



Report on Payments to Govts

ENQUEST PLC, 30 JUNE 2016

Reports on Payments to Governments for the Year ended 31 December 2015

This report provides information in accordance with DTR 4.3A in respect of payments made by the Company to governments for the year ended 31 December 2015 and in compliance with the Reports on Payments to Governments Regulations 2014 (SI 2014/3209).

This report is available to download from: <http://www.enquest.com/corporate-responsibility/business-conduct>

Basis of preparation

The payments disclosed, which are on a cash basis, are based on where the obligation for the payment arose (ie at a project or corporate level). However, where a payment or a series of related payments do not exceed £86,000, they are disclosed at a corporate level, in accordance with the UK Regulations.

All of the payments disclosed in accordance with the Directive have been made to national governments, either directly or through a Ministry or Department of the national government, with the exception of the Malaysian payments in respect of production entitlements, supplementary payments, royalties and education commitment payments which are paid to PETRONAS (Petroliam Nasional Berhad, the National Oil Company of Malaysia).

By Licence									
Project / Entity Name	Licence	Production Entitlement bbls(000)	Production Entitlement \$000	Taxes \$000	Royalties \$000	Licence Fees \$000	Education Commit- ment Payments \$000	Supple- mentary Payments \$000	Total \$000
Kraken & Kraken North	P1077	-	-	-	-	498	-	-	498
Alma & Galia	P1765 & P1825	-	-	-	-	150	-	-	150
Kittiwake	P351	-	-	-	-	884	-	-	884
	&P2173	-	-	-	-	-	-	-	-
Alba	P213	-	-	(4,540)	-	-	-	-	(4,540)
Kildrummy	P220, P250 &P585	-	-	-	-	149	-	-	149
Corporate Total United Kingdom		-	-	720 (3,820)	-	1,850 3,531	-	-	2,570 (289)
PMB	PMB Extension	997	47,492	-	1,300	-	-	8,175	56,967
Tanjong Baram	PSC Tanjong Baram RSC	-	-	-	-	-	100	-	100
Corporate Total Malaysia		- 997	- 47,492	7,766 7,766	- 1,300	- -	- 100	- 8,175	7,766 64,833
Corporate Total Norway		- -	- -	(2,924) (2,924)	- -	- -	- -	- -	(2,924) (2,924)
Total Group		997	47,492	1,022	1,300	3,531	100	8,175	61,620

By Government									
Government	Production Entitlements bbls (000)	Production Entitlements \$000	Taxes \$000	Royalties \$000	Licence Fees \$000	Educational Commitment Payment \$000	Supple- mentary Payments \$000	Total \$000	
HM Revenue and Customs Department of Energy and Trade	-	-	(3,820)	-	-	-	-	(3,820)	
Total United Kingdom	-	-	(3,820)	-	3,531	-	-	(289)	
PETRONAS Malaysian Inland Revenue Board	997	47,492	-	1,300	-	100	8,175	57,067	
	-	-	7,766	-	-	-	-	7,766	

Total Malaysia	997	47,492	7,766	1,300	-	100	8,175	64,833
Skatteetaten	-	-	(2,924)	-	-	-	-	(2,924)
Total Norway	-	-	(2,924)	-	-	-	-	(2,924)
Total Group	997	47,492	1,022	1,300	3,531	100	8,175	61,620

Production entitlements

This includes non-cash royalties and amounts paid in barrels of oil or gas out of EnQuest's working interest share of production in a licence. The figures disclosed are produced on an entitlement basis rather than a liftings basis, and are valued at the actual price used to determine entitlement. They do not include the Government's or National Oil Company's working interest share of production in a licence.

Taxes

This represents cash tax calculated on the basis of profits including income or capital gains. Income taxes are usually reflected in corporate income tax returns. The cash payment of income taxes occurs in the year in which the tax has arisen or up to one year later. Income taxes also include any cash tax rebates received from the government or revenue authority during the year and excludes fines and penalties. In the UK, taxes also include Petroleum Revenue Tax. The above cash tax paid figure differs to the amount disclosed in the 2015 Annual Report as it does not include payments made to a previous owner of a Group subsidiary for group relief.

Royalties

This represents cash royalties paid to governments during the year for the extraction of oil or gas. The terms of the royalties are described within our host government contracts and can vary from project to project within one country. Royalties paid in kind have been recognised within the production entitlements category.

Licence fees

This represents total, rather than working interest share of, licence fees, rental fees, entry fees and other consideration for licences and/or concessions paid for access to an area during the year (with the exception of signature bonuses which are captured within bonus payments).

Education commitment payment

This represents the annual education contribution paid to PETRONAS pursuant to the Tanjong Baram Risk Service Contract.

Supplementary payments

Supplementary payments are required under the PM8 Production Sharing Contract and are based on EnQuest's entitlement to profit oil. These payments are made to PETRONAS.

Bonus payments and dividends

There were no bonus or dividend payments during the year.

Ends

For further information please contact:

EnQuest PLC

Tel: +44 (0)20 7925 4900

Amjad Bseisu (Chief Executive)

Jonathan Swinney (Chief Financial Officer)

Michael Waring (Head of Communications & Investor Relations)

Tulchan Communications

Tel: +44 (0)20 7353 4200

Martin Robinson

Martin Pengelley

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, Dons area, the Greater Kittiwake Area and Alma/Galia, also the Kraken and the Scolty/Crathes developments; EnQuest also has an interest in the non-operated Alba producing oil field. At the start of 2016, EnQuest had interests in 30 UK production licences, covering 42 blocks or part blocks and was the operator of 25 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 PMB/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.

