

ENQUEST PLC, 15 MAY 2015. OPERATIONAL UPDATE.

STRONG OPERATIONAL PERFORMANCE, PRODUCTION UP 20% DEVELOPMENTS ON SCHEDULE AND ON BUDGET

Highlights

- Production averaged 30,768 Boepd for the four months to the end of April 2015, up 20.2% on the same period in 2014. Full year 2015 production guidance is reiterated at between 33,000 Boepd and 36,000 Boepd, representing a 24% annual increase at the mid-point of the range.
- The Floating Production, Storage and Offloading ('FPSO') vessel for the Alma/Galia development has been securely moored on location in the field and the preparation process for pulling in the risers has commenced. The project remains on track for first oil in mid-2015.
- The Kraken development continues to be on budget and on schedule for first oil in 2017.
- EnQuest remains on course for delivery of its targeted programme of cost reductions.

EnQuest CEO Amjad Bseisu said:

"Production of 30,768 Boepd to the end of April is a good start to the year and was achieved as a result of ongoing strong operational performance across EnQuest's assets and the inclusion of Malaysia, in line with our expectations. The strong performance in our newly acquired Malaysia assets, where we took over operations late last year, is testament to our ability to quickly impact production in late life assets.

EnQuest's two major development projects continue to progress well. Across the business, we continue to implement our programme of cost reduction, improved efficiency and capital expenditure rationalisation. The extensive 2015/2016 oil price hedging programme remains in place and we have taken a further precautionary measure in resetting the covenants on the retail bond. EnQuest is positioned to achieve substantial increases in production from both Alma/Galia and Kraken over the next two years, delivering material increases in cash flow."

Net production (working interest basis)

	Net daily average 1 Jan' 2015 to 30 April 2015 (Boepd)	Net daily average 1 Jan' 2014 to 30 April 2014 (Boepd)
Thistle/Deveron	7,809	9,354
Dons	6,587	10,079
Heather/Broom	4,238	4,030
Kittiwake	2,774	845 ¹
Alba	1,192	1,289
Total UKCS	<hr/> 22,601	<hr/> 25,597
PM8/Seligi (Malaysia)	8,167	-
Total EnQuest	<hr/> 30,768	<hr/> 25,597

¹ Net production since the completion of the acquisition at the start of Mar' 2014, averaged over the four months to end of April 2014.

By Production and Development Asset

UK North Sea Thistle/Deveron

- Thistle's production declined year on year due to Q1 2014 production benefiting significantly from new wells. The field's average underlying decline rate remains low and Q1 2015 production efficiency was above 90%. Drilling recommenced at Thistle in April 2015. Completion operations are ongoing on the first well, 'A61',

which exceeded pre-drill expectations. The well is due to come onstream around the end of the month and two further wells are planned.

Don fields

- Don area production was reduced in January and February because the West Don Well W4 was shut-in; production was successfully restored in March. Drilling operations on the Ythan production well completed in April. The well will be tied in and brought online by mid-2015. Drilling of the Ythan AA injector is planned for H1 2016.

Heather/Broom

- Following encouraging results from the H66 production well, the latest redevelopment drilling was completed on Heather in March. Replacement of the Broom water injection flowline is ongoing and expected to be completed in Q2 2015.

Greater Kittiwake Area

- Following the success of the Mallard workover last year, a Gadwall sidetrack is expected to be drilled in mid-2015.

Alma/Galia

- In Q1 2015, the EnQuest Producer vessel left the yard in Newcastle. It was then moved to its location on the Alma/Galia field where it was made 'storm safe' and the final (ninth) anchor chain was successfully installed in early May. The preparation process for pulling in the risers has begun and Alma/Galia remains on course for first oil in mid-2015, with five wells available to come onstream. Drilling on the Galia production well is to be completed and tied in during H2 2015.

Kraken

- The Kraken programme for 2015 includes the installation of subsea hardware. The manifolds for the first drill centre which connect to the templates are already installed, as are the two templates for the second drill centre. Installation of the mooring system for the FPSO has commenced. The drilling rig is due to leave the shipyard for the Kraken field during Q2 2015, after undergoing its five year 'special periodic survey'. It is then expected on location at Kraken in H2 2015, to commence the Kraken batch top-hole drilling programme.
- The FPSO programme also continues, with a dry docking to install the turret infrastructure now complete.

International

Malaysia

- Development of the Tanjong Baram field continues in line with EnQuest's expectations, with first oil scheduled by the end of H1 2015.
- The PM8/Seligi asset has delivered strong production performance due to improved production efficiency resulting from work that has been undertaken after assuming operatorship in late 2014. This early success is a testament to EnQuest's ability to add value to late life maturing assets. Our 2015 work programme is focused on well interventions activities and improvements to the field infrastructure, including work on gas compressors, pipelines and generators.

Financing

Retail bond covenants

- On 5 May 2015, EnQuest announced its proposal to amend the covenants in its retail bond had been approved by the Noteholders, with 99.8% of the votes cast being in favour. The financial covenants of the retail bond are now consistent with the amended covenants in EnQuest's secured revolving credit facility.

Ends

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Notes to editors

EnQuest is the largest UK independent producer in the UK North Sea. EnQuest PLC trades on both the London Stock Exchange and the NASDAQ OMX Stockholm. Its operated assets include the Thistle, Deveron, Heather, Broom, West Don, Don Southwest, Conrie, Kittiwake, Mallard, Gadwall, Goosander and Grouse producing fields and the Alma/Galia, Kraken and Ythan developments; EnQuest also has an interest in the non-operated Alba producing oil field. EnQuest had 34 UK production licences at the start of 2015, covering 45 blocks or part blocks, and was the operator of 29 of these licences. This increases to 38 production licences including the 28th round awards awarded in Q1 2015, covering 54 blocks or part blocks in the UKCS, 33 of the licences are operated by EnQuest.

EnQuest believes that the UKCS represents a significant hydrocarbon basin in a low risk region, 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 has begun replicating its existing model in the UKCS by targeting previously underdeveloped assets in a small number of other maturing regions; complementing our operations and utilising our 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 ('PSC') and the Tanjong Baram development, EnQuest also has an interest in the non-operated SB307/SB308 blocks.

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.