

Enquest Plc

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EnQuest highlights strong Kraken performance as production rises

EnQuest Plc (LON:ENQ) highlighted a strong performance at the Kraken oil field as it boasted 26% growth in group production for the ten months to the end of October.

Kraken has averaged gross production of 34,286 barrels of oil per day in that period, and, has achieved improved efficiency, EnQuest noted.

Group production was marked at 68,501 for the ten months with Kraken contributing 24,172 boepd net, 29,041 boepd coming from Northern North Sea assets and 6,898 boepd added from the Central North Sea.

EnQuest maintains its full year guidance for between 63,000 and 70,000 boepd.

"The group has continued to deliver on its targets for the year against its strategic priorities of deliver, de-lever and grow," said chief executive Amjad Bseisu.

"Production at the end of October was 68,501 Boepd, with Kraken in particular performing strongly. Production efficiency at Kraken has been over 90% in the last few months."

Bseisu added: "We have generated strong cash flows in the period and materially reduced our debt, with our net debt:EBITDA ratio at 1.7x, and we now look to reduce it further to the range of 1.0 to 1.5x."

Enquest also highlighted that it had continued to reduce debt, down to US\$1.56bn from 1.63bn at the end of June, whilst it retained some US\$213mln of cash and available bank facilities.

Net debt is expected to drop below US\$1.5bn by the end of this year.

At the Magnus field, which produced 29,041boepd, expansion work is underway following the start of a two well drill programme. Production from those wells is due in the second quarter of next year.

EnQuest highlighted that Magnus presents a "significant opportunity for long-term, low-cost reserves and production increases". A number of 'drillable' targets have been identified to develop some 50mln barrels of contingent resources, it said.

Bseisu updated investors on EnQuest's growth programmes: "Drilling has now started at Magnus and we have recently placed the drilling contract for the 2020 programme for the Worcester wells in Kraken's Western Flank.

"We continue to assess options to develop the significant potential within our reserves and resources across our portfolio, particularly at Kraken, Magnus and PM8/Seligi."

Price: 26.72

Market Cap: £453.12 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: ENQ

Listing: AIM

52 week High Low
30 15.26

Sector: Energy

Website: www.enquest.com

Company Synopsis:

EnQuest is an independent oil and gas development and production company. On formation its activities were focused on the UK Continental Shelf (UKCS), with its assets comprising of interests in the Thistle, Deveron, Heather, Broom, West Don and Don Southwest fields.

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