



Enquest PLC 5.5 per cent notes update

ENQUEST PLC LAUNCHES CONSENT SOLICITATION IN RESPECT OF ITS £155,000,000 5.50 PER CENT. NOTES DUE 2022

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10 April 2015

EnQuest PLC (the "**Company**") today announces that it is inviting holders ("**Noteholders**") of its outstanding £155,000,000 5.50 per cent. Notes due 15 February 2022 (the "**Notes**") (ISIN: XS0880578728, Common Code: 088057872) issued pursuant to its £500,000,000 Euro Medium Term Note Programme to consent to certain modifications to the terms and conditions of the Notes (the "**Conditions**") and the trust deed dated 24 January 2013 as amended and supplemented from time to time (the "**Trust Deed**") between the Company and U.S. Bank Trustees Limited (the "**Trustee**") constituting the Notes (such invitation, the "**Consent Solicitation**"), as described briefly below and in more detail in a consent solicitation memorandum dated 10 April 2015 (the "**Consent Solicitation Memorandum**").

The proposals that the Company is inviting Noteholders to approve will, if approved and implemented, modify the Conditions and the Trust Deed (by the execution of a supplemental deed to the Trust Deed (the "**Supplemental Trust Deed**") as follows (together, the "**Proposals**"):

(a) to amend the financial covenants such that, in respect of any Reference Date falling during a limited period from the date on which the Supplemental Trust Deed is duly executed to (and including) 31 December 2016 (the "**Covenant Amendment End Date**"):

- (i) the Leverage Ratio shall be less than 5.0:1.0 (currently 3.0:1.0); and
- (ii) the ratio of EBITDA to Finance Charges shall be not less than 3.0:1.0 (currently 4.0:1.0),

after which time such financial covenants will revert to the current levels, which shall remain in effect until the date on which the Supplemental Trust Deed shall have been duly executed; and

(b) to amend the Rate of Interest for a limited period of time such that if the Company delivers to the Trustee a compliance certificate in respect of any Reference Date occurring after the date on which the Supplemental Trust Deed is duly executed to (and including) the Covenant Amendment End Date certifying that the Leverage Ratio was more than 3.0:1.0, the Rate of Interest for the immediate next following Interest Period commencing after the date of such compliance certificate shall be 7.00 per cent. per annum.

The Proposals seek to bring the financial covenant levels in the Notes into line with the amended covenants in the Company's secured revolving credit facility, as announced by the Company on 23 January 2015. The financial covenants in the Notes would revert to their current levels from (and including) the Reference Date on 30 June 2017.

The Proposals include all consequential amendments necessary to implement the above modifications.

In connection with the Consent Solicitation, the Company's CEO Amjad Bseisu said:

"This is a prudent and precautionary step to provide us with the flexibility to complete the capital expenditure programme that will significantly enhance the Group's production and cash flow. This brings the Leverage Ratio in the Notes in line with our revolving credit facility whilst offering Noteholders a coupon of 7.00 per cent. if the Leverage Ratio is three times or above. We consider the Proposals to be fair for Noteholders and are encouraged by initial indicative support from Noteholders representing approximately 42 per cent. in aggregate principal amount of the outstanding Notes."

The Consent Solicitation is made on the terms and subject to the conditions contained in the Consent Solicitation Memorandum and should be read in conjunction with such Consent Solicitation Memorandum. Capitalised terms used but not otherwise defined in this announcement shall have the meaning given to them in the Consent Solicitation Memorandum.

An indicative timetable for the Consent Solicitation is set out below and in the Consent Solicitation Memorandum.

RATIONALE FOR THE PROPOSALS

While the Company believes that it will be able to operate within the limits imposed by the Group's borrowings (including the financial covenants under the Notes which the Company proposes to modify by the Consent Solicitation), further sustained falls in the oil price or other adverse developments would reduce headroom and could impact the Group's ability to implement its capital expenditure programme. Therefore, as a prudent and precautionary measure, the Company is seeking an amendment to the Notes to bring the financial covenant levels in the Notes into line with the amended covenants in the Company's secured revolving credit facility, as announced on 23 January 2015. The financial covenants in the Notes would revert to their current levels from (and including) the Reference Date on 30 June 2017.

Continued compliance with all of the covenants imposed by the Group's borrowings remains a priority for the current financial year and beyond. As such, the Proposals would provide the Group with continued flexibility of funding to implement its capital expenditure programme.

Support of certain Noteholders

The Proposals have been considered by a number of significant holders of Notes approached by the Company on a confidential basis. Based on feedback from such Noteholders, the Company has received indicative support for the Proposals from Noteholders representing approximately 42 per cent. in

aggregate principal amount of the outstanding Notes.

CONSENT FEE

Noteholders who vote in favour of the Extraordinary Resolution by delivering or procuring the delivery of a Consent Instruction (which is not validly revoked) will be eligible to receive a Consent Fee of 0.20 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction. In order to be eligible to receive such Consent Fee, the Tabulation Agent must receive such Consent Instruction by the Voting Deadline.

The Consent Fee will be payable in one instalment on the Consent Fee Payment Date only if the Extraordinary Resolution in respect of the Proposals has been approved and the Supplemental Trust Deed has been duly executed.

MEETING OF NOTEHOLDERS

Notice (the "**Notice**") of a meeting (the "**Meeting**") of the Noteholders to be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom at 10.00 a.m. (London time) on 5 May 2015 has been published in accordance with the Trust Deed.

At the Meeting, Noteholders will be asked to consider and, if thought fit, pass an extraordinary resolution as set out in the Notice (the "**Extraordinary Resolution**"), which will provide, among other things, for the Trustee to be authorised and requested to concur in and execute the Supplemental Trust Deed, which will implement the Proposals and effect the modifications to the Conditions and Trust Deed outlined in the Consent Solicitation Memorandum.

If the Extraordinary Resolution is passed, the proposed modifications to the Conditions and the Trust Deed will be binding on all Noteholders, including those Noteholders who do not vote in respect of, or vote against, the Proposals.

INDICATIVE TIMETABLE FOR THE CONSENT SOLICITATION

Event	Date and Time
<i>Announcement of the Consent Solicitation and the Proposals</i>	10 April 2015
Notice of Meeting published.	
<i>Revocation Deadline</i>	10:00 a.m. (London time) on 1 May 2015
Latest time for Noteholders to deliver or procure delivery on their behalf to the Tabulation Agent of a valid instruction revoking previously submitted Consent Instructions.	
<i>Voting Deadline</i>	10:00 a.m. (London time) on 1 May 2015
Deadline for Noteholders to deliver or procure delivery on their behalf to the Tabulation Agent of a Consent Instruction in favour of the Extraordinary Resolution.	
<i>Deadline for appointing a proxy in respect of the Notes</i>	5:00 p.m. (London time) on 1 May 2015
The latest time for appointing a proxy (other than the Tabulation Agent) to attend and vote at the Meeting in person.	
<i>Meeting</i>	10:00 a.m. (London time) on 5 May 2015
Time and date of the Meeting.	
<i>Announcement and publication of results of Meeting</i>	As soon as reasonably practicable after the Meeting has concluded and, in any event, within 14 days of the Meeting.
Announcement of the results of the Meeting.	
<i>Consent Fee Payment Date</i>	No later than the tenth Business Day after the date on which the Extraordinary Resolution is approved and the Supplemental Trust Deed is duly executed.
The date on which the Consent Fee will be paid to Direct Participants if the Extraordinary Resolution is approved and the Supplemental Trust Deed is duly executed.	

The above times and deadlines are subject to the right of the Company to amend, extend or waive any condition of and/or terminate the Consent Solicitation (subject to applicable law and as provided in the Consent Solicitation Memorandum). Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other trustee through which they hold Notes whether such broker, dealer, bank, custodian, trust company or other trustee would require receiving any notice or instructions prior to the deadlines set out above.

GENERAL

Details of how to participate in the Consent Solicitation are set out in the Consent Solicitation Memorandum. Noteholders may obtain a copy of the Consent Solicitation Memorandum by contacting the Tabulation Agent, the contact details of which are set out immediately below.

Notices throughout the Consent Solicitation will be published in accordance with all applicable rules and regulations as follows:

- (a) a notice in Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* for communication to accountholders;

- (b) an announcement released on the London Stock Exchange plc's regulatory news service; and
- (c) a notice published on Bloomberg,

and by any other means as the Company may, in its absolute discretion, consider appropriate.

CONTACT INFORMATION

Documents relating to the Consent Solicitation can be obtained from the Company's website at www.enquest.com/investors/retail-bond.aspx.

Requests for further information in relation to the Consent Solicitation should be directed to the Company's Financial Advisers:

Evercore Partners International LLP
15, Stanhope Gate
London W1K 1LN

Numis Securities Limited
10 Paternoster Square
London EC4M 7LT

Email: swag.ganguly@evercore.com
Telephone: +44 (0)20 7653 6199

Email: m.dyson@numis.com
Telephone: +44 (0)20 7260 1351

Requests for copies of the Consent Solicitation Memorandum and information in relation to the procedures for submission of a Consent Instruction should be directed to the Tabulation Agent:

Lucid Issuer Services Limited
Leroy House
436 Essex Road
London N1 3QP

Email: enquest@lucid-is.com
Telephone: +44 (0)20 7704 0880
Attention: David Shilson

Media enquiries should be directed to Bell Pottinger:

Telephone: +44 (0)20 3772 2500
Attention: Victoria Geoghegan
Nick Lambert
Duncan Mayall

DISCLAIMER AND CONSENT SOLICITATION RESTRICTIONS

The Consent Solicitation Memorandum contains important information which should be read carefully before any decision is made in respect of the Proposals, as defined and more fully described herein.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 as amended (if you are in the United Kingdom) or from another appropriately authorised independent financial adviser (if you are not).

Noteholders who wish to vote and whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other nominee institution (including as CDIs) must contact such nominee promptly and instruct or make arrangements with such nominee to vote in accordance with the customary procedures of the Clearing Systems on behalf of the Noteholders. The deadlines set by any such custodial entity and each Clearing System for the submission of a Consent Instruction in connection with the Extraordinary Resolutions may be earlier than the relevant deadlines specified above and in the Consent Solicitation Memorandum.

Before making a decision with respect to the Consent Solicitation, Noteholders should carefully consider all of the information in the Consent Solicitation Memorandum and, in particular, the risk factors described therein.

No person is authorised in connection with the Consent Solicitation to give any information or to make any representation not contained in the Consent Solicitation Memorandum and any information or representation not contained in the Consent Solicitation Memorandum must not be relied upon as having been authorised by the Company, the Financial Advisers, the Trustee, the Paying Agent or the Tabulation Agent. The Financial Advisers, the Paying Agent and the Tabulation Agent are agents of the Company and owe no duty to any holder of the Notes. The Consent Solicitation Memorandum is only issued to and directed at Noteholders for the purposes of considering the Extraordinary Resolution. No other person may rely upon its contents, and it should not be relied upon by Noteholders for any other purpose. None of the Company, the Financial Advisers, the Trustee, the Paying Agent or the Tabulation Agent, or any of their respective directors or employees, makes any recommendation whether Noteholders should approve the Proposals described in the Consent Solicitation Memorandum.

Evercore Partners International LLP ("**Evercore**") and Numis Securities Limited ("**Numis**"), each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting as financial advisors to the Company and no-one else in connection with the Consent Solicitation and the other matters referred to in this announcement. Evercore and Numis will not regard any person other than the Company as their client in relation to the Consent Solicitation and the other matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evercore or Numis (as the case may be) or for providing advice in relation to the Consent Solicitation or the other matters referred to in this announcement.

The distribution of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Consent Solicitation Memorandum comes must inform themselves about and observe any such restrictions.

United States

The Consent Solicitation is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). The matters contemplated by the Consent Solicitation do not constitute or form a part of any offer or solicitation to purchase or subscribe for any securities in the United States. Any such securities have not been, and will not be, registered under the United States

Securities Act of 1933, as amended (the "**Securities Act**"). Any such securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act), except pursuant to an exemption from the registration requirements of the Securities Act. No public offering of securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

United Kingdom

The Consent Solicitation may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply. Accordingly, the Consent Solicitation Memorandum is only for circulation to persons inside the United Kingdom who fall within one of the following categories:

- (a) a person who is a holder of any Notes; or
- (b) any other person also falling within Article 43(2) or within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or falling within the definition of "investment professionals" (as defined in Article 19(5) of the Order).

The Consent Solicitation Memorandum is only available in the United Kingdom to such persons, and the transactions contemplated herein will be available only to, and may be engaged in only with, such persons.

General

In addition to the representation referred to above in respect of the United States, each holder of Notes participating in the Consent Solicitation will also be deemed to give certain other representations as set out in the Consent Solicitation Memorandum. Any Consent Instruction from a Noteholder that is unable to make these representations will not be accepted. Each of the Company, the Financial Advisers, the Trustee, the Paying Agent and the Tabulation Agent reserves the right, in each of its absolute discretion, to investigate whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and, as a result, the Company determines (for any reason) that such representation is not correct, such Consent Instruction may not be accepted.