



**ENQUEST PLC, 31 January 2018.**

## **AGREEMENT WITH BP ON THISTLE DECOMMISSIONING**

Following the completion of the acquisition of an initial 25% interest in the Magnus oil field on 1 December 2017, EnQuest PLC ('EnQuest') is pleased to announce it has agreed with BP to undertake the management of the physical decommissioning activities for Thistle and Deveron.

Under the terms of this agreement with BP:

- EnQuest will receive \$30 million in cash in exchange for undertaking the management of the physical decommissioning and making payments by reference to 3.7% of the gross decommissioning costs of the Thistle and Deveron fields when spend commences, subject to a cap of £57 million. EnQuest's current estimate of its exposure to decommissioning costs is lower than the \$30 million cash being received; and
- EnQuest will also have an option, exercisable over a 12 month period, to receive a further \$20 million in cash in exchange for making additional payments by reference to 2.4% of the gross decommissioning costs of these fields, subject to a cap of £42 million.

The transaction provides additional near-term liquidity to EnQuest and aligns the interests of the parties involved in the production and decommissioning phases, reflecting the industrial logic for the operator to undertake the decommissioning of these assets.

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### **Notes to editors**

#### **ENQUEST**

EnQuest is one of the largest UK independent producers in the UK North Sea. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. Its operated assets include Thistle/Deveron, Heather/ Broom, the Dons area, Magnus, the Greater Kittiwake Area, Scolty/Crathes Alma/Galia and Kraken; EnQuest also has an interest in the non-operated Alba producing oil field. At the end of December 2017, EnQuest had interests in 25 UK production licences and was the operator of 23 of these licences.

EnQuest believes that the UKCS represents a significant hydrocarbon basin, 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 is replicating its model in the UKCS by targeting previously underdeveloped assets in a small number of other maturing regions; complementing its operations and utilising its deep skills in the UK North Sea. In which context,

EnQuest has interests in Malaysia where its operated assets include the PM8/Seligi Production Sharing Contract and the Tanjong Baram Risk Services Contract.

**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, production, reserves, 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.