



# EnQuest

Retail shareholder presentation

12 September 2024



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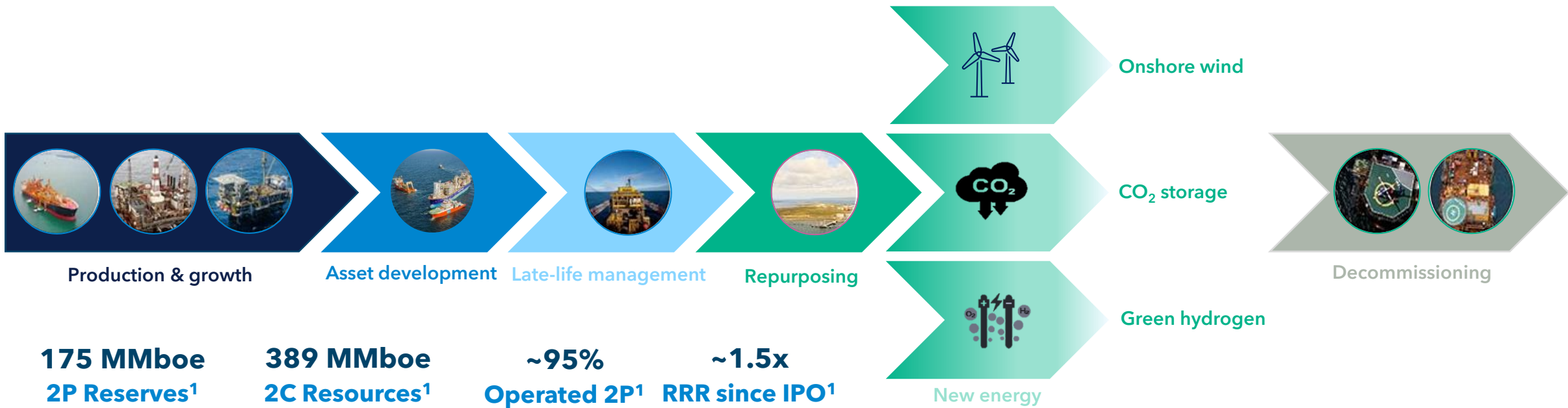
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# EnQuest

An energy transition operator - increasing production whilst reducing carbon intensity



<sup>1</sup> as at 31 December 2023



## Strong liquidity provides platform for growth



### Deliver

**Production to 30 June of 42,771 boepd - Top quartile operating efficiency of 93%<sup>1</sup>**

**On track to complete 25 well P&As for full year 2024 - matching EnQuest NNS record**

**\$15 million share buyback programme progressing well - over 30 million shares purchased<sup>2</sup>**

**Performance recognition:**

**Malaysia 'Operator of the Year' and HSE Excellence Award 2024**

**Transfer of additional GKA decommissioning operatorship from Shell**



### De-lever

**Evolved from deleveraging to maximising transactable liquidity**

**Net debt of c.\$321 million, reduced by c.\$160 million**

**Net debt to EBITDA ratio of 0.4x - surpassing 0.5x target**



### Grow

**Strong Balance Sheet provides ongoing capital allocation optionality**

**Conditions are set to deliver value-led growth:**

**c.\$566 million of liquidity at 30 June 2024**

**c.\$1.9 billion UK tax asset immediately accessible**

<sup>1</sup> Group operated assets

<sup>2</sup> Cumulative to 11 September 2024

## Differentiated operator

### SAFE results

Top quartile performance

High production uptime

Drilling expertise

Financial discipline

Asset life extension

Decommissioning leader

## Transformational growth

Maximise value from existing assets

Leverage UK tax asset to deliver material FCF

International diversification

Reduce carbon intensity

Shareholder returns

Decommission, Repurpose and Decarbonise infrastructure as an energy transition leader

# Robust growth strategy

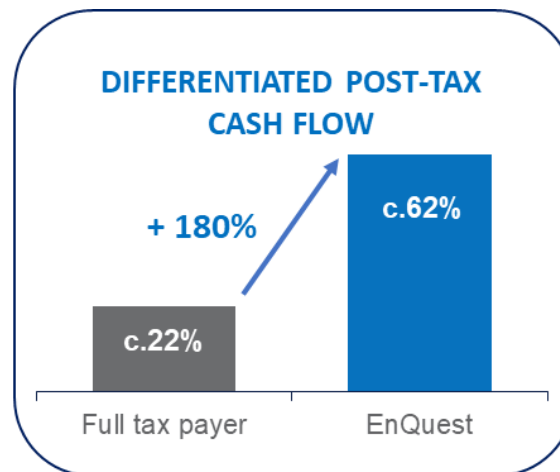
- **EnQuest strategy remains robust:**

- Grow scale
- Deliver value
- Reduce emissions

- **Deliver transformative UK growth**

- Tax assets yield material FCF
- Robust decline profile
- Low/no capex requirement

- **Re-invest FCF to diversify internationally**



- ✓ **Top quartile capability and cost discipline**

- Critical to value delivery

- ✓ **Tax asset value is enhanced**

- Generating c.2.8x cash flow versus full UK taxpayers

- ✓ **A strong international foothold**

- Malaysia Operator of the Year 2024

# SVT - the Just Energy Transition in action

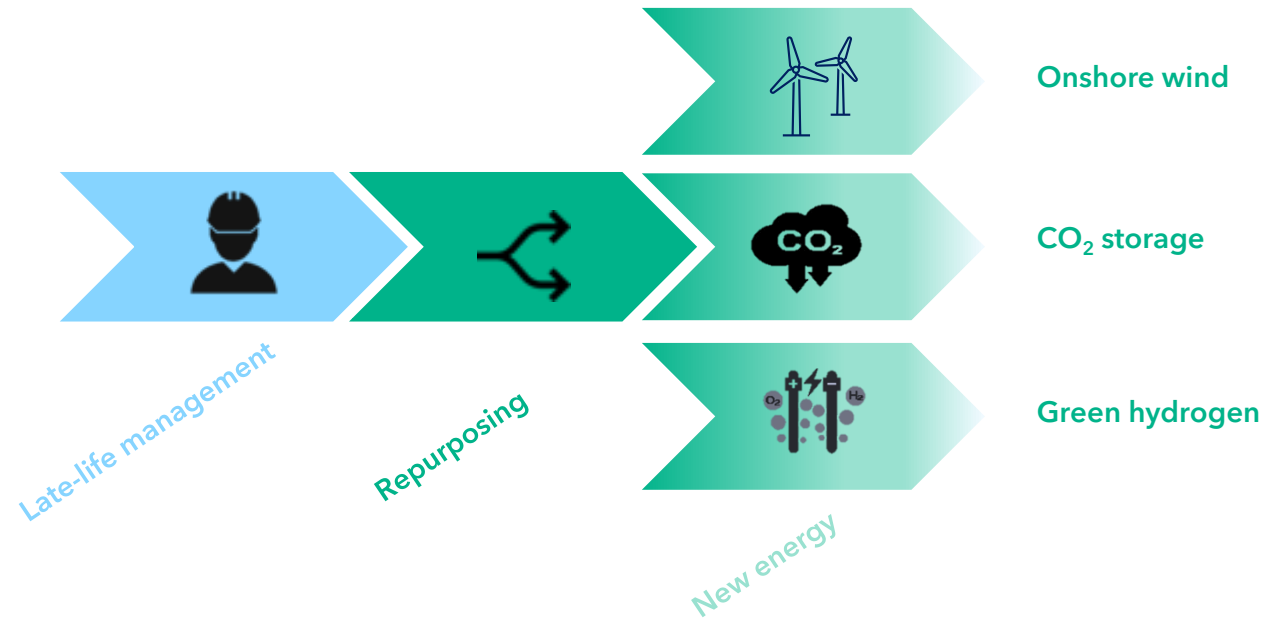
## Delivering our strategic ambition to right-size and repurpose critical UK infrastructure

Two major projects in flight:

- **New Stabilisation Facility ('NSF')** - right-size the terminal's oil & gas processing facility to support Upstream field life extensions
- **Connecting SVT to the UK electricity grid**

Delivering

- Carbon emissions reduction of c.90%
- Zero routine flaring by 2030
- Material reduction in operating costs



Onshore wind to FID



Renewable Energy

Mature 4 CCS licences.  
500 million tonne  
reservoir capacity



Carbon capture and  
storage

Grant-funded FEED  
study evaluating 50-  
300MW project



Green hydrogen  
production



# Top Quartile Decommissioning Performance

- Market leading decommissioning performance, validated by peers
- **On track to P&A 60% of our suspended wells within 5 years of CoP**
- Completed 48 wells over two years at Thistle & Heather (three string operation)
- P50 **well duration 27 days** vs. industry average **32 days**<sup>1</sup>
- P50 **cost of £2.6 million per well** vs industry average of **£4.3 million**<sup>1</sup>
- Implementation of innovative technologies
- Award winning performance on the removal of floating vessels

## 2024 OUTLOOK & FUTURE PLANS

- Completion of Heather and Thistle well P&A programmes in early 2025
- Down-man in 2025 in preparation for heavy lift removal of topsides facilities
- Utilise best-in-class team to deliver value through decommissioning
  - Transfer of additional GKA decommissioning operatorship from Shell
  - Other Operators interested in EnQuest Decommissioning Services



### Decommissioning Capability critical to a mature basin:

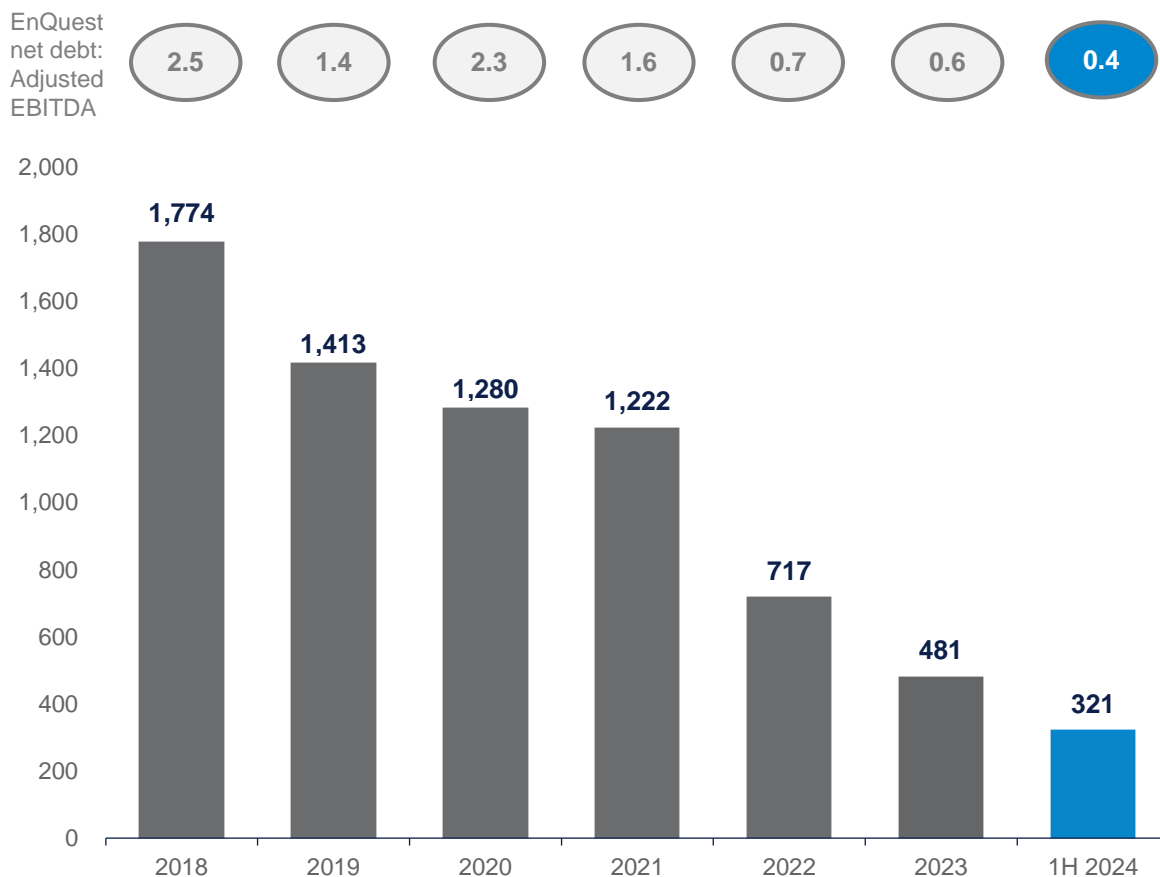
- 1** - EnQuest deliver material reductions in Project costs
- 2** - A competitive advantage for acquiring late-life assets
- 3** - Portfolio consolidation can deliver step change in costs

<sup>1</sup>NSTA decommissioning benchmark data



# Strong Balance Sheet sets foundation for growth

## EnQuest net debt (\$ million)



### Net debt reduced

- Gross debt \$658 million
- Cash and cash equivalents \$337 million

### Debt repayments

- RBL balance of \$140.0 million fully repaid by end of February 2024

### Group liquidity enhanced

- Cash and available facilities \$566 million
- Increase of \$67 million versus 31 December 2023

### Historic tax asset

- \$1.9 billion recognised on Balance Sheet as at 30 June 2024
- Further \$1.2 billion unrecognised associated with Bentley entity

# On track to deliver 2024 guidance

	<b>2024 Guidance</b>	<b>1H 2024 Performance</b>	
<b>Production</b>	<b>41.0 - 45.0 Kboed</b>	<b>42.8 Kboed</b>	<b>Focused drilling and well work, maintain high uptime across portfolio, effective shutdown execution</b>
<b>Operating Expenditure</b>	<b>c.\$415m</b>	<b>c.\$183m</b>	<b>Maintaining a strong focus on costs as shutdown activity increases in the second half of 2024</b>
<b>Capital Expenditure</b>	<b>c.\$200m</b>	<b>c.\$95m</b>	<b>Well campaign ongoing at Magnus; three infill wells completed in Malaysia; NSF project progressing at SVT</b>
<b>Decom Expenditure</b>	<b>c.\$70m</b>	<b>c.\$32m</b>	<b>Continued well P&amp;A at Heather and Thistle</b>

# Pursuing capability-led M&A opportunities

Unlocking  
value  
from  
M&A



## Operating capability

- Improve production efficiency
- Lower costs and emissions



## Advantaged tax position in the UK

- c.\$1.9 billion of recognised tax losses
- Further c.\$1.2 billion of Bentley losses



## Decommissioning excellence

- Late-life and post-COP management
- Project delivery / management



## Balance sheet provides growth platform

- Deliver value-accretive opportunity set
- Execute win-win transactions

Active M&A landscape in  
the UK and South East Asia



Targeting transformative growth  
through value-led M&A transactions



# EnQuest

An energy transition operator - increasing energy production whilst reducing carbon intensity

- 1 Top quartile operating performance validated by regulators and peers**
- 2 Evolved from deleveraging to maximising transactable liquidity to deliver transformative growth**
- 3 Create shareholder value and returns**

# Q&A





Thankyou

## Contact details

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# Financial priorities

Financial Priorities	2023	YTD 2024	H2 2024 onwards
1 Reset capital structure	✓	✓	
2 Continue to de-lever	✓	✓	
3 Cost discipline and optimising capital programme	✓	✓	
4 Shareholder returns post significant deleveraging	✓	✓	
5 Unlock accretive M&A and growth in energy transition			





# Upstream - Strong Operating Performance & Capability

## H1 2024 RESULTS

- Production of **42.8 Kboed**
  - Kraken uptime of 98.5% continues exemplary performance
  - Magnus five-yearly rig recertification completed; >90% facilities uptime
  - Malaysia three-well programme executed; 93% production efficiency

## OPERATIONS PERFORMANCE

- Focused on delivering SAFE Results
- **Top quartile operating efficiency of 93% in 1H 2024**
- Regulator recognition - Malaysia 'Operator of the Year' award in 2024

## FUTURE PLANS - OPERATIONAL EXCELLENCE & CAPITAL DISCIPLINE

- Well activity at Magnus and in Malaysia; Kraken drilling in 2025
- **Material upside through Kraken Enhanced Oil Recovery**
- Kraken FPSO lease rate reduces by 70% from 1 April 2025
- Maturing delivery of significant Malaysia gas resource
- **Emissions reduction and life extension projects across the portfolio**

## TRACK RECORD IN ASSET LIFE EXTENSION

- Strong operating cost management
- Disciplined capital investment - prioritising value enhancement
- Optimising production & reserve recovery whilst reducing emissions
- Magnus life extension unlocked over \$1 billion of incremental revenue



**Magnus unit operating costs** ▼  
(\$/Boe) **58%**



**PM8/Seligi unit operating costs** ▼  
(\$/Boe) **27%**

