EnQuest

2021 Half Year Results

Introduction

Amjad Bseisu
Chief Executive

Strong free cash flow driving debt reduction; Golden Eagle acquisition to add significant value

Deliver

- H1 production at 46,187 Boepd[1]; within guidance
- Golden Eagle expected to replace production from CoP assets
- LTIF of zero[2] – Heather achieved two years LTI free in July

De-lever

- Strong free cash flow of c.$141 million
- Net debt of c.$1,183 million, down by c.$97 million
- Signed RBL facility to facilitate Golden Eagle acquisition and simplified capital structure
- Hedged c.11 MMbbls of 2021 production

Grow

- Golden Eagle expected to add significant production, reserves and cash flow
- Completed acquisition of equity interest in and operatorship of the Bressay Oil Field; provides low cost addition of 115 MMbbls (net) 2C resources
- Completed acquisition of Bentley discovery in July, offering long-term potential development opportunities and other synergies

[1] Net working interes
[2] LTIF = Lost Time Incident Frequency, measured as the number of incidents per million exposure hours worked (based on 12 hours for offshore and eight hours for onshore)

Lower production but strong capital discipline

Production

- Good Kraken performance, in line with guidance
- PM8/Seligi performing better than expected
- Magnus impacted by well performance
- Alma/Galia and the Dons CoP

Group unit opex c.$19/Boe

- Lower Group production

Cash expenditures reduced to c.$55 million

- Capital expenditures focused on Magnus, Kraken and PM8/Seligi
- Increased abandonment activities following CoP decisions in 2020

Net production[1] (Boepd)

Unit opex ($/Boe)

Cash expenditures ($m)

[1] Net working interest

Guidance update

Production expected to be at the lower end of the full year guidance range

- Kraken expected to produce within original guidance range
- Production enhancement activities at Magnus, GKA and PM8/Seligi progressing

- Golden Eagle expected to add c.2,000 Boepd[2] in 2021; brings full year production towards the middle of the range

Operating expenditures expected to be c.$300 million

- Lower lease charter credits reflecting higher uptime at Kraken
- Production enhancement and topside workscopes at Magnus
- Unfavourable GBP:USD foreign exchange and higher diesel prices

Cash expenditures expected to be broadly in line with original guidance of c.$120 million

- Excludes costs associated with the PM8/Seligi riser incident repair

[1] Net working interest
[2] Not included in guidance

Environmental, Social and Governance

Focused on absolute emissions reductions

- Good progress made on reducing Scope 1 and 2 emissions
  - 2020 emissions were 26% lower than 2018; ahead of UK Government's North Sea Transition Deal targets
  - Delivered material reduction in flaring in 2021
  - On track to achieve c.10% emissions reduction from 2020 baseline by end 2023 from existing portfolio
- Sullom Voe Terminal integrated into Infrastructure and New Energy business

SAFE Results, focused on asset integrity

Improving diversity and inclusion

- Health, safety and wellbeing of employees top priority
- LTIF of zero[1] – Heather achieved two years LTI free in July
  - Continued focus on asset integrity
- Full compliance with local country and industry COVID policies
- Published Diversity and Inclusion global strategy and accompanying policy update

Strengthening the Board's governance position

- Appointment of Ms Liv Monica Stubholt as Non-Executive Director
  - Extensive experience of the energy industry, public policy and governance
  - Builds on the Board's extensive energy industry experience

[1]LTIF = Lost Time Incident Frequency, measured as the number of incidents per million exposure hours worked (based on 12 hours for offshore and eight hours for onshore)

Operations overview

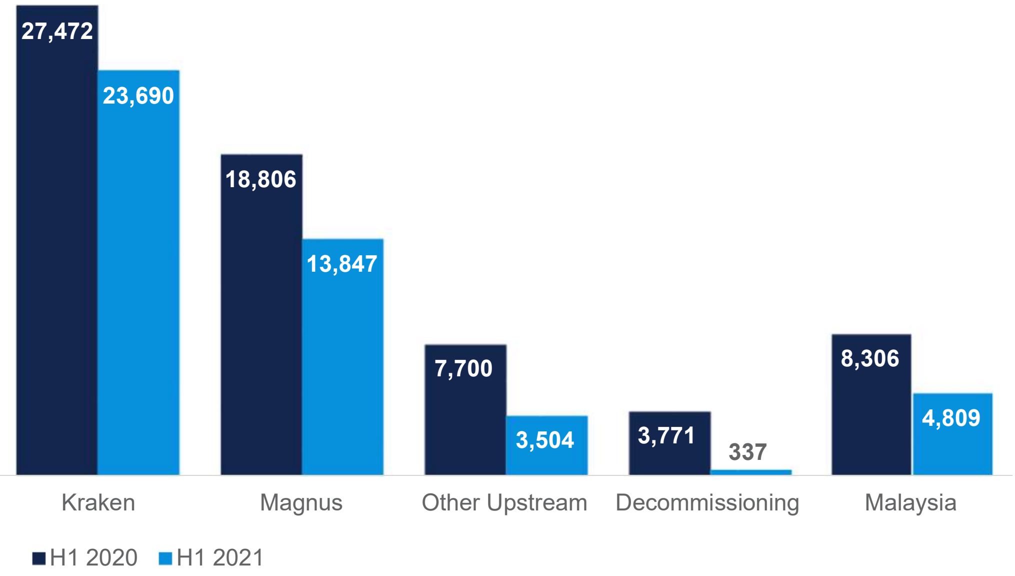
Bob Davenport
Managing Director – North Sea

Production in line with guidance

Summary:

- Kraken production in line with guidance
- Better than expected performance at PM8/Seligi
- Lower volumes at Magnus

H1 2021: 46,187 Boepd[1]
H1 2020: 66,055 Boepd[1]

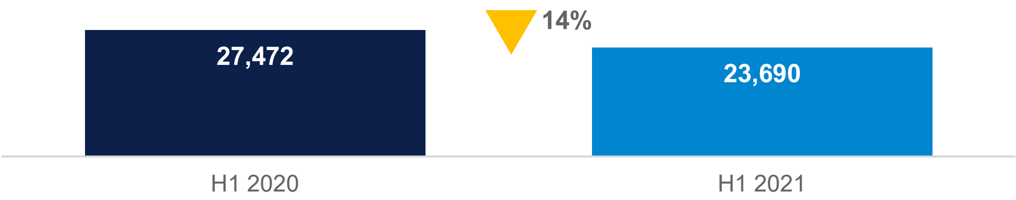


[1] Net working interest

Kraken in line with guidance; Magnus production lower than 2020

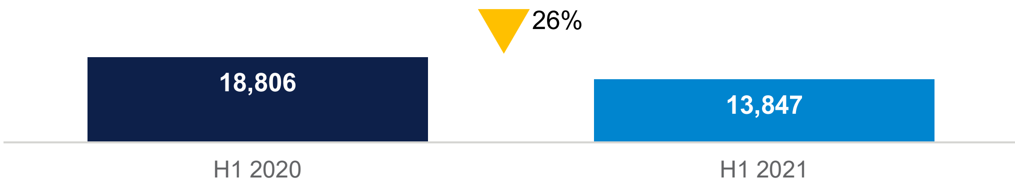
Kraken

- FPSO performing well; production efficiency of 90% and water injection efficiency of 92%
- Good subsurface and well performance:
  - Water cut rate evolution remains stable
- Successful seismic campaign in the western area completed in July
- Cargo pricing remains robust



Magnus

- Slower execution and an increase in scope of the well intervention programme
- Unplanned third-party outage, power related failures and natural declines
- Proactive production enhancement and topside maintenance programmes initiated:
  - Since June, three wells returned to service and production improved
  - Production performance expected to improve further in Q4

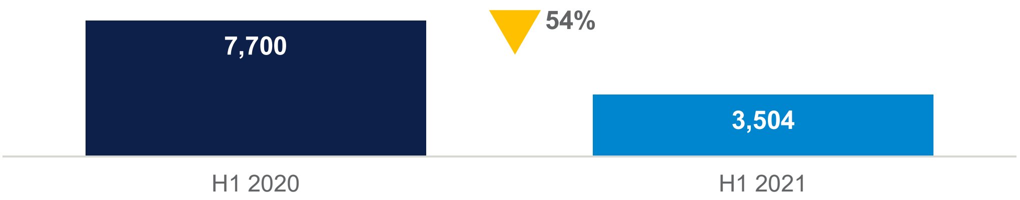


GKA lower than 2020; Dons CoP as planned

Other UK Upstream

Greater Kittiwake Area | Scolty/Crathes | Alba

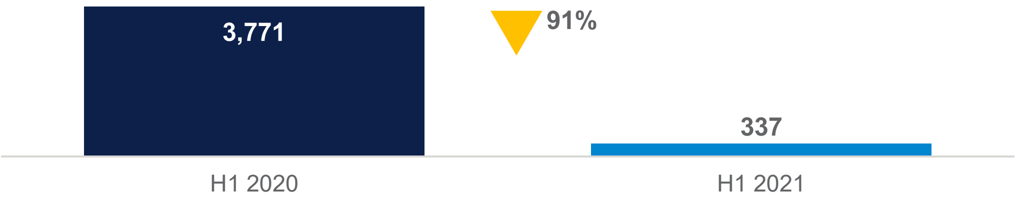
- Reduced production at GKA;
  - Extended planned maintenance shutdown
  - Failure of a power umbilical
  - Natural declines
- Power umbilical replacement nearing completion; expected to improve production later in September
- Alba performing broadly in line with expectations



Decommissioning

Heather/Broom | Thistle/Deveron | Alma/Galia | The Dons

- Good progress on decommissioning activities at Heather/Broom:
  - Acceptance of CoP applications in 2020 and 2021
- Sub-sea inspections completed ahead of well abandonment at Heather
- First phase of re-habitation of Thistle platform successfully completed
- Dons production ceased as planned in March 2021, with Northern Producer handed back to owners

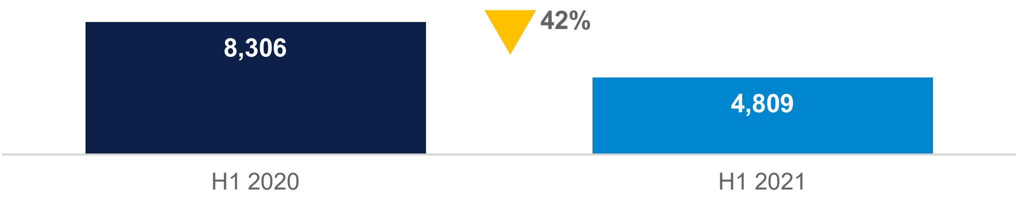


PM8/Seligi riser reinstatement progressing

Malaysia

PM8/Seligi | PM409

- Better than expected performance at PM8/Seligi following detached riser in late 2020:
    - Acceleration of initial production recovery activities
- Planned five-day maintenance shutdown in July successfully completed at PM8/Seligi
- Full pipeline and riser replacement anticipated to occur in October; production expected to return to normal levels thereafter



Financial review

Jonathan Swinney
Chief Financial Officer

H1 2021 financial performance

Revenue[1] c.$518 million ▲ 15%	**Unit opex** c.$19/Boe ▲ 34%	**Cash generated from operations** c.$288 million ▲ 2%	**Free cash flow[5]** c.$141 million ▲ 63%
EBITDA[2] c.$345 million ▲ 8%	**Cash expenditures[3]** c.$55 million ▼ 50%	**Net debt[4]** c.$1,183 million ▼ 8%	

Unless otherwise stated all figures are on a Business performance basis and are in US Dollars
Comparative figures for the income statement relate to the period ended 30 June 2020 and the Balance Sheet as at 31 December 2020
[1] Including realised losses of $32.9 million (2020: realised gains of $35.2 million) associated with EnQuest's oil price hedges. [2] EBITDA is calculated on a Business performance basis and is calculated by taking profit/loss from operations before tax and finance income/(costs) and adding back depletion, depreciation, change in provision, foreign exchange movements and inventory revaluation. [3] Cash expenditure represents cash capital and abandonment expenditure. [4] Net debt represents cash and cash equivalents less borrowings, stated including PIK but excluding accrued interest and the net-off of unamortised fees and IFRS 9 Financial Instruments adjustments [5] Free cash flow is the net change in cash and cash equivalents less net (repayments)/proceeds from loan facilities

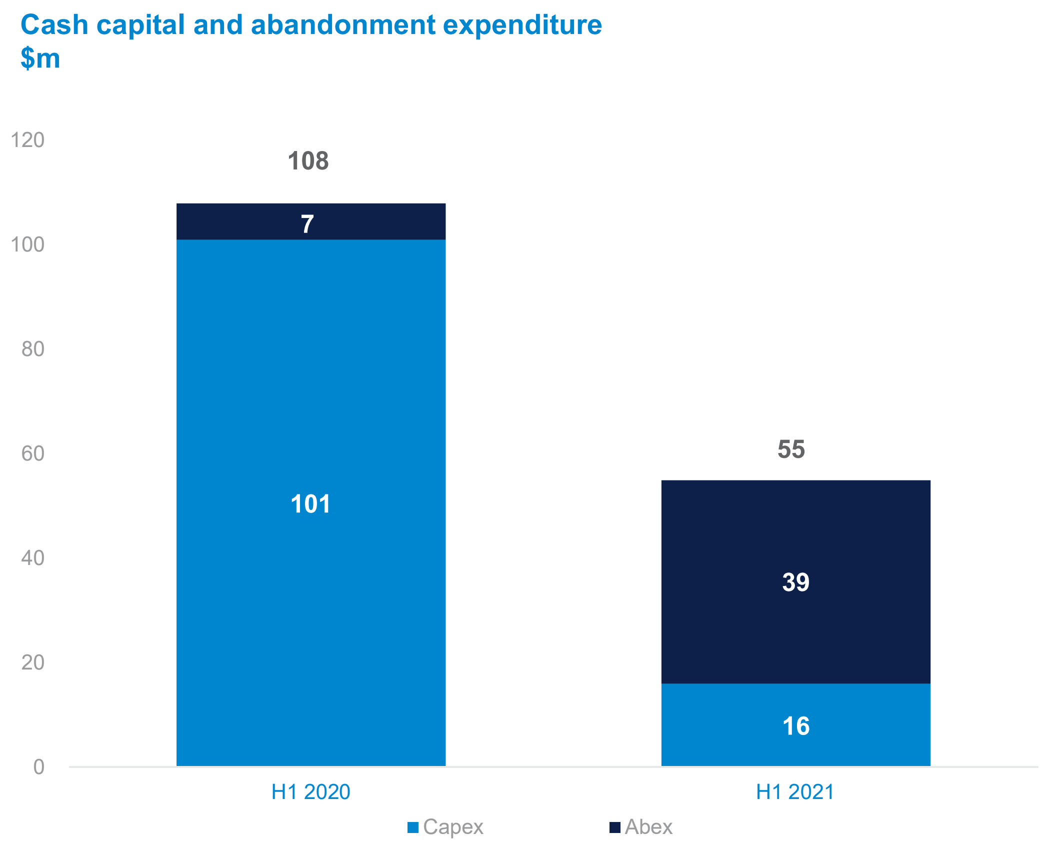
Focused cash expenditure programme

Cash capital expenditure:

- Production enhancement and topside maintenance programmes at Magnus
- Replacement tethers at Kraken
- PM8/Seligi riser repair related costs

Abandonment expenditure:

- Accelerated decommissioning work at Heather and initial CoP costs related to Thistle



Strong cash generation of c.$141 million reducing net debt

H1 2021

- Sculptor Capital facility fully repaid
- Bond interest settled through issue of additional notes ('PIK') due to oil price <$65/bbl

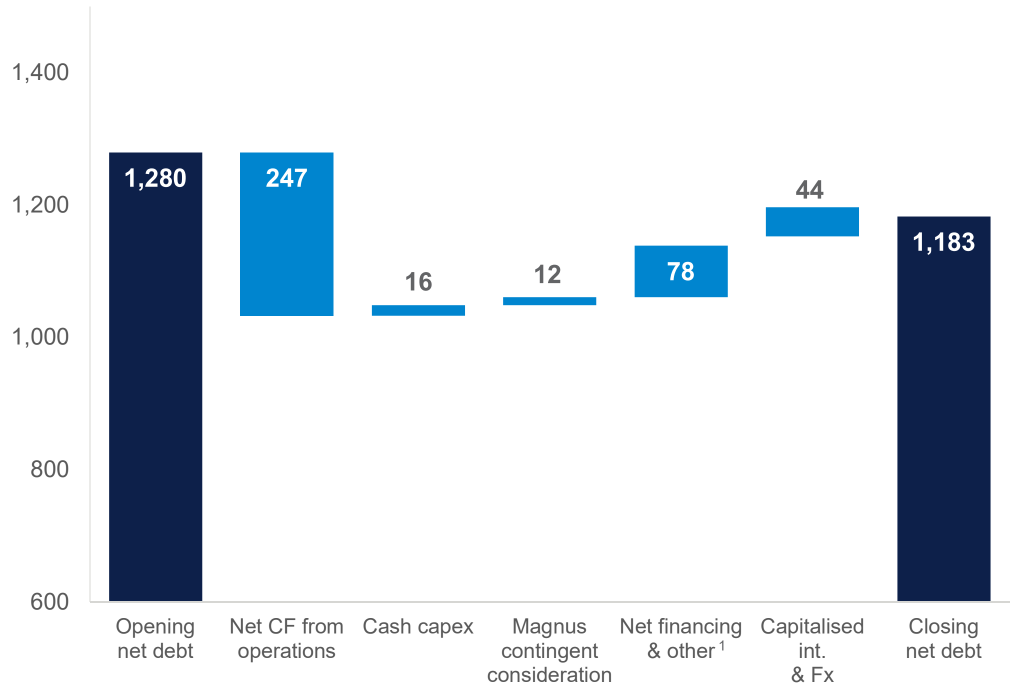
H2 2021 outlook

- $360 million drawn down from the Group's new RBL in July
  - Proceeds repaid entire outstanding balance on RCF
  - Magnus vendor loan fully repaid
- Remaining RBL available to part-finance Golden Eagle acquisition

Hedges

- 2021 hedged c.11 MMbbls at $59/bbl
- 2022 hedged a total of c.6 MMbbls at $61/bbl
- 2023 hedged a total of c.1 MMbbls at $55/bbl

Movement in net debt
$m



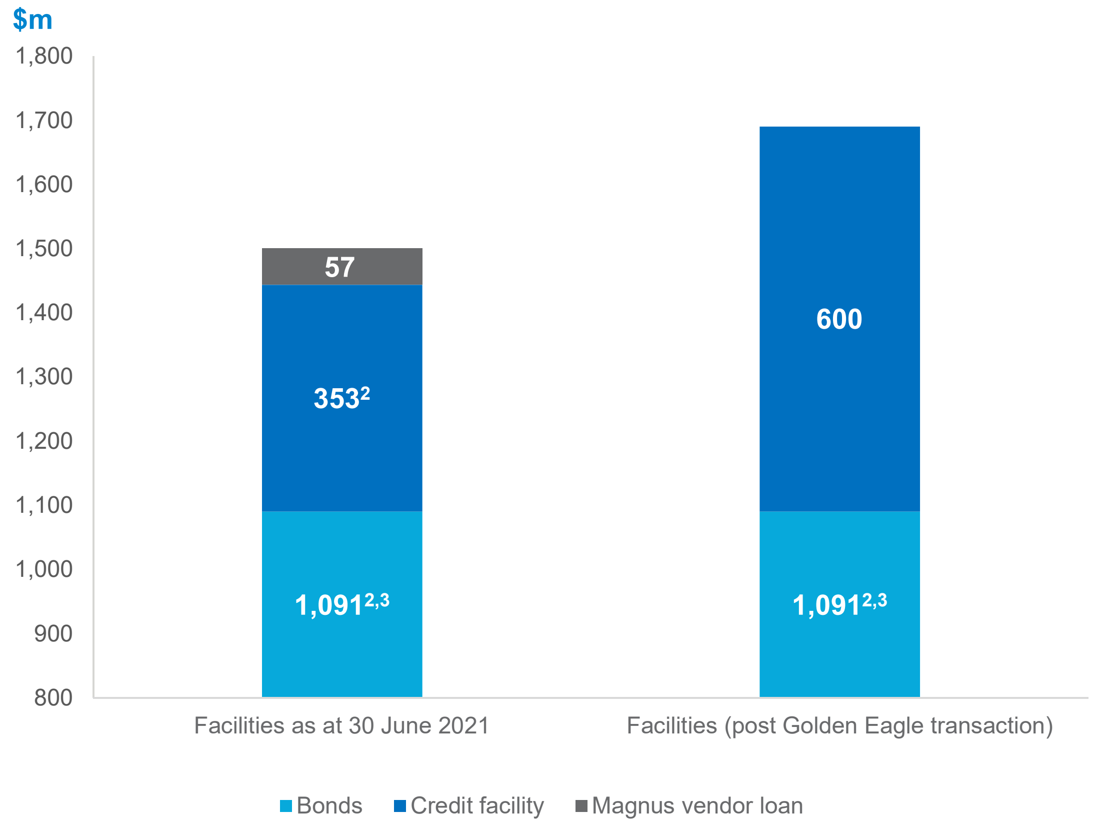
[1] Includes $3.0 million Golden Eagle acquisition deposit

Available facilities[1]

A simplified capital structure

- New RBL of $600 million agreed with initial coupon of 4.25%
- RBL has been used to fully repay existing RCF and the Magnus vendor loan
  - Part finance the Golden Eagle acquisition
- RBL amortisation structured so the loan is repaid by June 2023 until the high yield bond is refinanced

Successful $50 million equity raise



[1] Total available facilities includes an SVT working capital facility which is guaranteed by BP but not shown in the analysis [2] Includes PIK
[3] Retail bond denominated in GBP and converted at an exchange rate of 1.39 GBP:USD

Summary

Amjad Bseisu
Chief Executive

A transformed company, delivering on our strategy

Proven track record

Deliver

- Production within guidance
- Focused on cost control and capital discipline
- An industry leader in drilling and sub-sea tie-back projects
- Executed innovative and value accretive acquisitions
- Clear ESG focus
  - Strong safety record
  - Lower Scope 1 and 2 emissions
  - Improving diversity and inclusion

Simplified capital structure

De-lever

- Strong free cash flow of c.$141 million
- Net debt at its lowest since 2014
  - Net debt:EBITDA at 2.1x
- Golden Eagle expected to materially enhance the Group's cash generation driving rapid de-levering

Significant opportunities

Grow

- Golden Eagle is a high-quality, low-cost asset expected to add:
  - c.$170 million NPV(10)
  - c.10 kboed production[1]
  - c.23 MMboe reserves and resources[1]
- Bressay provides opportunity to demonstrate proven capabilities in low-cost drilling, near-field and heavy oil development
  - Adds up to 115 MMbbls (net) 2C resources
- 100.0% equity interest in Bentley heavy-oil discovery provides access to c.900 MMbbls STOIIP, offering long-term potential development opportunities
- Material low-cost reserves and resources at Kraken, Magnus and PM8/Seligi

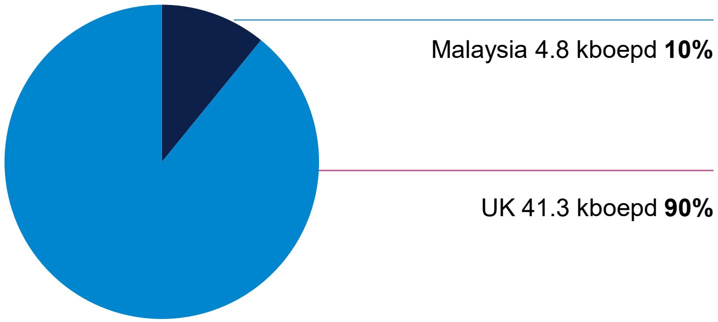
[1] Per GCA CPR estimates and oil price assumptions of::2021: $51/bbl, 2022: $54/bbl, 2023: $57/bbl, 2024:+: $60/bbl

Thank you

Appendix

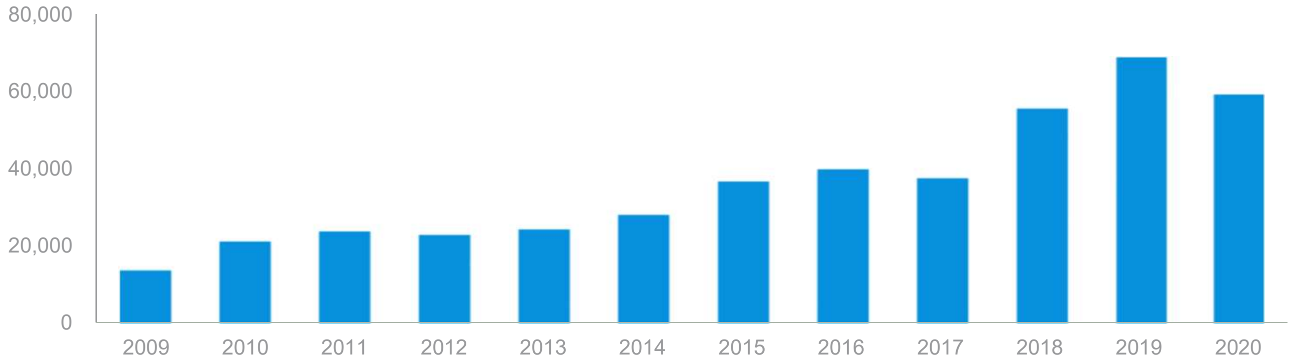
Operator of choice for maturing hydrocarbon assets

Production breakdown[1]



[1] Year to date December 2020

Annual production CAGR of c.14% since IPO



Sullom Voe Terminal

4 offshore production hubs


Kraken


Magnus


Greater Kittiwake Area


PM8/ Seligi

4 non-producing assets


Heather/ Broom


Thistle/ Deveron


Alma/ Galia

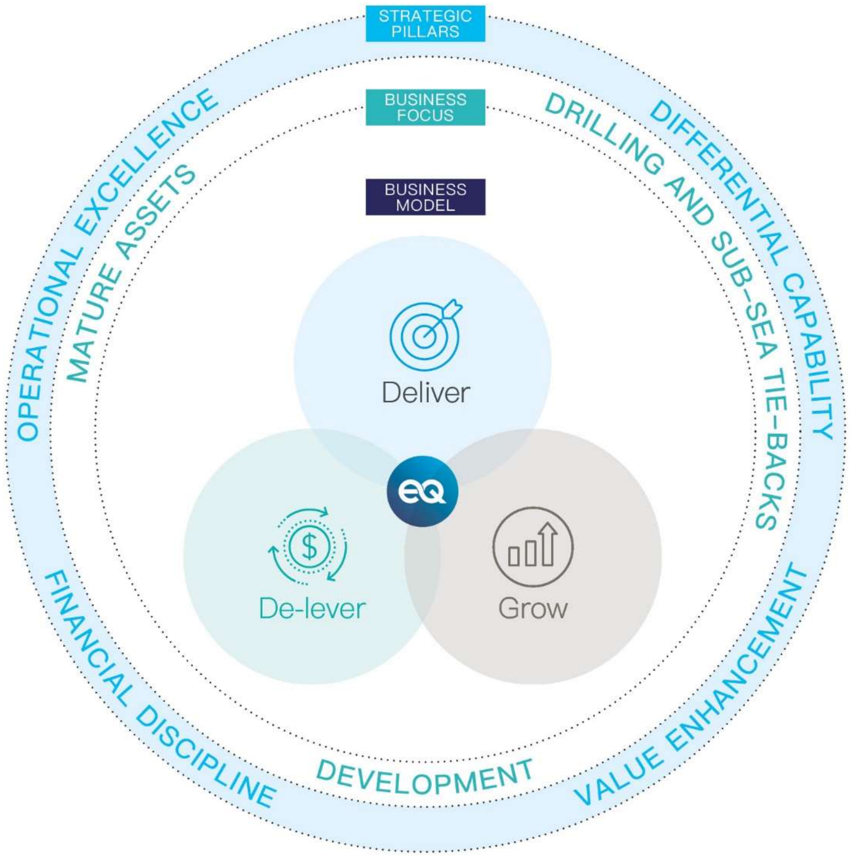

The Dons

Appendix
A clear purpose and strategy with a focused business model

Purpose
- Providing creative solutions through the energy transition

Strategic vision
- To be the operator of choice for maturing and underdeveloped hydrocarbon assets

Focused business model
- A production and development led E&P business
- Utilises EnQuest's core strengths
- Value-accretive portfolio opportunities continue to be assessed



Appendix

No material UK cash CT/SCT on operational activities

UK Tax losses	$m
Tax losses at 31 December 2020	3,183.9
2021 net decrease	(10.9)
Prior year adjustment	0
Tax losses at 30 June 2021	3,173.0

- No material cash tax expected to be paid on UK operation activities for the foreseeable future
- Small cash tax payments are expected in Malaysia on the PM8/Seligi PSC

Appendix
Effective tax reconciliation

	%	$m
Profit Before Tax		49.1
Notional UK Corporation Tax	40.0%	(19.6)
2021 RFES		60.8
UK and overseas tax rate differences		(11.9)
Permanent items		(1.2)
Tax losses not recognised		(139.5)
Other		6.0
2021 Tax (Charge)/Credit	214.7%	(105.4)

Appendix
Prior Year Restatement – Deferred Tax

	30 June 2020	31 Dec 2020
Deferred Tax Asset previously reported	322,254	503,946
Additional Tax Losses recognised for period to 30 June 2020	146,570	146,570
Additional Tax Losses recognised for period to 31 December 2020		9,287
Deferred Tax Asset as restated	468,824	659,803

- Restatement arises due to a difference in the calculation of the deferred tax asset associated with Magnus contingent consideration and the relevant estimated future cash flows.
- This calculation difference resulted in excess deferred tax being derecognised within Remeasurements and exceptional items.

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.

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