



# EnQuest

2024 Half Year Results

5 September 2024



# Introduction

**Amjad Bseisu**  
Chief Executive Officer



# EnQuest Half Year Results 2024

## EnQuest

An Energy Transition Operator, increasing production whilst reducing carbon intensity



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



## EnQuest Half Year Results 2024

# 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 - c.27 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**

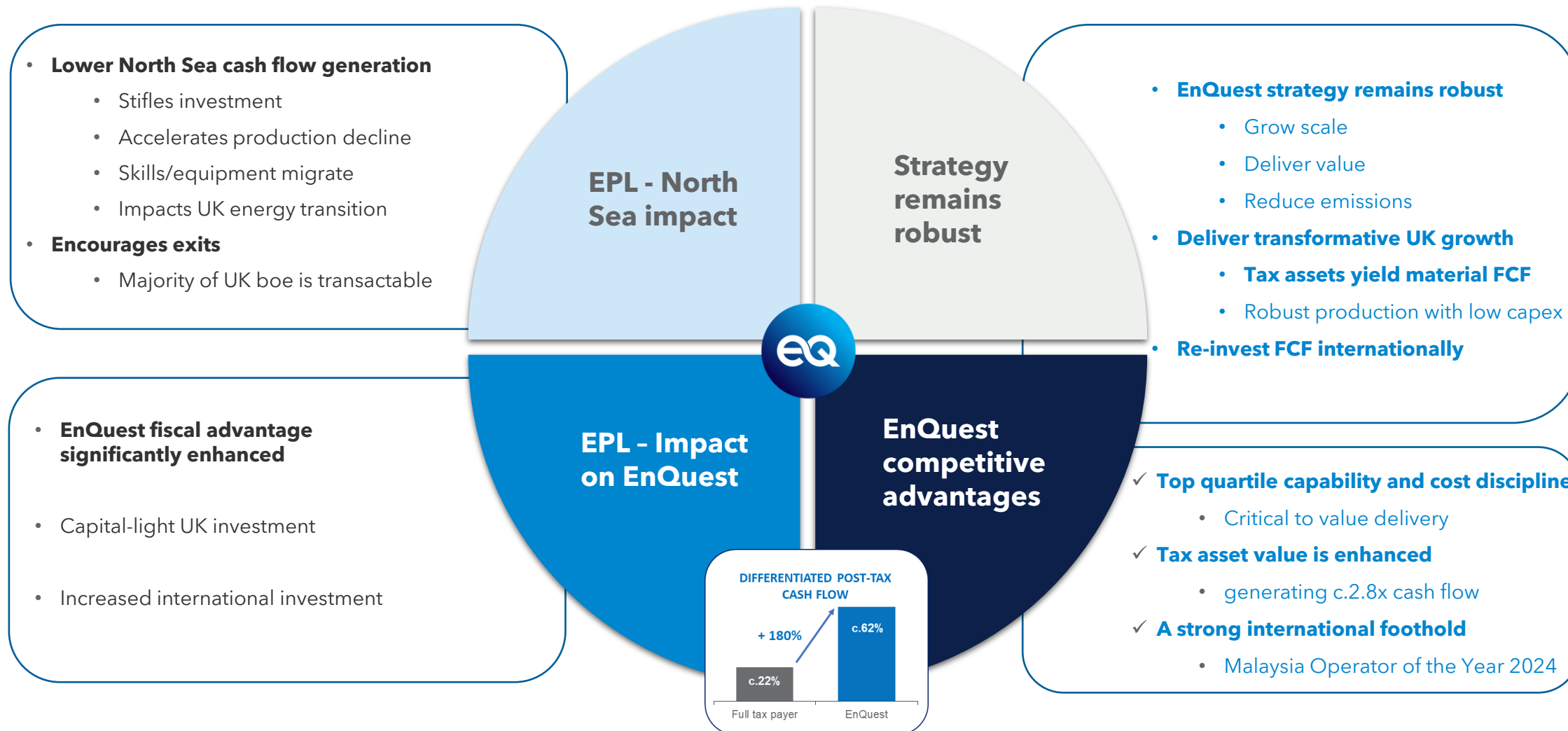
**c.\$1.9 billion UK tax asset immediately accessible**

<sup>1</sup> Group operated assets

<sup>2</sup> Cumulative to 31 August 2024

# Growth strategy remains robust in a fiscally volatile environment

Continued engagement with government on progressive long-term fiscal regime



# Finance

**Jonathan Copus**  
Chief Financial Officer



# Financial priorities - focused on deleveraging

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			

## EnQuest Half Year Results 2024

# Income Statement

### Revenue \$586 million

- Oil revenue \$523 million - flat on H1 2023
- Gas revenues \$73 million - lower on price and 3<sup>rd</sup> party volumes

### Cost of sales \$352 million

- Lower gas revenues offset in cost of sales
- Unit opex \$22.8/Boe (2023: \$19.7/Boe)

### Adjusted EBITDA \$368 million

- Impairment \$21 million (2023: \$96 million)
- Income Statement tax charge \$74 million

### Net Profit \$30 million

- H1 2023 net loss \$21 million

	H1 2024	H1 2023	Delta
Brent (av.\$/bbl)	83.4	75.8	10.0%
UK gas (av.GBp/Therm)	73	108	-32.6%
Production (Boepd)	42,771	45,480	-6.0%
<b>Revenue</b>	<b>586</b>	<b>770</b>	-23.9%
Cost of sales	(352)	(483)	-27.1%
<b>Gross Profit/(loss)</b>	<b>234</b>	<b>287</b>	-18.6%
Impairment	(21)	(96)	-78.2%
G&A and Other	(4)	35	112.0%
Net financial	(97)	(112)	-13.4%
<b>Profit before tax</b>	<b>111</b>	<b>113</b>	-1.4%
Tax	(81)	(134)	-39.7%
<b>Net Profit</b>	<b>30</b>	<b>(21)</b>	243.0%

Rounding may apply



## EnQuest Half Year Results 2024

# Cash flow and Balance Sheet

## Net cash flow from operations \$324 million

### Investing activities

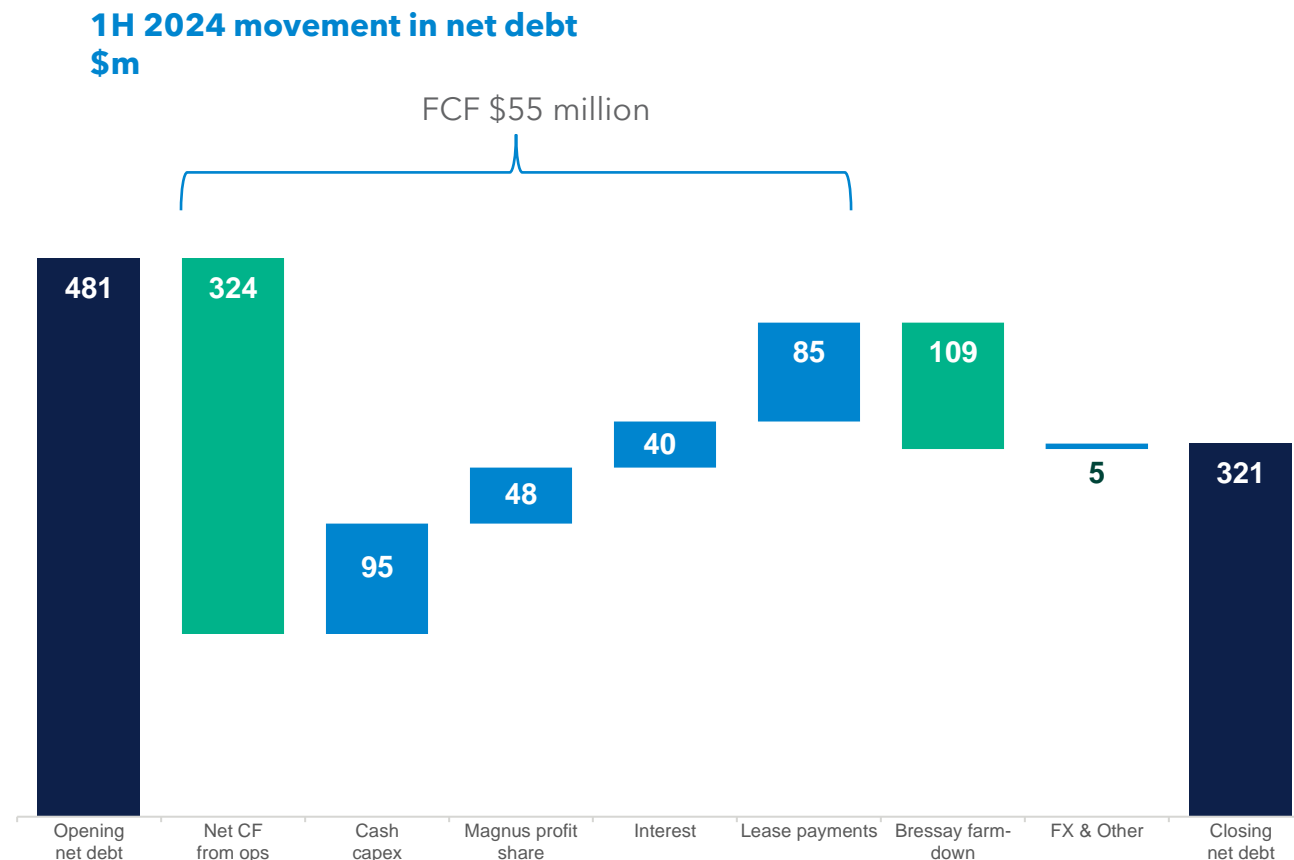
- Capex \$95 million (includes Magnus five-yearly rig recertification, Golden Eagle drilling, SVT decarbonisation)
- Magnus profit share \$48 million

### Financing activities

- Net interest cost \$40 million (19% y-o-y reduction)
- Lease payments \$85 million

## Reduction in net debt \$160 million

- Free cash flow \$55 million
- Bressay farm down \$109 million

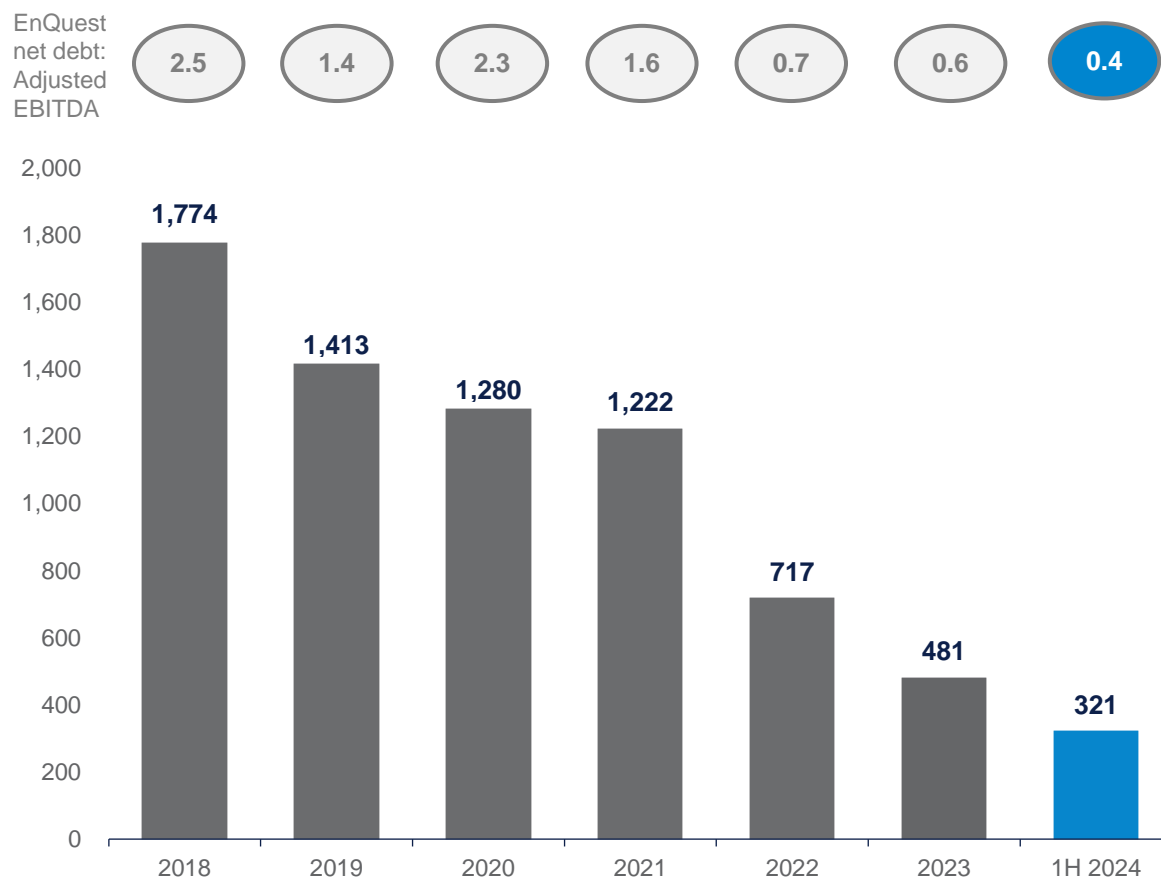


Rounding may apply

## EnQuest Half Year Results 2024

# 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

## EnQuest Half Year Results 2024

# 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>

# Operations

**Steve Bowyer**

North Sea General Manager



# 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%**

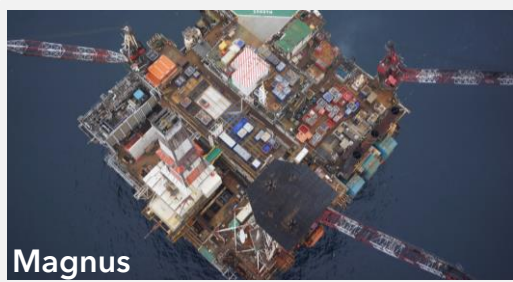


**PM8/Seligi unit operating costs** ▼  
(\$/Boe) **27%**



# Portfolio optionality; capital investment geared to fit the fiscal regime

**Maximising value from existing assets**



**Magnus**

- Optimise production from existing wells
- Low cost well programmes



**Kraken**

- 2025 drilling programme
- Enhanced Oil Recovery
- Bressay gas aligned to field life extension



**GEAD**

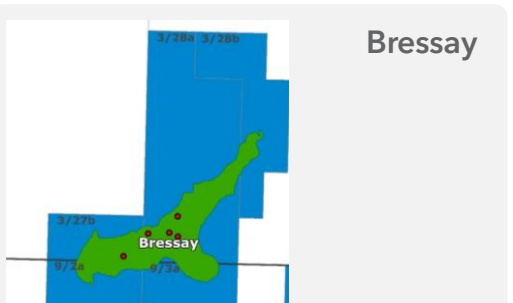
- Strategy under review



**PM8/Seligi**

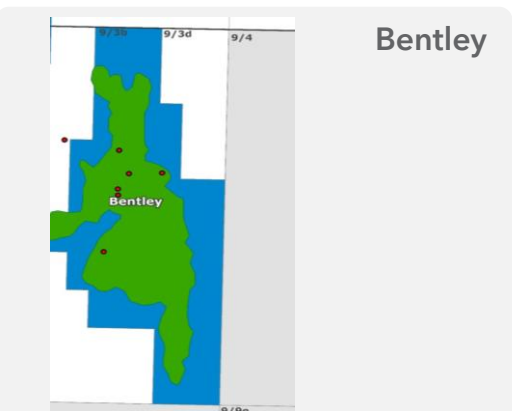
- Low cost well programmes
- Material gas opportunity delivers diversification

**Unlocking value from new developments**



**Bressay**

- Bressay gas secures Licence
- Mature Bressay oil to FDP
- 2C resources c.115 MMbbls



**Bentley**

- 2C resources c.131 MMbbls



**Sullom Voe Terminal**

- Repurpose site to deliver material cost & emissions reduction
- Maturing renewable energy and decarbonisation projects



- Onshore wind pre-FID
- 4 carbon storage licences and advantaged infrastructure underpin CCS ambitions
- Government grant to progress hydrogen project evaluation

# SVT – the Just Energy Transition in action

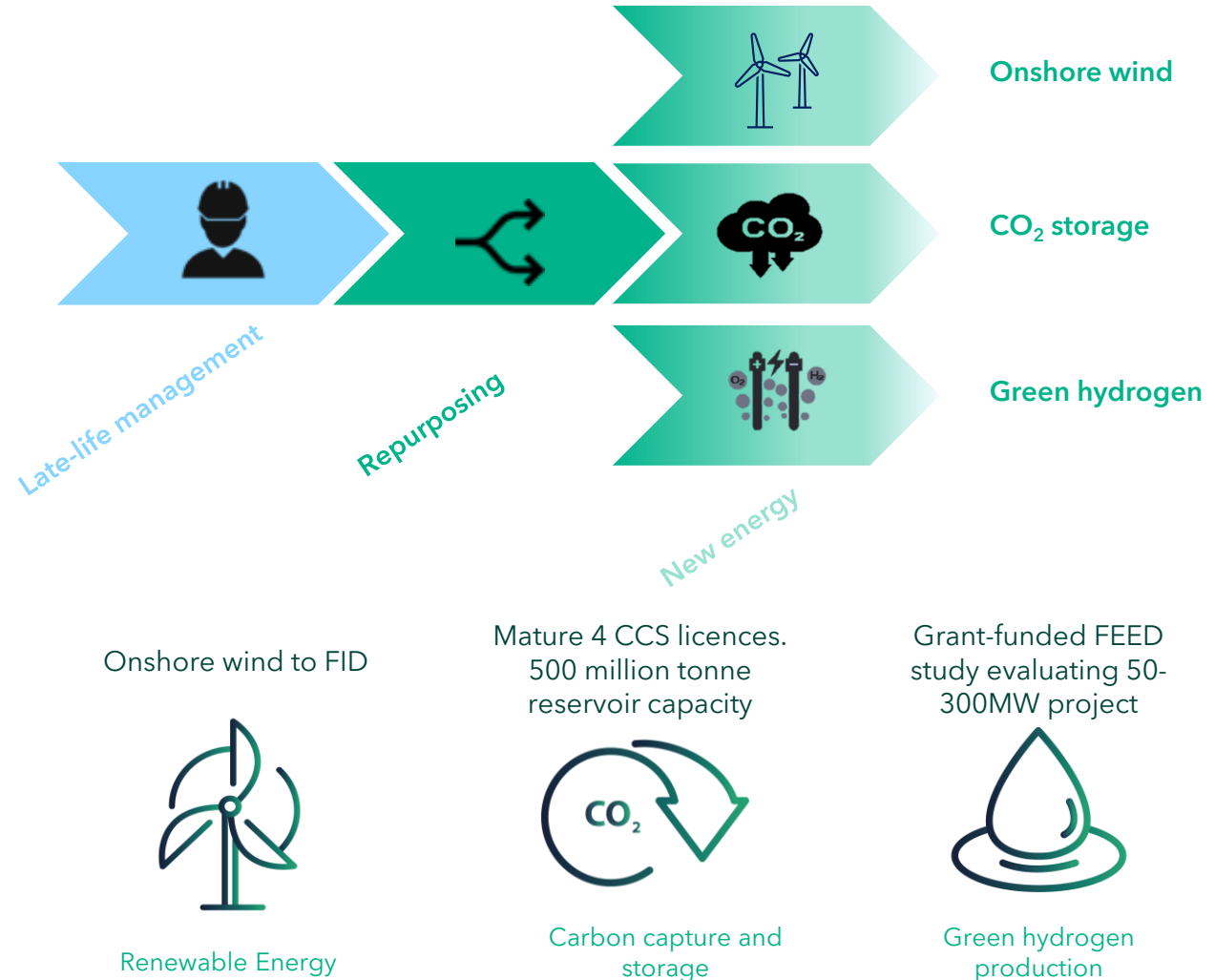
## Delivering our strategic ambition to right-size and repurpose critical UK infrastructure

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





# 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



# Looking forward

**Amjad Bseisu**  
Chief Executive Officer



# 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 company - 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**

# EnQuest Half Year Results 2024

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## Q&A



## EnQuest Half Year Results 2024

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