# EnQuest PLC, 12 February 2025

## Full year 2024 operations update and 2025 guidance

## International transactions deliver diversification; UK growth a priority

Unless otherwise stated, all figures are unaudited and are in US Dollars

### EnQuest Chief Executive, Amjad Bseisu, commented:

“EnQuest is successfully delivering its strategy to grow its international footprint, with successive transactions in South East Asia providing geographic and commodity diversification within the portfolio. Our entry into Vietnam through the Block 12W acquisition and extending our Malaysian footprint with the expansion of our Seligi gas agreement and the DEWA PSC award are all underpinned by EnQuest’s differentiated operating and project capability. As EnQuest continues to work towards a transaction in the UK North Sea and another potential new country entry in South East Asia, these agreements underline our commitment to growth, a disciplined approach to M&A, and a strategy to deploy capital where we see the most favourable returns.

“The Group delivered another solid year of operational performance in 2024, with asset up time averaging c. 90% and production averaging 40.7 Kboed. Despite the impact of the Ninian outage in November, strong production towards the end of the year brought us within 0.6% of our stated range. 2025 production from our existing portfolio to the end of January was 44.2 Kboed, which is tracking ahead of our 2025 guidance range of 40 – 45 Kboed (which includes pro forma volumes for Vietnam). We continue to deliver top-quartile production uptime across the portfolio and remain committed to maintaining discipline in our cost management and investment decisions.

“EnQuest’s foundation for growth remains robust and we are progressing several UK transaction processes, each focused on monetising the Group’s UK tax asset. Building shareholder value remains at the heart of our capital allocation decisions and we will provide an update on the Group’s shareholder return plans when we announce our final audited results in March.”

**2024 performance – Top quartile operating performance**

- 2024 Group operated production uptime of 90% is at the top end of sector performance, resulting in 2024 average production of 40,736 Boepd.
- EnQuest named Operator of the Year at the Malaysia Upstream Awards, confirming EnQuest’s status as a high-performing operator and differentiated partner in South East Asia.
- Expected cash expenditure: Operating costs c. $400 million (guidance $415 million); Capital costs c. $250 million (November guidance $250 million); Decommissioning costs c. $60 million (guidance $70 million).

**2024 Financial highlights – Group remains transaction-ready**

- Net debt c. $386 million at 31 December 2024; a c. $95 million reduction versus 31 December 2023.
- As a taxpayer in arrears, EnQuest paid $80 million against the UK Energy Profits Levy during Q4 2024. In line with the Group’s focus on fiscal efficiency and following the approval of the Magnus Flare Gas Recovery project, EnQuest expects to pay UK cash tax totalling c. $100 million during 2025.
- Gross debt c. $665 million at 31 December 2024; a c. $1.5 billion reduction since end-2017. The Group has no debt maturities before 2027.
- c. $475 million liquidity at 31 December 2024 ($535 million following 1 January 2025 RBL redetermination), providing a platform for transformational transactional growth, enhanced by EnQuest’s advantaged UK tax position.

**UK acquisition landscape – Focus on transformative growth**

- The Autumn Budget statement clarified the UK fiscal regime, including retention of 100% first year capital allowances and the EPL decarbonisation allowance.
- EnQuest remains focused on delivering significant value-accretive growth in the UK and is actively progressing several UK transaction processes.

**International growth and diversification**

- Signed agreement to acquire Harbour Energy’s business in Vietnam, with the transaction adding 7.5 million boe of net 2P reserves and c. 5.3 Kboed of pro forma 2025 production. Expected to complete during Q2 2025.
- In Malaysia, agreement reached on contract to supply Seligi gas, adding c.13 million boe to net 2P reserves, with net production of c. 35 mmscf per day (c. 6.0 Kboed) from mid-2026.
- Award of DEWA Production Sharing Contract in October 2024. The low-cost first phase development holds up to 500 Bscf of gas in place, with the potential to deliver production of c. 100 mmscf per day (c. 18 Kboed).
- EnQuest continues to screen additional growth opportunities across South East Asia, including further potential new country entries.

**2025 guidance – pro forma basis, including Vietnam business**

- Production guidance: 40,000 Boepd to 45,000 Boepd (January YTD production c. 44,200 excluding Vietnam).
- Cash capital expenditure to total c. $190 million; operating expenditure to total c. $450 million; and decommissioning expenditure to total c. $60 million.
- Kraken FPSO lease rate reduces by c. 70% from 1 April 2025, representing a c. $60 million reduction in Group expenditure.
- Investment is scaled to maintain production, maximise cash flow, drive capital efficiency and reduce future emissions and operating costs.

## Further Detail:

**Production:**

In 2024 Group production averaged 40,736 Boepd, with strong production uptimes across the portfolio. The Group's investment in low-cost, quick-payback well work and production optimisation partially offset the impact of natural field declines (2023: 43,812 Boepd).

**Upstream:**

**Kraken** net production averaged 12,759 Boepd, reflecting another year of exemplary uptime, delivering c. 96% production efficiency.

Production at **Magnus** averaged 14,173 Boepd, with production efficiency of 83%. A well optimisation campaign added over 1,000 Boepd of incremental production from the existing wells, offsetting minor delays to the five-yearly rig recertification which in turn delayed the start-up of new wells from the drilling and well intervention programme.

An unplanned outage of the Magnus SSIV within the third-party-operated Ninian Central Platform's 500m zone shut in all system users, including Magnus production. Production was reinstated within seven days following a collaborative response by all users with EnQuest operating the execution of the repair to the subsea hydraulic system.

**Golden Eagle** net production averaged 3,328 Boepd, with asset production efficiency in excess of 92%. The 2023/24 platform drilling programme on this non-operated asset concluded in August 2024. Two of the three planned producers were successfully brought online alongside the planned water injector, although overall production rates were below expectations.

Production from **other UK upstream assets** averaged 2,327 Boepd, largely in line with expectations. At the Greater Kittiwake Area ('GKA'), EnQuest and its partners are focused on extending field life and executing an efficient glide path to cessation of production, including plans to plug and abandon wells while asset production is ongoing.

**Midstream activity** at the Sullom Voe Terminal ('SVT') and its related infrastructure continued to maintain safe and reliable performance, with 100% export service availability achieved during 2024. The SVT New Stabilisation Facility project is ongoing, with planned start-up in the fourth quarter of 2025. This project is a key component in the transformation of the terminal and sets the fairway for future new energy projects to be undertaken by Veri Energy

**Malaysian** production averaged 8,149 Boepd; 10% up on 2023, underpinned by strong operational performance (94% production uptime) with three new infill wells drilled in 2024, which delivered production in line with expected rates. Associated Seligi 1a gas production totalled 1,978 Boepd, to which EnQuest receives a gas handling and delivery fee.

**Decommissioning:**

In addition to the completion of 22 well abandonments across Heather and Thistle, the Heather team reached a major milestone with all Phase 1 and Phase 2 well plug and abandonments ('P&A') fully completed in December. Parallel rig campaigns on Heather and Thistle continue, with the Thistle team continuing to deploy a third unit to execute the recovery of conductors. This resulted in a further 17 wells being abandoned to the final Phase 3 stage of the well P&A process, taking Thistle to a total of 24 wells fully abandoned.

In August, Shell transferred its remaining GKA decommissioning operator role to EnQuest. This comes with no additional financial liability and is a validation of EnQuest's position as a leading decommissioning operator; delivering safe results and market-leading cost and schedule performance.

**Veri Energy:**

Plans are progressing across three primary project work streams; Carbon Storage, Electrification and E-Fuels, each based on transforming skills and infrastructure at Sullom Voe Terminal. The Veri team is working towards a final investment decision on an onshore wind development in late 2025, with the first power from the project expected in early 2028. With regard to carbon storage, Veri Energy is focused on delivering 2-3 million tonnes per year injection capacity by 2030 via a merchant model, which results in lower costs for the UK government and for stranded emitters.

**Liquidity and net debt**

During 2024, EnQuest maintained its focus on de-leverage and, at 31 December 2024, net debt of $386 million was $95 million less than the position at 31 December 2023. Gross debt at 31 December totalled $666 million (31

December 2023: $794 million) and the Group's reserve based lending facility ('RBL') remained fully undrawn ($140 million drawn at 31 December 2023).

As a taxpayer in arrears, EnQuest paid $80 million against the UK Energy Profits Levy in Q4 2024. In line with the Group's focus on fiscal efficiency and following approval of the Magnus Flare Gas Recovery project, EnQuest expects to pay UK cash tax totalling c. $100 million during 2025.

To maximise available financial capacity for value-accretive growth and simplify the Group's debt structure, EnQuest completed a tap of its existing $305 million high yield US dollar bond. This was significantly over-subscribed and priced at 101% of par. Proceeds were used to refinance the Group's $150.0 million term loan facility which, due to its second lien security, had previously restricted EnQuest's ability to access the full capacity of its RBL facility.

Total cash and available facilities at the end of 2024 were c. $475 million (31 December 2023: $499 million). Subsequently, following the most recent RBL redetermination process, EnQuest's cash and available facilities increased to c. $535 million.

**2025 guidance**

EnQuest remains fully focused on maintaining its track record of upstream operational excellence and utilising its skills, advantaged tax position and balance sheet strength to drive growth through acquisition.

Group net production from the existing portfolio averaged c. 44,200 Boepd in January. Following the completion of the Vietnam Block 12W acquisition, pro forma 2025 net production is expected to be between 40,000 and 45,000 Boepd.

At current foreign exchange rates and oil prices, pro forma operating expenditures are expected to be c. $450 million, and cash capital expenditure is expected to be c. $190 million. The Group plans to execute an infill drilling programme and production-enhancing well intervention campaign at Magnus, while the asset team is also focused on continuing the good work undertaken during 2024 to optimise production from the existing well stock. The Magnus Flare Gas Recovery project was sanctioned in Q4 2024. This project qualifies for the EPL decarbonisation allowance and, as such, helps to minimise the Group's 2025 tax payment. Accordingly, EnQuest expects to pay c. $100 million of cash tax during 2025.

In Malaysia, EnQuest intends to drill an additional four infill wells during 2025 and will continue its programme of compressor upgrades to improve the reliability and performance of two further compression units.

The Group is focused on maturing the Kraken Enhanced Oil Recovery ('EOR') project. Following encouraging testing, EnQuest aims to progress to a final investment decision within the next 12 months. EOR represents a material upside to the existing Kraken base reservoir performance, with initial estimates suggesting 30 to 60 MMbbls of additional recoverable oil could be unlocked.

The EnQuest team also continues to advance the Bressay gas import project as a subsea tie-back to Kraken with a Bressay FDP and Kraken FDPA in draft form and a final investment decision planned in 2025. This will displace the majority of the diesel currently used to power Kraken operations; driving a material reduction in FPSO emissions and significantly reducing operating costs.

Decommissioning expenditure is expected to total c. $60 million, with the spend focused on the culmination of the well P&A programmes at the Heather and Thistle fields. The Heather team aims to permanently disembark the platform in Q2 2025, while Thistle is scheduled for disembarkation early in 2026. Heather topside removals are scheduled to commence in 2025, with Thistle topside removals in 2026.

For 2025, EnQuest has hedged c. 3.7 MMbbls of oil with swaps at $72/bbl and a further c. 1.0 MMbbls with put options at a floor price of $60/bbl. For 2026, the Group has hedged c. 1.2 MMbbls of oil with swaps at $70/bbl and a further 0.1 MMbbls with zero cost collars with a floor price of $53/bbl and a ceiling price of $81/bbl.

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**Notes to editors**

**ENQUEST**

EnQuest is providing creative solutions through the energy transition. As an independent energy company with operations in the UK North Sea and South East Asia, the Group's strategic vision is to be the partner of choice for the responsible management of existing energy assets, applying its core capabilities to create value through the transition.

EnQuest PLC trades the London Stock Exchange.

Please visit our website www.enquest.com for more information on our global operations.

**Forward-looking statements:** This announcement may contain certain forward-looking statements with respect to EnQuest's expectations 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 announcement should be construed as a profit forecast. Past share performance cannot be relied upon as a guide to future performance.