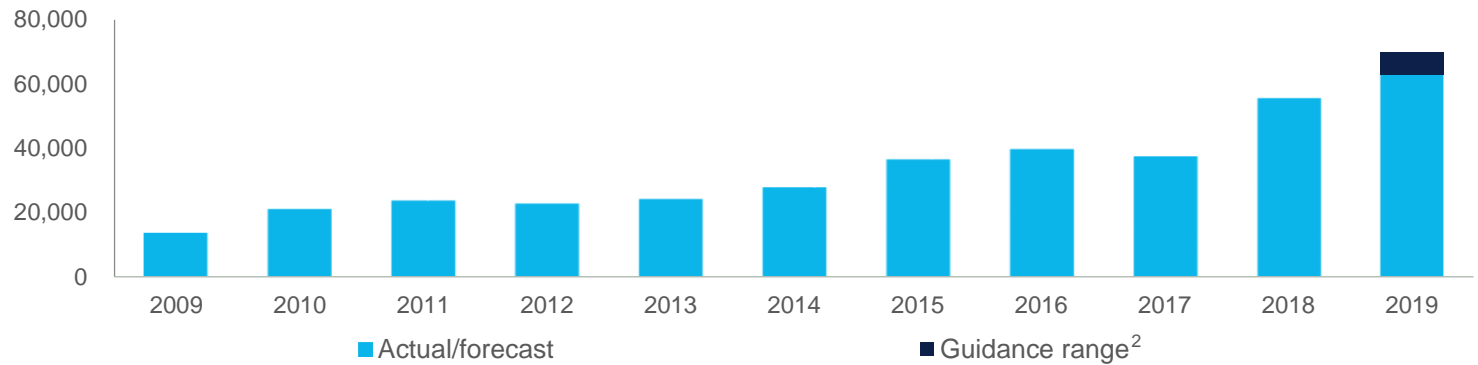


Operator of choice for maturing hydrocarbon assets

Production breakdown¹



Production CAGR expected to be c.17% since IPO



Sullom Voe Terminal



8 offshore hubs (14 fields in UK; 8 in Malaysia)



The Dons



Heather/
Broom



Thistle/
Deveron



Kraken



Greater
Kittiwake
Area



PM8/
Seligi



Alma/
Galia



Magnus

¹ Year to date October 2019

² 2019 guidance range of 63,000 to 70,000 Boepd

Safety is at the heart of our performance

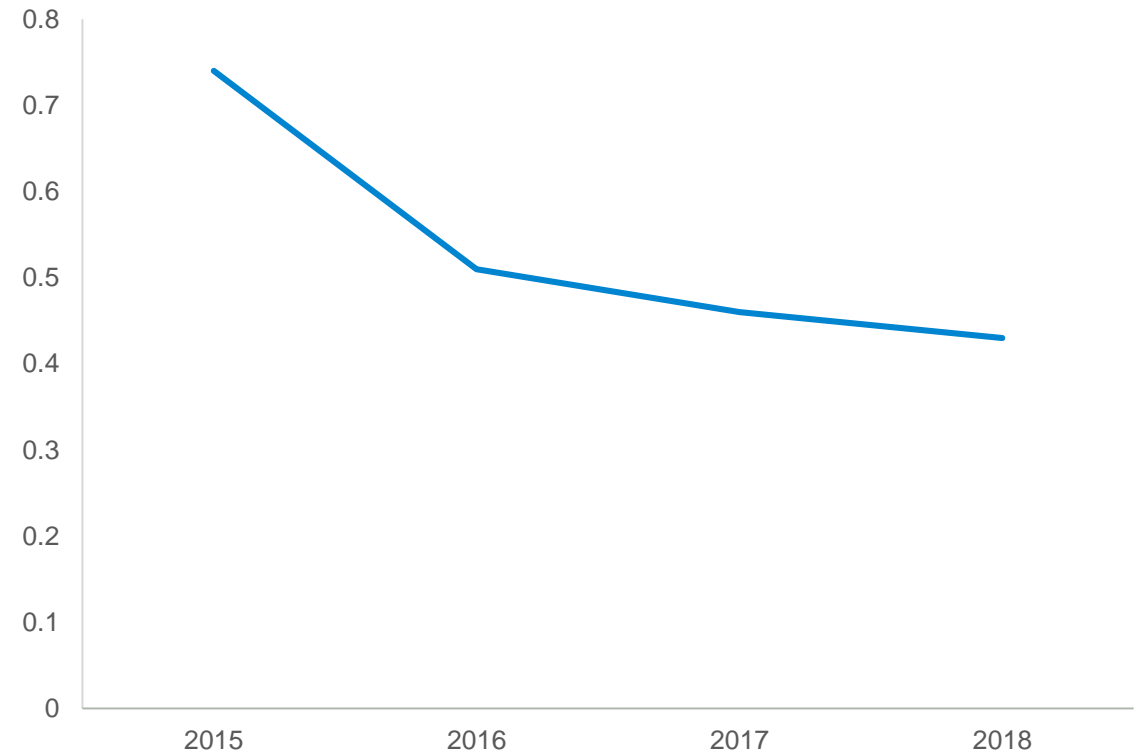
Safe Results through continuous improvement

Lost Time Incident performance remains strong across all assets

Proactive safety driven shutdowns carried out at Thistle and Heather

- Plans to return to safe operations in the first half of 2020
 - Heather: compressor repairs
 - Thistle: removal of redundant COS tanks; accelerated partner-funded decommissioning programme

EnQuest LTIF¹



¹ Lost Time Injury Frequency per million exposure hours

Focused on emissions

Regulation



UK

- EU Emissions Trading System
- Flaring limits

EnQuest actions

- 80% reduction planned at SVT
- Invested in gas supply for power at Thistle and Northern Producer installations
- Invested in tri-fuel generator at Kraken



Malaysia

- Flaring limits

- Flaring c.45% below regulatory limits

Aligning disclosure



Investment proposition



Proven track record



Improving strategic position



Differential capability



Significant value creation opportunities



Tax advantage

Driving efficiencies and asset life extension

Improving operational efficiencies

- Targeting production efficiency of 80%+
- Strong track record

Driving costs down

- Reduced unit opex by c.50% since 2014 to c.\$20/boe¹

¹ As of 30 June 2019

Asset life extension

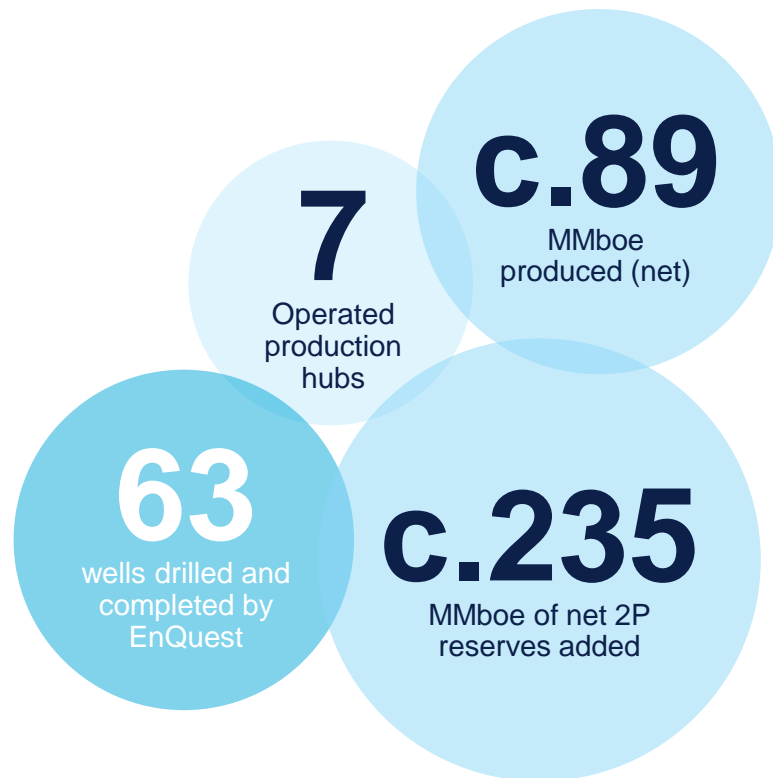


For illustrative purposes only

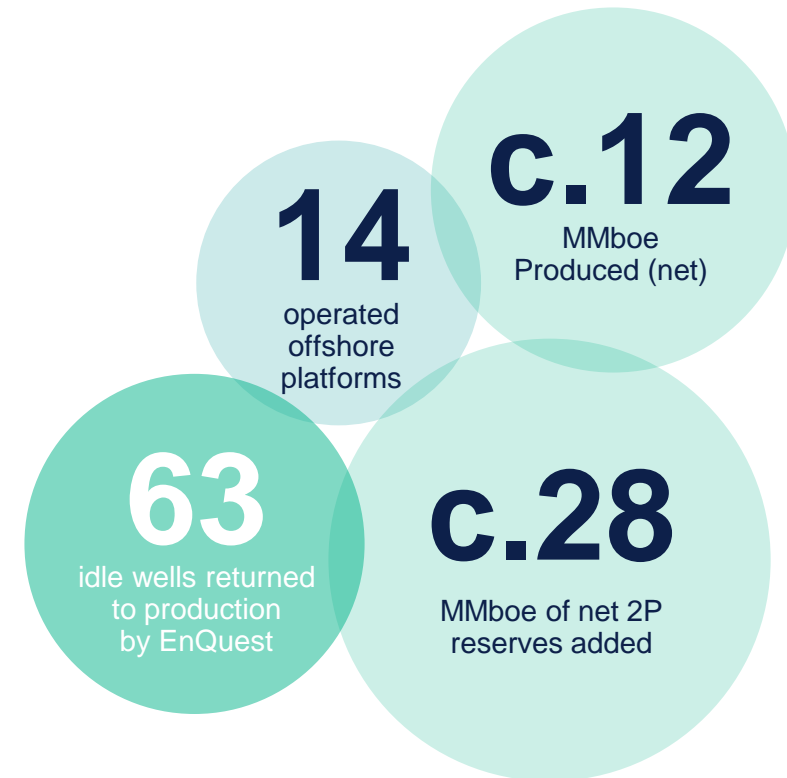


Significant growth in reserves

North Sea operation breakdown



Malaysia operation breakdown



Information represents performance to end 2018



Progress on our strategic priorities



Deliver

- Production guidance unchanged
- Kraken performance improving
- Industry leading drilling performance
- Best-in-class sub-sea project performance



De-lever

- Net debt down \$213 million since end 2018
 - Credit facility now \$535 million; \$45 million early repayment
- LTM net debt: EBITDA c.1.7x; ahead of target
- FCF yield of over 65%; rapid de-leveraging

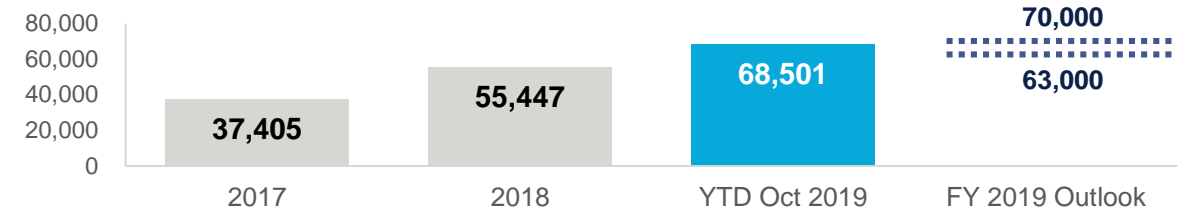


Grow

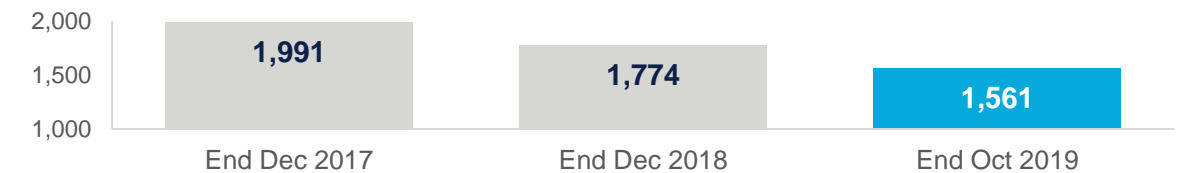
- 198 MMboe low-cost, highly economic 2C resources
- Tax advantage

¹ Net working interest

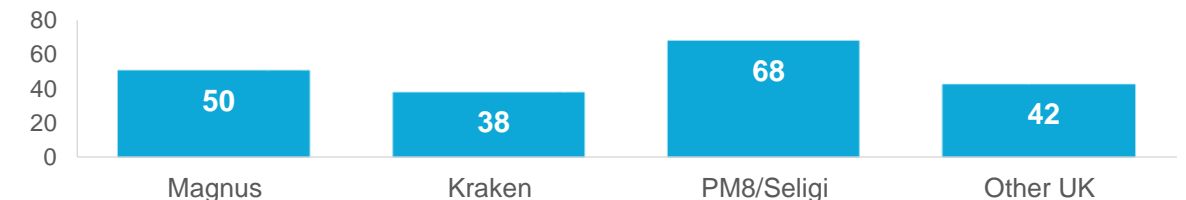
Annual net production¹
(Boepd)



Net debt
(\$ million)



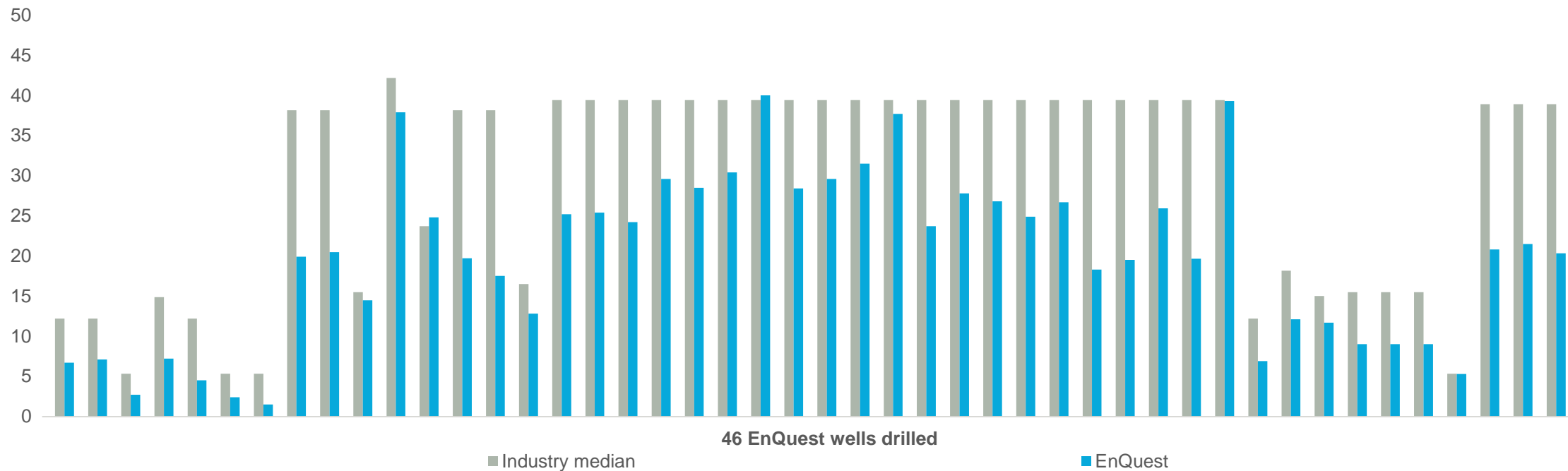
Existing 2C resources focused in 3 major assets
(MMboe)



An industry leader in drilling: 46 of 104 wells in UKNS¹

UKNS well costs¹ (£ million)

Per well



¹ Between January 2015 to March 2019
Source: Company data; Rushmore Reviews (April 2019)



An industry leader in drilling: 46 of 104 wells in UKNS¹

UKNS well costs¹ (£ million)

Cumulative

2,000

1,600

1,200

800

400

0

Bottom quartile

Industry median

Top Quartile
EnQuest

**46 wells drilled
saving c.£450
million**

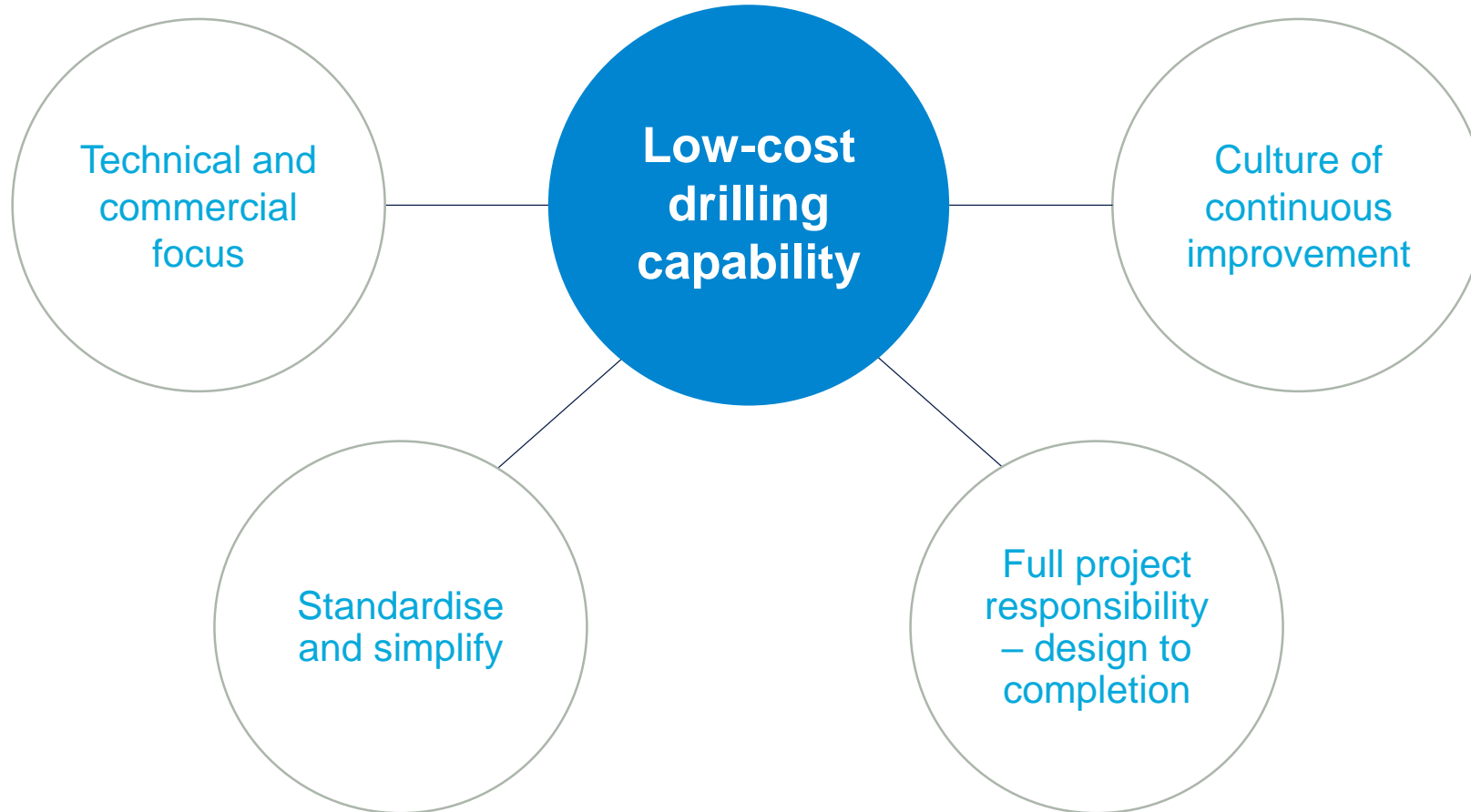
compared to industry median

46 EnQuest wells drilled

¹ Between January 2015 to March 2019
Source: Company data; Rushmore Reviews (April 2019)



In-house drilling capability



Best-in-class sub-sea project performance

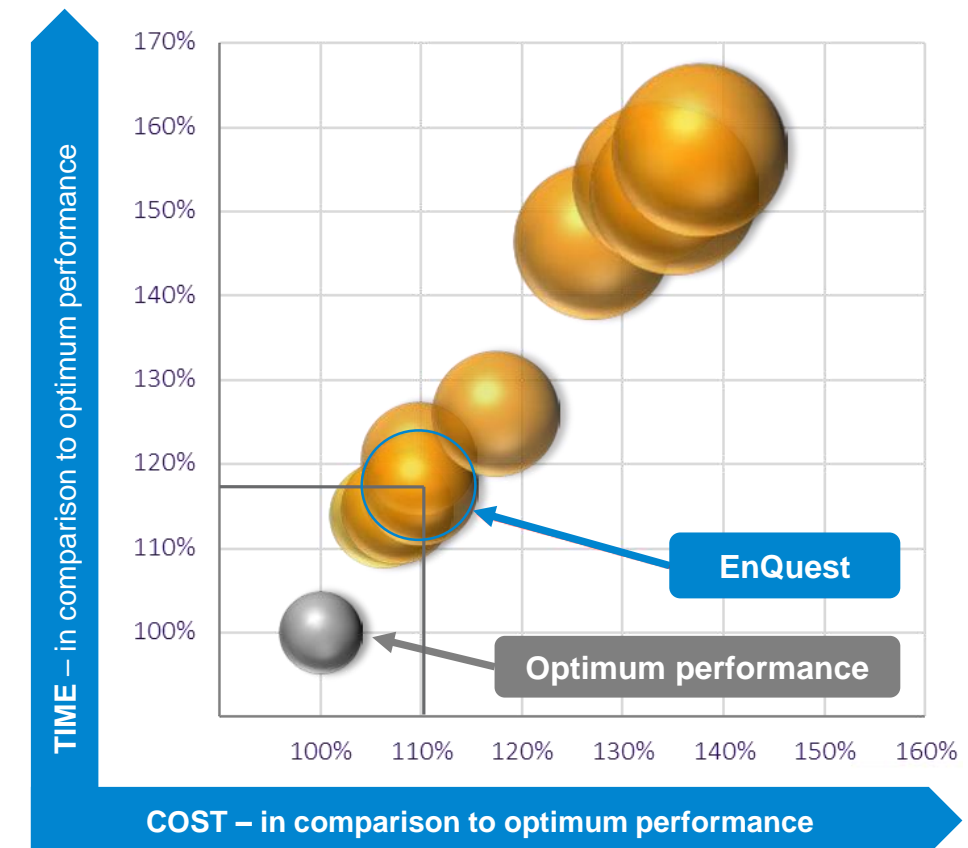
EnQuest in-house capability

- Greater scope
- Schedule efficiency
- Lower cost

Upper quartile cost and schedule performance

- Kraken multi-well development
- Scolty/Crathes and Dunlin bypass pipelines

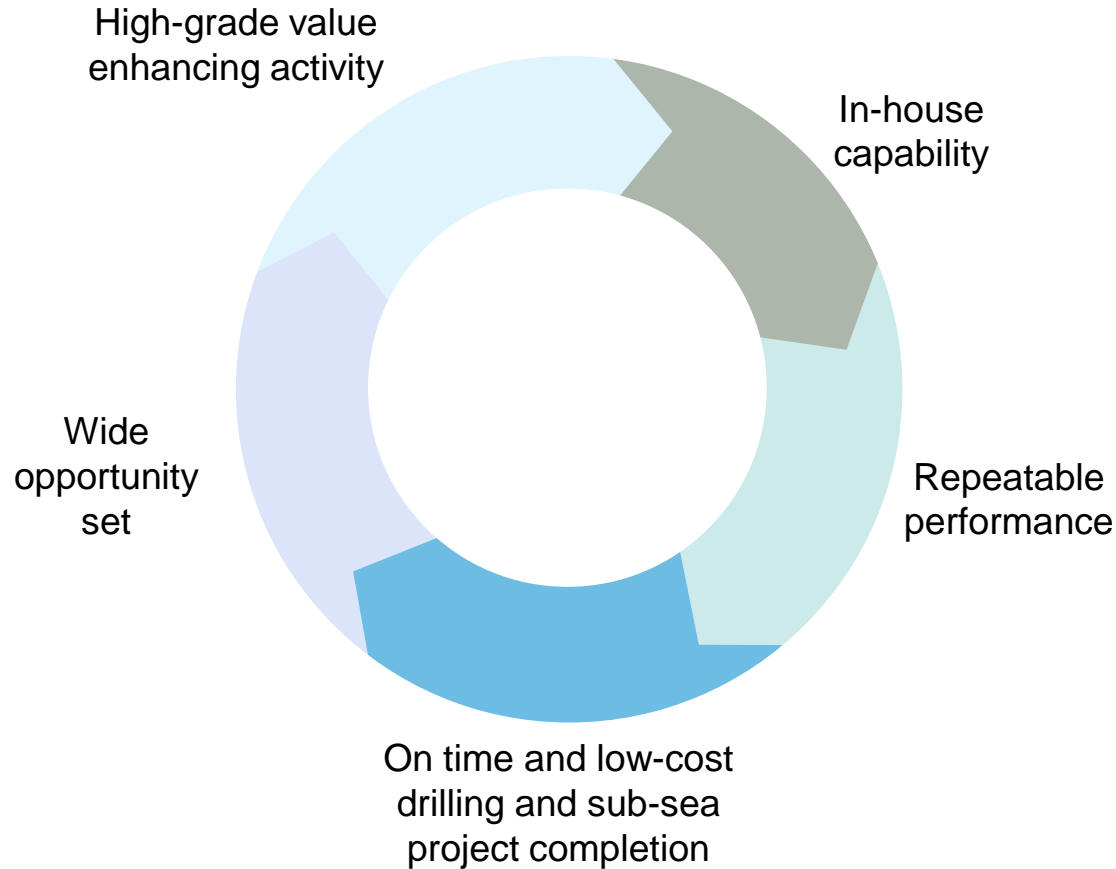
Oil and Gas UK Efficiency Task Force study (2015-2018)



Based on UK Oil and Gas data

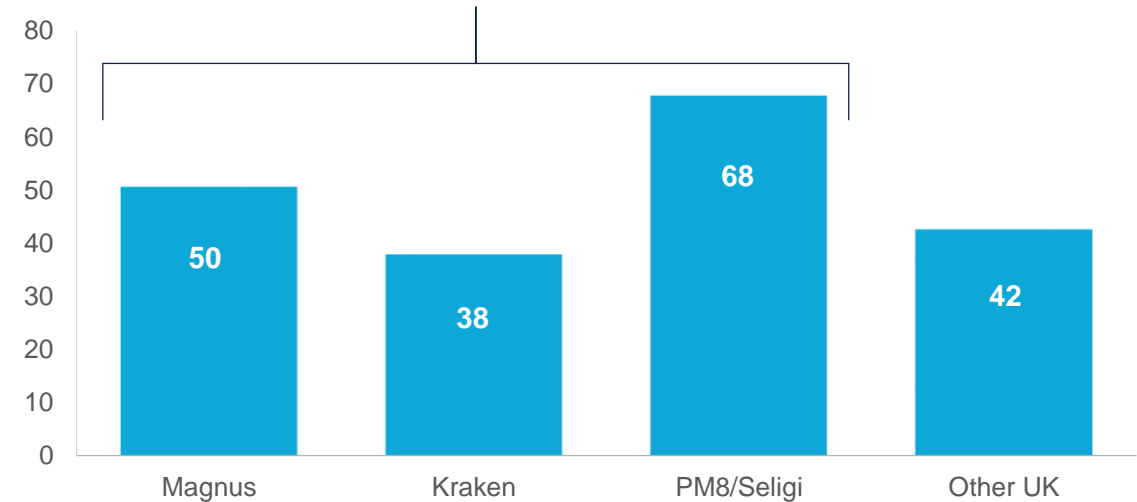


Unlocking the future



- High-grade and develop resources

(MMboe) Existing resources focused in 3 major assets



- Short-cycle investment to generate cash flow and returns
- Assess inorganic opportunities



Investment proposition



Proven track record



Improving strategic position



Differential capability



Significant value creation opportunities



Tax advantage

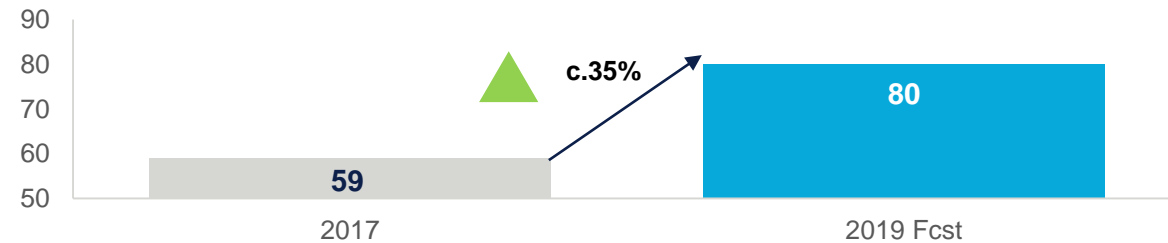
Magnus: value improvement

Assets performance

- Simplify
 - Control systems; produced water debottlenecking
- Improved reliability
 - Power, water injection and compression
- Increased capacity
 - Produced water; low pressure capability

Production efficiency

(%)

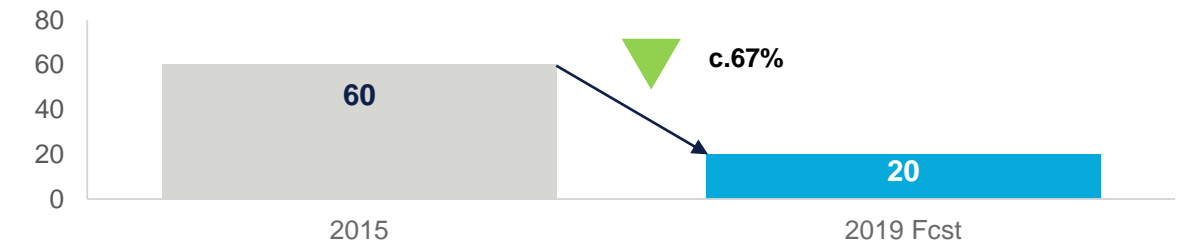


Driving down unit costs

- Lean operating model
 - Right-sized workforce
 - Effective supply chain and contractor management
- Integrated work programme planning
- Low-cost well interventions
- Revised reservoir management strategy

Unit opex

(\$/boe)



Magnus: maximising the opportunities

A material asset with a long life

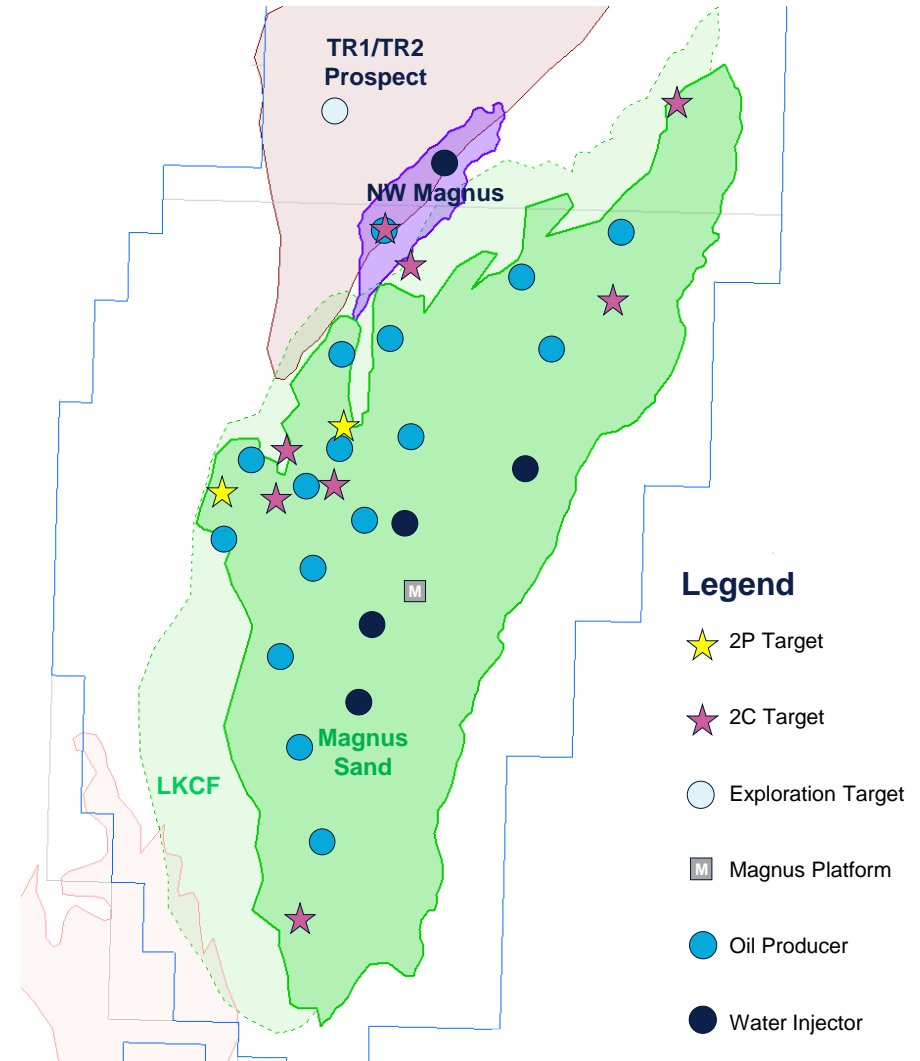
- c.2 billion boe HIIP¹
- Current CoP² date 2035

Maximising the asset value

- Material well programme over 4-5 years
 - 2019 2P drilling targets; c.\$15m per well
 - Payback <10 months
 - NPV(10) at \$60/bbl: c.\$50 million
 - IRR >50%
 - Multiple future 2C targets
- Revised reservoir strategy
- c.250 MMboe of additional movable oil

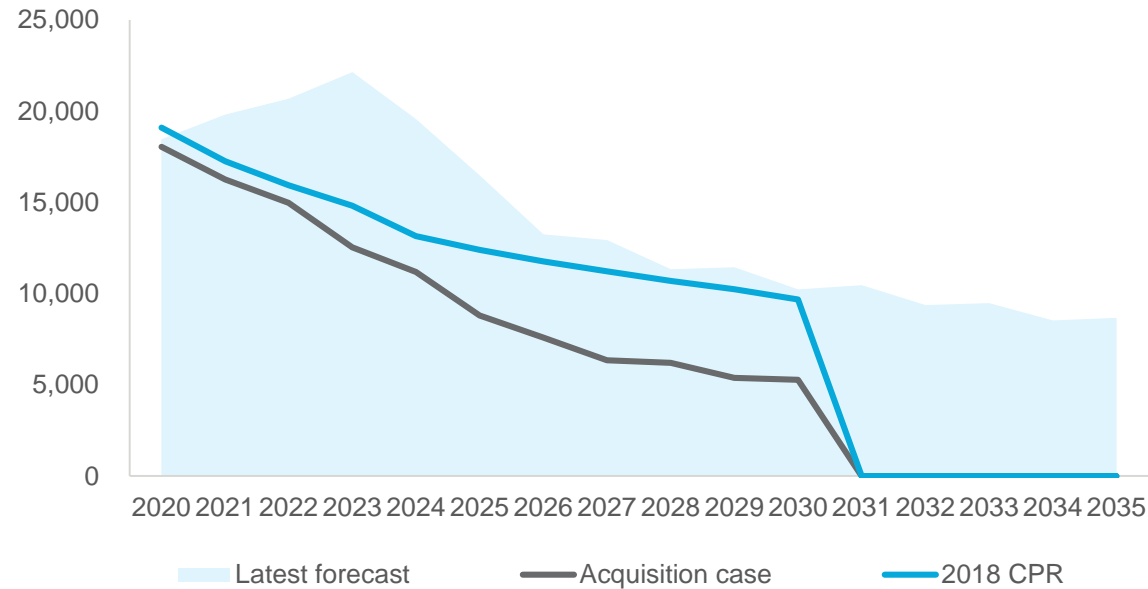
¹ Hydrocarbons initially in place

² Cessation of production



Magnus: increasing reserves and resources

Oil production profile (Bopd)

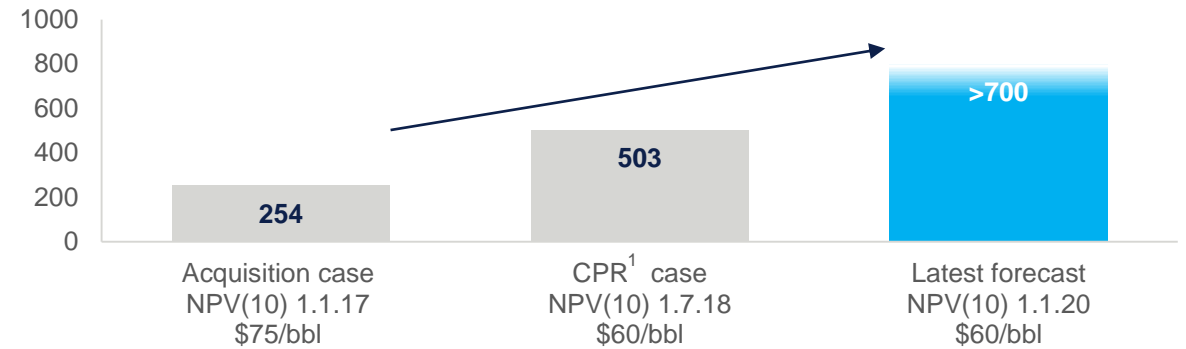


- Strong capabilities expected to deliver >40% increase in produced oil²

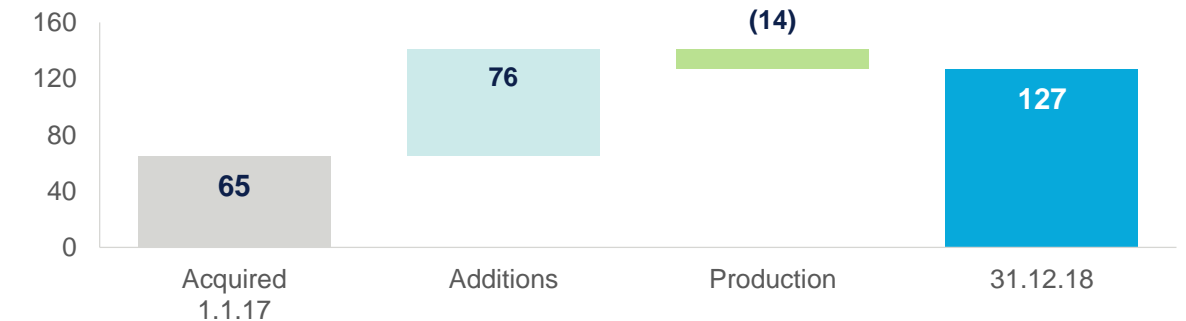
¹ Competent Persons Report prepared by Gaffney, Cline & Associates included in prospectus in September 2018

² Compared to Competent Persons Report

NPV driven upwards >\$450 million (\$ million)



Reserves and resources more than doubled (MMboe)

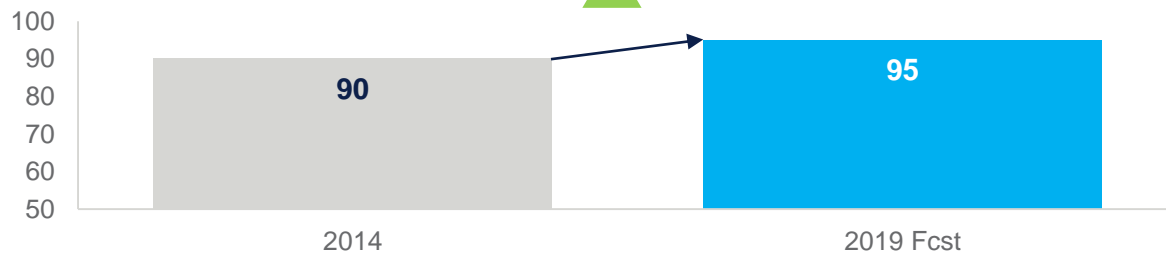


PM8/Seligi: strong, consistent performance

Asset performance

- Gas compression reliability >97%
- Process simplification
- Increased maintenance and inspection programme

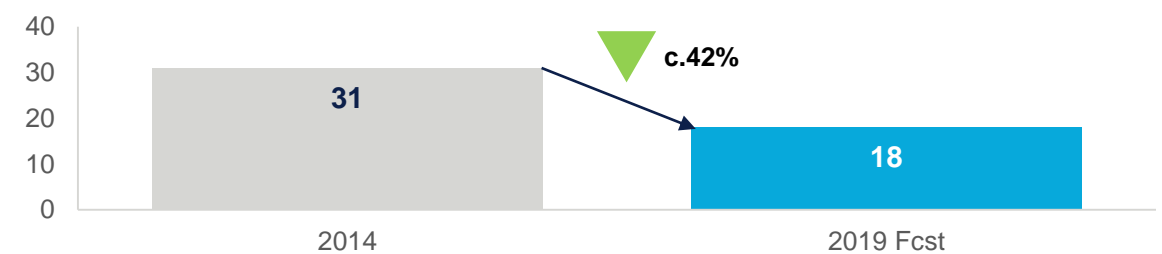
Production efficiency (%)



Driving down unit costs

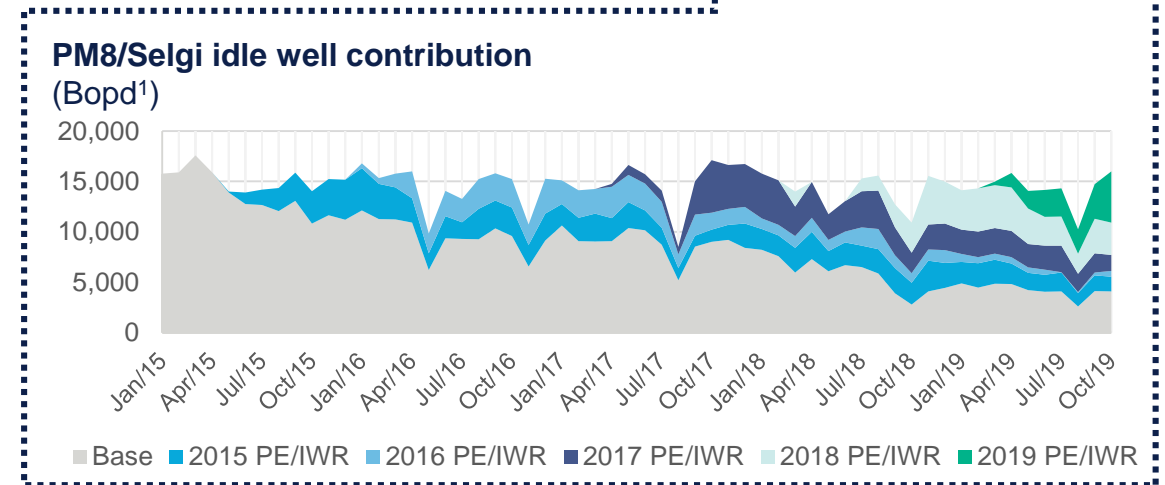
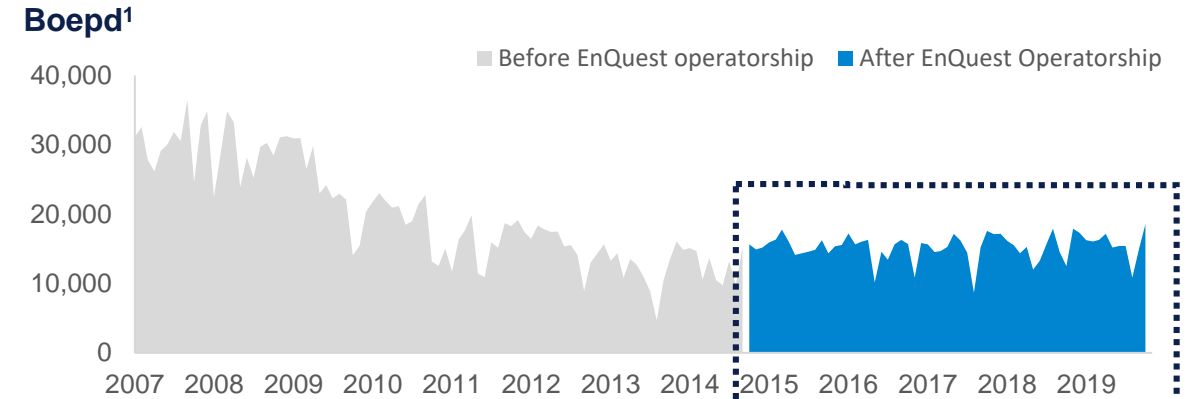
- Effective supply chain management
- Low cost well interventions increasing production

Unit opex (\$/boe)



PM8/Seligi: idle well intervention success

- Integrated programme planning and execution
- Low-cost production enhancement and reservoir surveillance activities
 - >650 well strings entered since 2014
- 2015-2019: added 10 MMbbls at <\$8/bbl



¹ Gross working interest



PM8/Seligi: prioritising high value activities

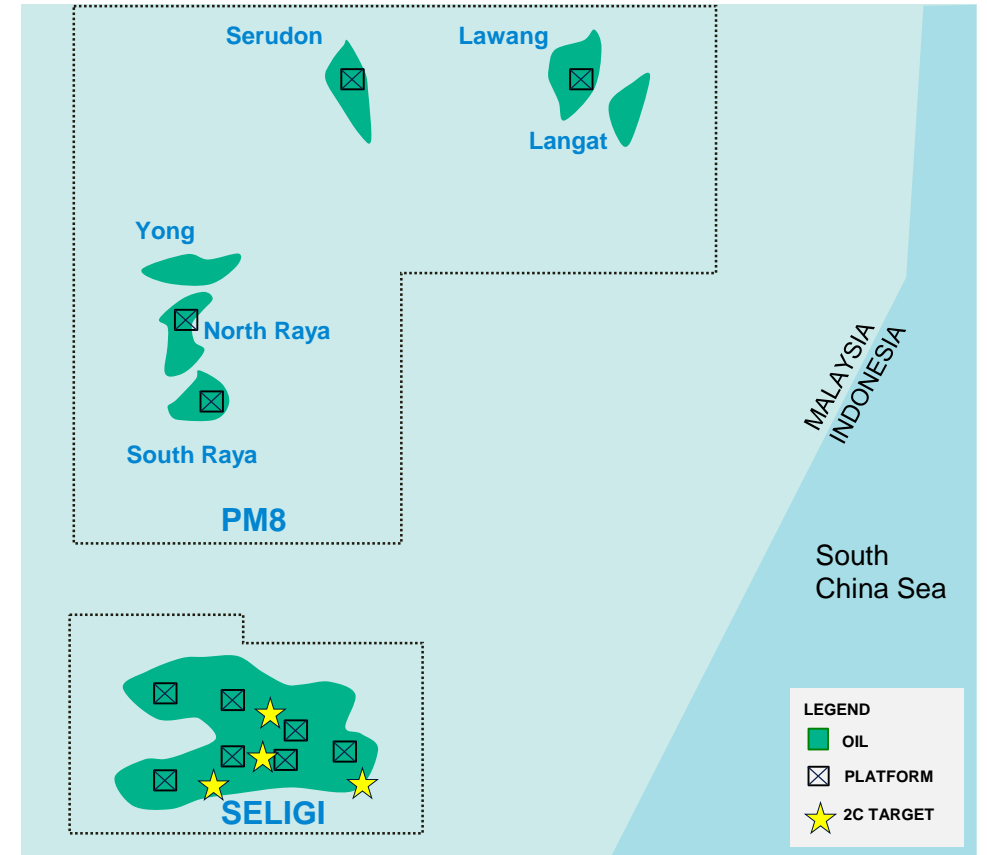
A material asset that adds diversity to our portfolio

- >2 billion boe HIIP
- PSC terms ends 2033

Targeted development plans to unlock full potential

- Ongoing low-cost idle well and intervention activities; targeting 2020 at \$8/boe
- High-graded target reservoir intervals
- Multiple 2C resource drilling opportunities
 - Well cost c.\$10-15 million¹ / \$7-10/boe
- Gas injection oil sweep strategy

¹ Gross working interest

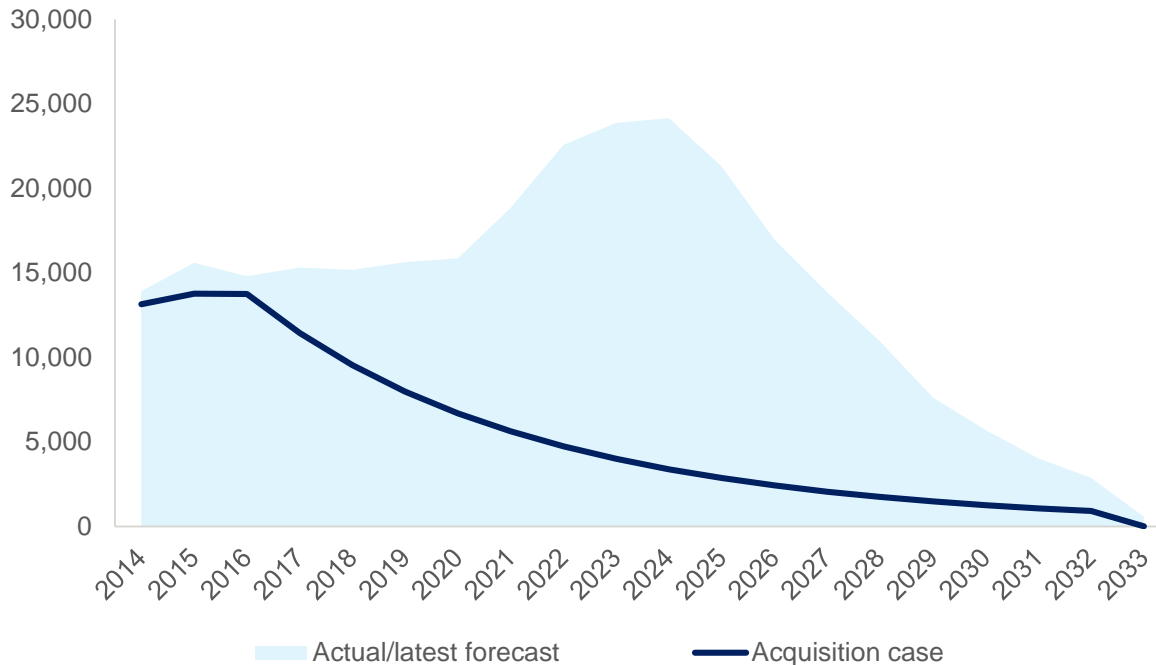


For illustrative purposes only



PM8/Seligi: increasing resources, production and value

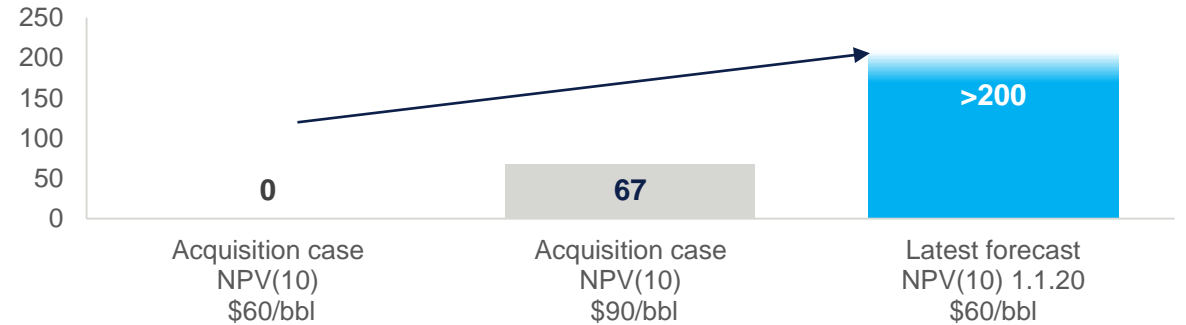
Oil production profile¹
(Bopd)



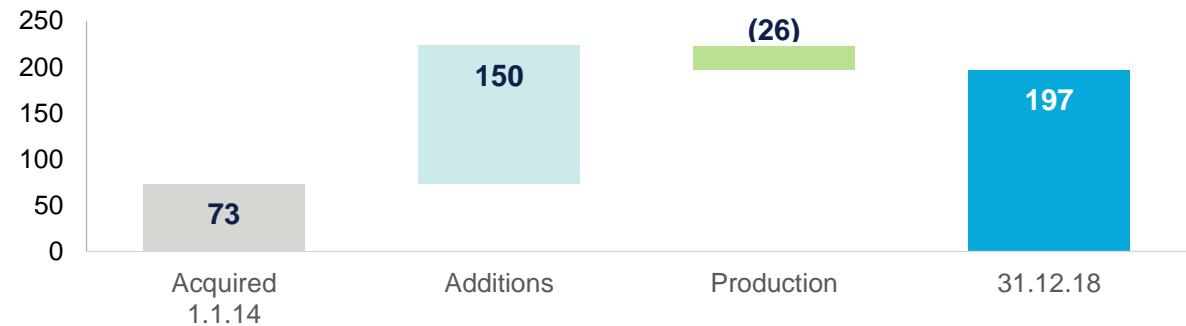
- Strong capabilities expected to deliver >150% increase in produced oil
- Well regarded by our partner Petronas

¹ Gross working interest

NPV driven upwards >\$200 million
(\$ million)



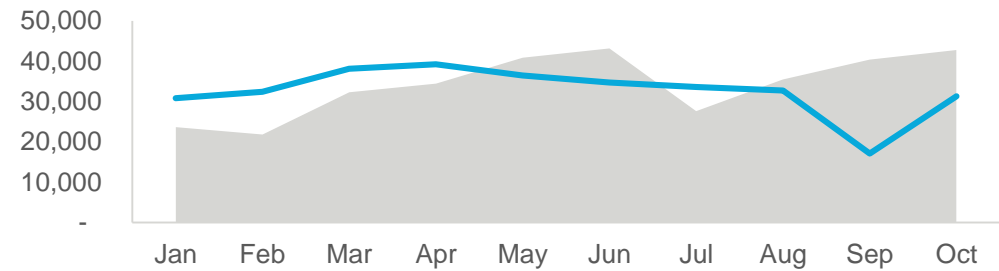
Reserves and resources more than doubled
(MMboe)



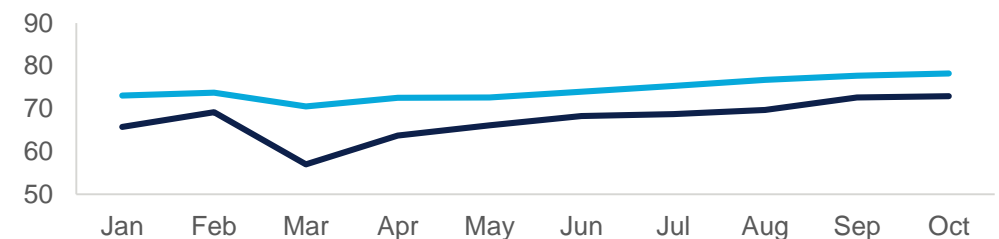
Kraken: strong performance and pricing

- Improving production efficiency
 - last 2 months at >90%
- Steady water cut evolution
- Cargo pricing improved
 - Heavy oil demand
 - Low-sulphur crude
- Produced >24 MMbbls¹ since first oil

Average production (Bopd)¹



Water cut (%)



¹ Gross working interest



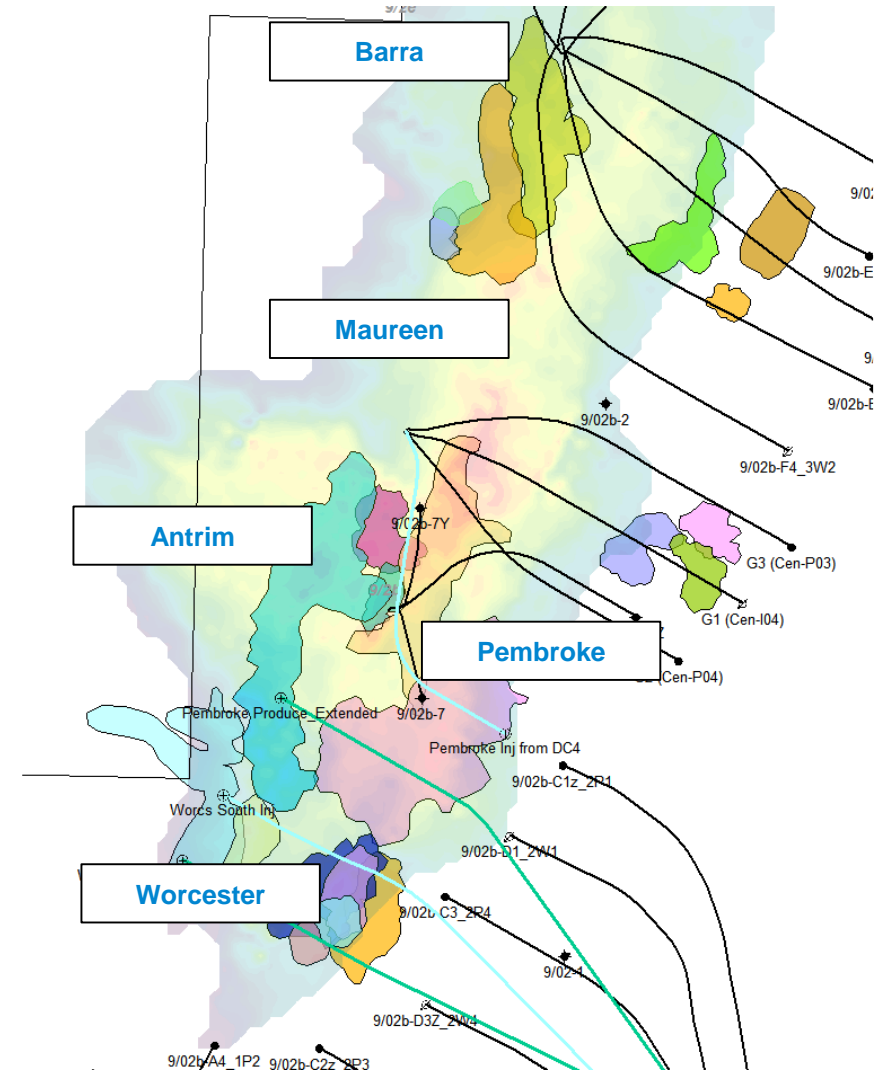
Kraken: material upside

Western Flank

- Worcester approved
 - Targeting c.6 MMbbls¹ at c.\$15/bbl
 - Payback c.13 months
 - NPV(10) at \$60/bbl: c.\$100 million
 - IRR >50%
- Pembroke appraisal
- Antrim and Barra evaluation

EOR polymer flood

Maureen evaluation



¹ Gross working interest



Significant offshore opportunities

Magnus

- Multi-year drilling programme
- c.250 MMbbls of movable oil

PM8/Seligi

- Multi-year drilling and intervention programme
- >3tcf of gas in Seligi
 - Requires commercial agreements

Kraken

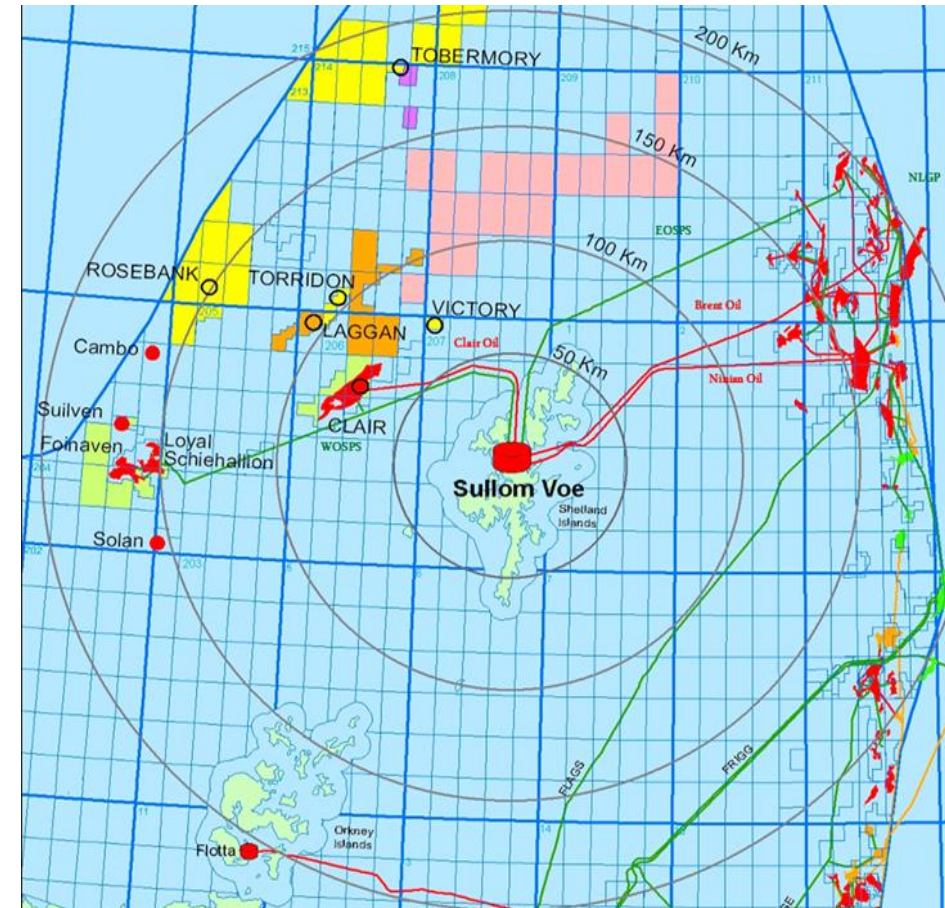
- Multiple western flank opportunities being assessed
- Further upside potential
 - Maureen
 - EOR



SVT: strategically located oil and gas midstream hub

One of Europe's largest oil and gas terminals

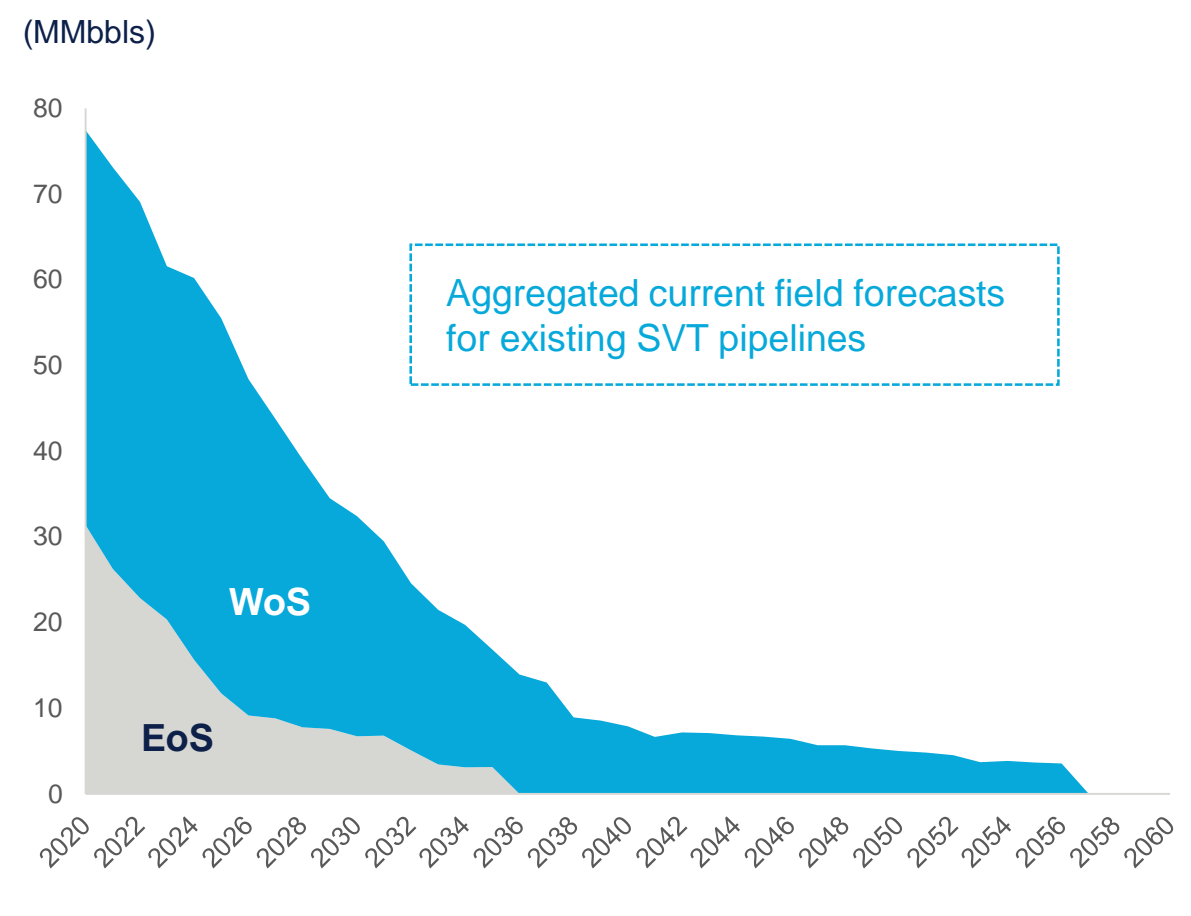
- Constructed 1975 – 1981
- 1,000 acre site; c.8 mbbls crude storage
- Self sufficient power generation
- EnQuest operate 340km gas pipelines



SVT: services required for decades to come

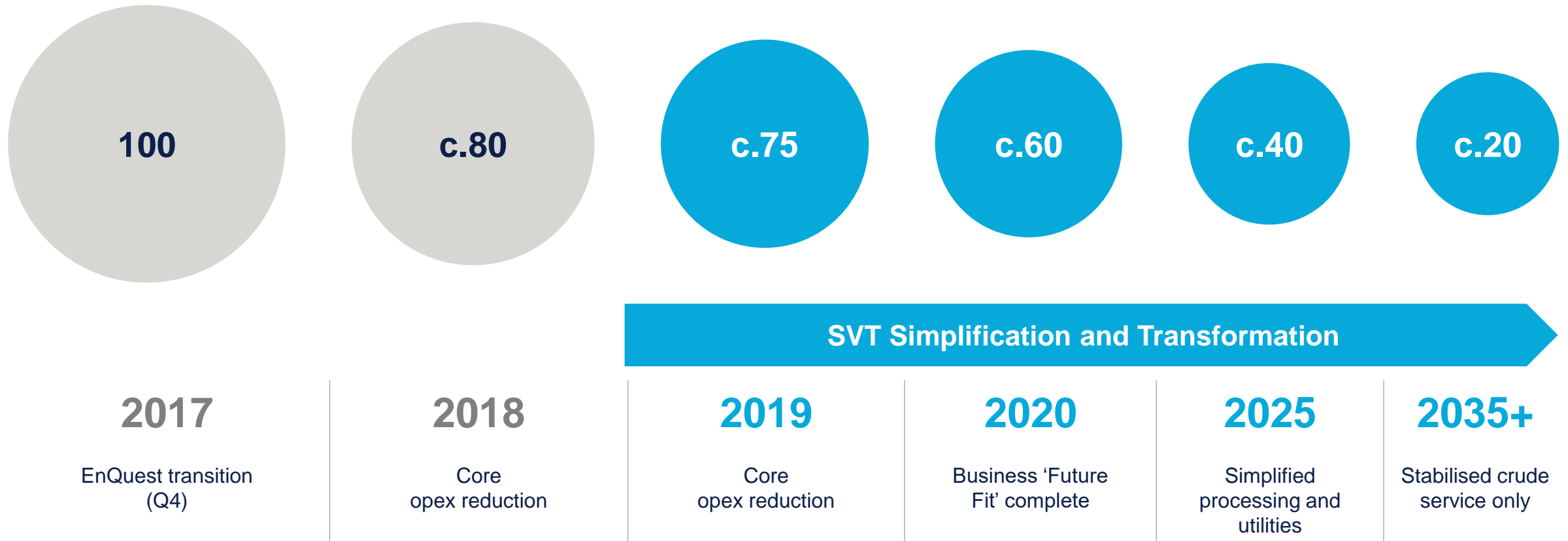
40-year exemplary track record

- Safe and environmentally sensitive service
- >30 offshore fields crude delivered via Brent, Ninian, SGP & Clair pipelines
- c.100 mmscfd per day WoS Gas



SVT: substantial operations optimisation since assuming operatorship

Base opex profile (%)

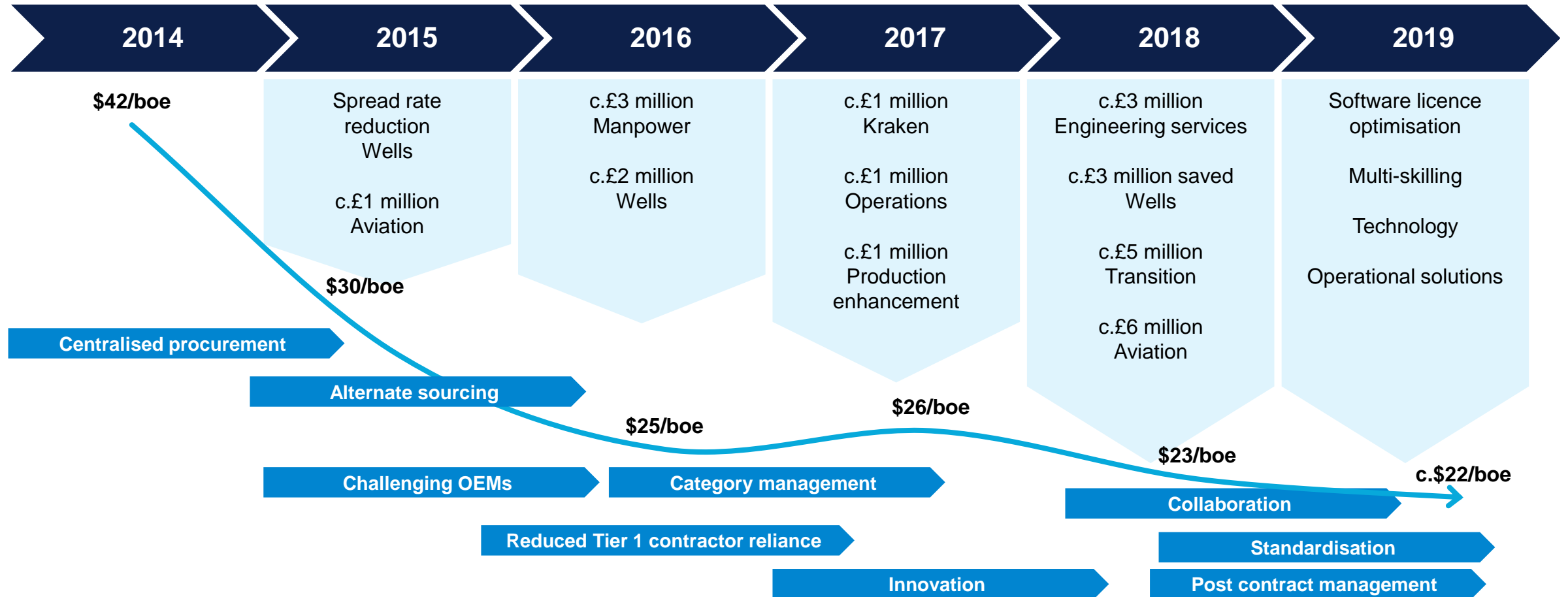




Financial performance



Sustainable reduction in unit opex



Capital discipline: investment targeting high-value activities

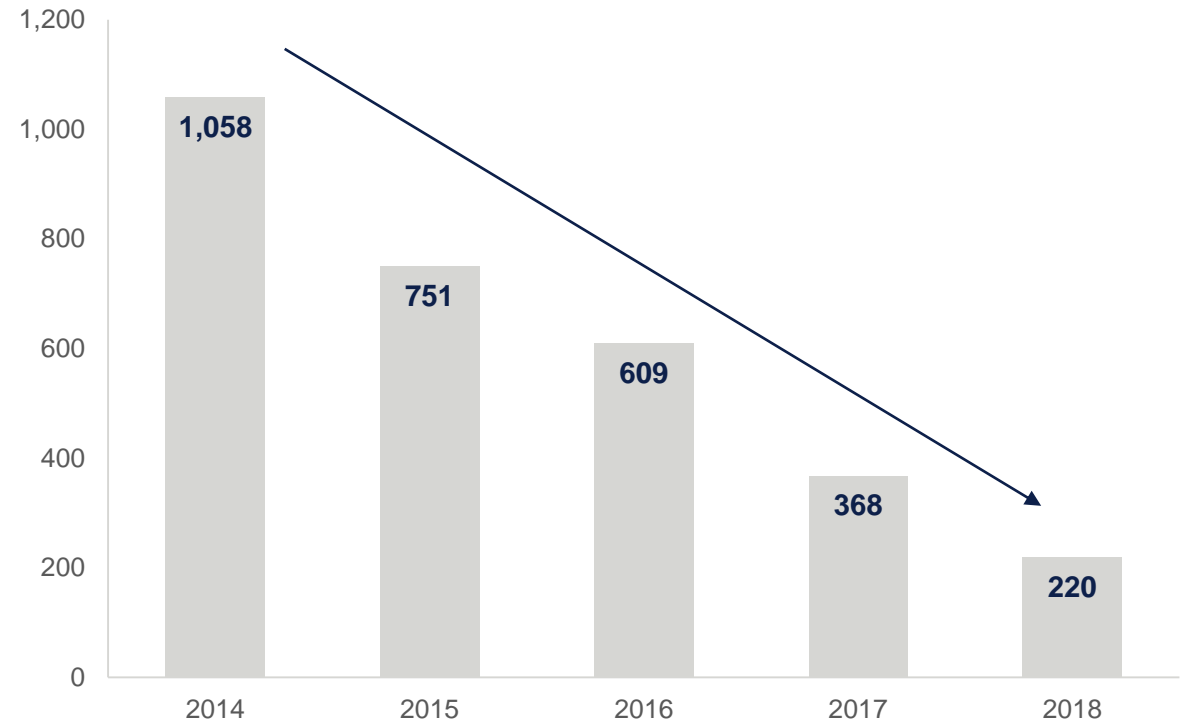
Delivery of past projects

- Kraken c.\$2.1 billion vs c.\$3.2 billion budget
- Pipeline projects on budget and ahead of schedule

Future spending

- Focus on low-cost, high-return and quick payback infill drilling
- 2020 well completions IRR >50%
- Payback generally c.12 months

Cash capex
\$ million

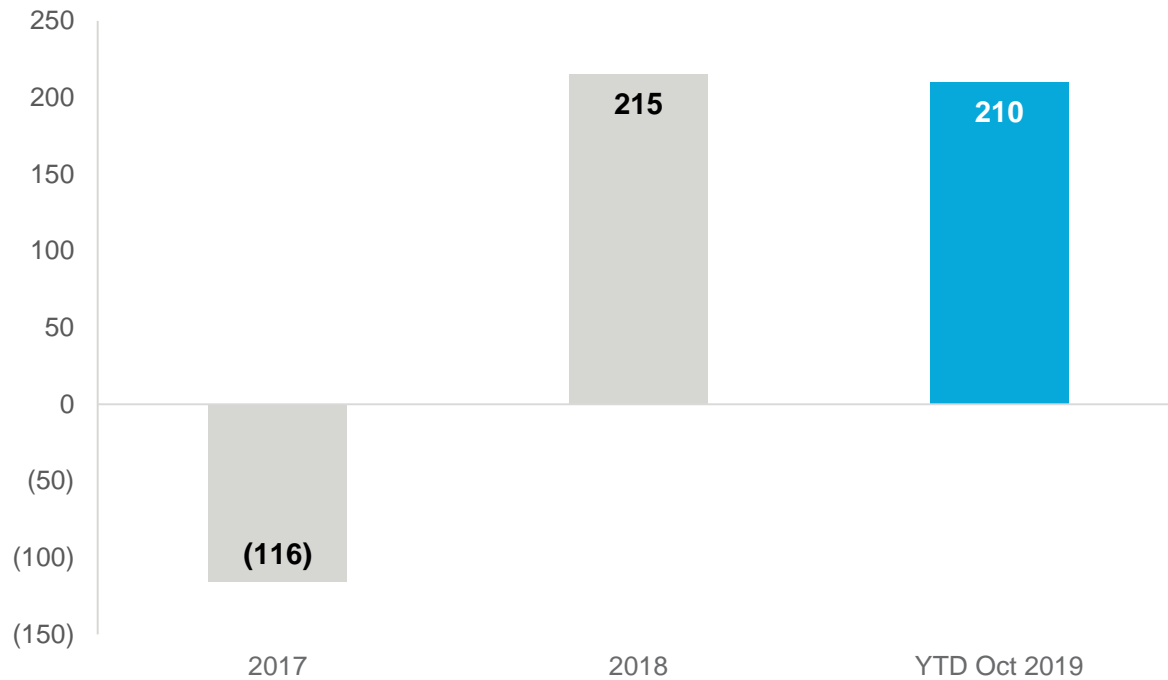


Rapid deleveraging through significant cash generation

2019 FCF¹ yield of over 65%

FCF¹

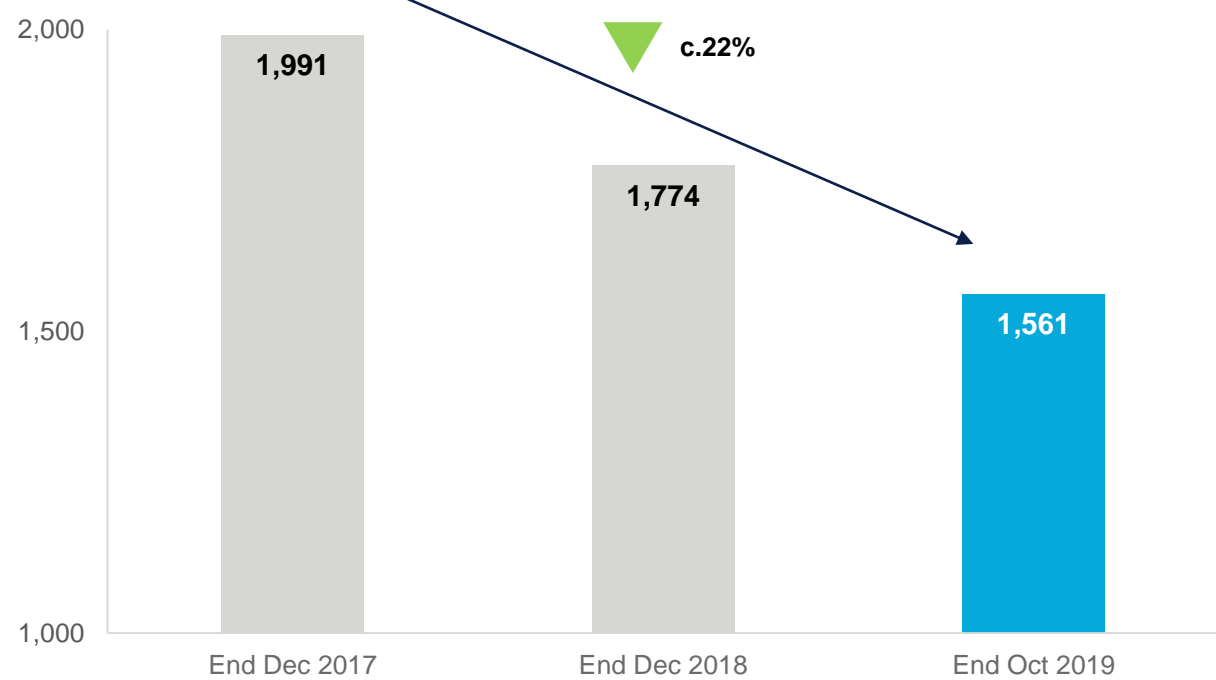
\$ million



LTM net debt: EBITDA 1.7x

Net debt

\$ million



¹ Free cash flow: net change in cash and cash equivalents less net (repayments)/proceeds from loan facilities. 2018 adjusted for impact of rights issue

Significant value creation through acquisitions

PM8 Seligi

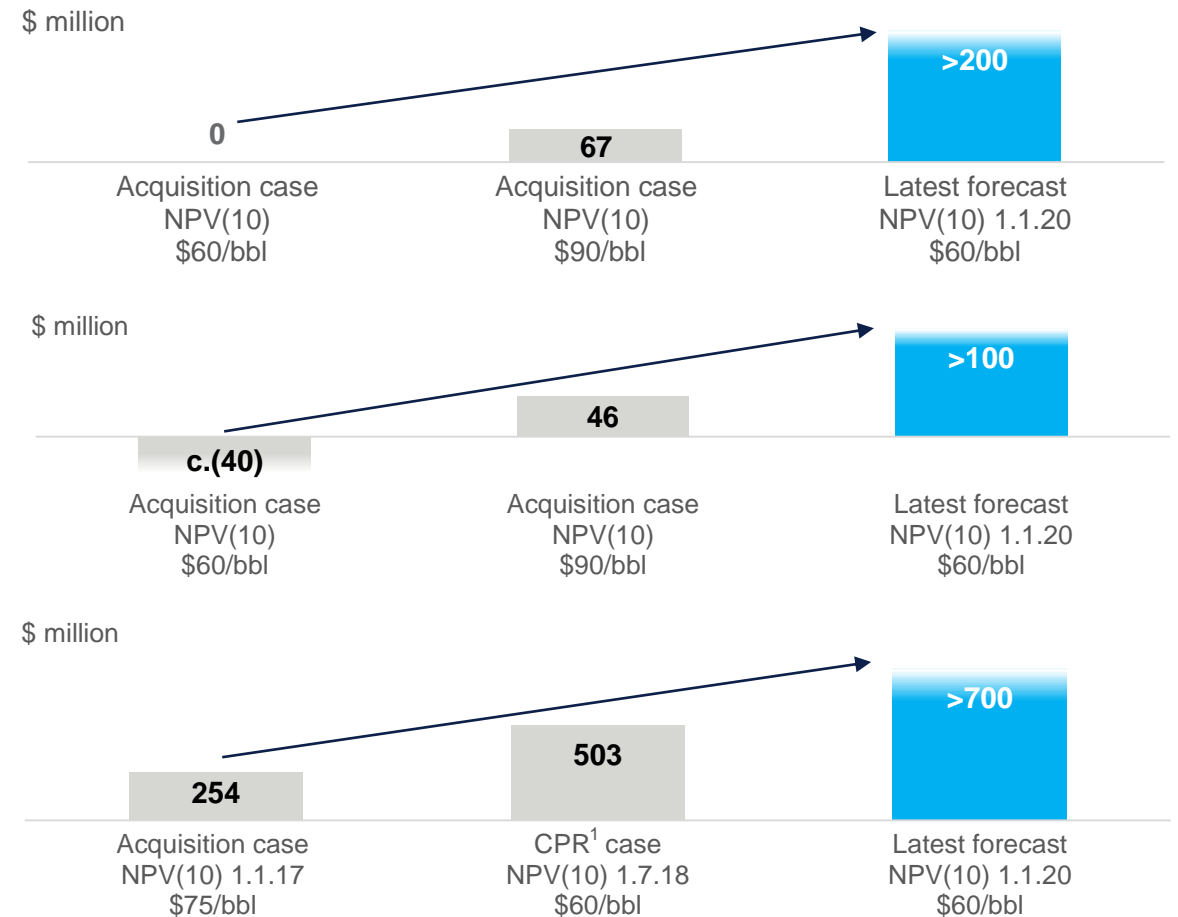
- Acquired in 2014 for \$27 million cash;
paid back in 12 months

GKA

- Acquired in 2015 for \$30 million cash
- Scolty/Crathes original drilling and sub-sea tie-back development cost;
paid back within 24 months

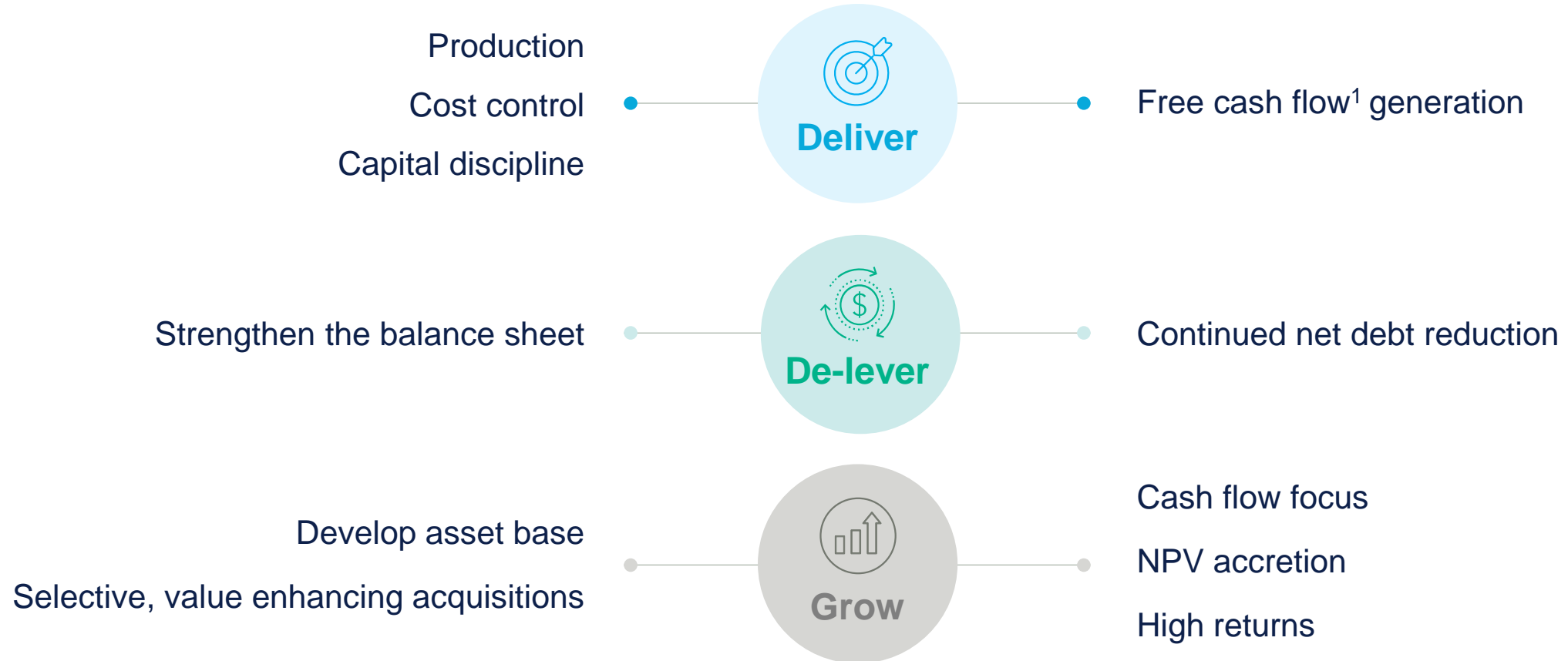
Magnus

- Acquired 75% in 2018 for \$100 million cash;
paid back in 10 months
- 2018 wells **paid back in <8 months**



¹ Competent Persons Report prepared by Gaffney, Cline & Associates included in prospectus in September 2018

Delivering shareholder value



¹ Free cash flow: net change in cash and cash equivalents less net (repayments)/proceeds from loan facilities. 2018 adjusted for impact of rights issue



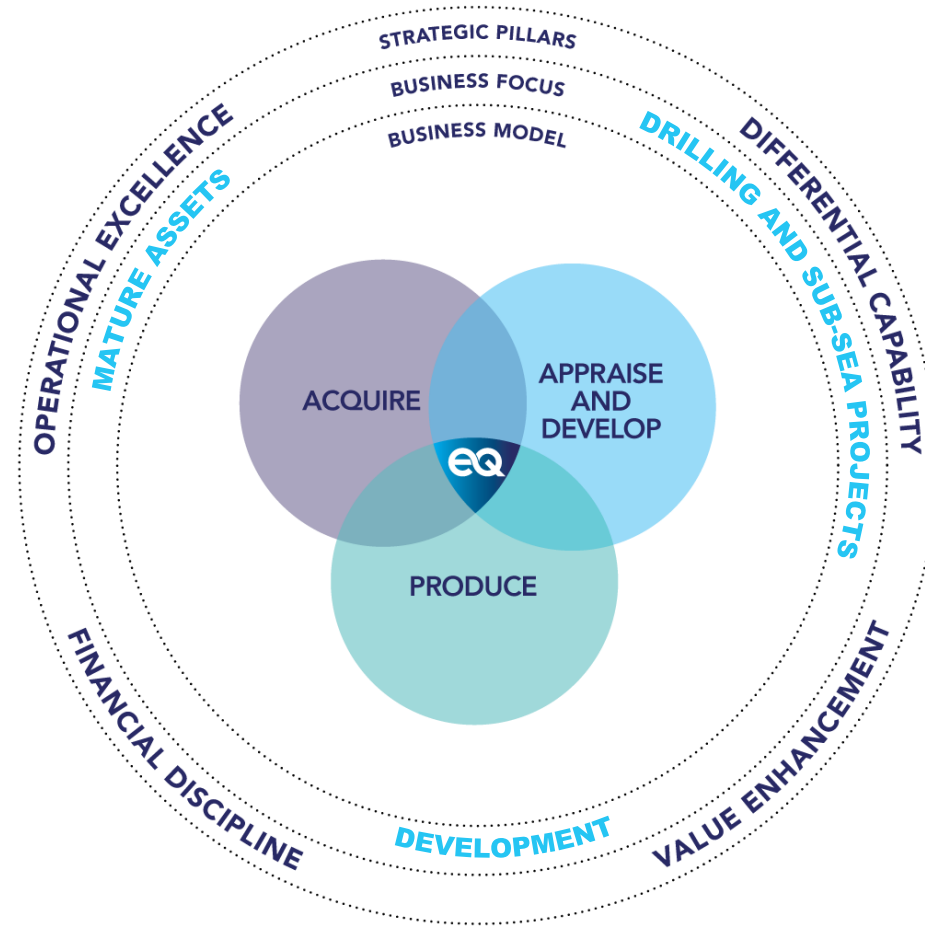
Concluding remarks



A strategy that will deliver shareholder returns

Mature assets

Low-cost 2C resources



Drilling and sub-sea projects

UK tax asset

Clear roadmap ahead



Investment proposition



Proven track record



Improving strategic position



Differential capability



Significant value creation opportunities



Tax advantage

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, reserves 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.