

Enquest Plc

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EnQuest production presently "not materially affected" by coronavirus

EnQuest Plc (LON:ENQ) said its production performance continues to be "good", and, day-to-day operations continue without being materially affected by coronavirus (covid-19).

In its financial results statement, however, the oil firm has made a US\$562.3mln of non-cash post-tax impairments due to oil price and production profiles, plus a further US\$149.6mln impairment to goodwill.

Production for 2019 amounted to 68,606 barrels oil equivalent per day, representing a 23.7% rise compared to the year before.

READ: EnQuest downgrades production guidance

"During 2019, EnQuest again delivered on its targets," said Amjad Bseisu, chief executive.

Revenue totalled US\$1.71bn, up from US\$1.2bn in 2018, and earnings (EBITDA) came in just above US\$1bn compared to US\$716.3mln in the year before. It ended 2019, with US\$288.6mln of cash and available bank facilities, while net debt stood at US\$1.41bn.

By the end of February, its cash balance was US\$268.2mln and debt amounted to US\$1.36bn.

EnQuest repeated production guidance of 57,000 to 63,000 boepd.

The company announced further operating cost cuts, totalling US\$190mln, leaving revised full year guidance for opex at US\$335mln. Additional capex savings of US\$110mln, cutting guidance of US\$120mln. Directors and senior management have agreed to reduce salary by 20%.

It said that free cash flow breakeven is pitched at US\$33 per boe in 2020, and US\$27 per boe in 2021.

"Given the prevailing low oil price environment, we have taken decisive action to lower our cost base, targeting US\$190mln of operating cost savings in 2020, equating to unit operating expenses of c.US\$15/Boe," Bseisu said.

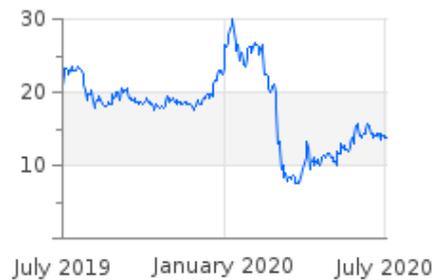
"With these significant cost reductions, cash flow breakeven is estimated at c.US\$33/Boe in 2020."

He added: "we are well positioned to manage through a sustained low oil price environment."

Price: 13.66

Market Cap: £231.65 m

1 Year Share Price Graph



Share Information

Code: ENQ

Listing: AIM

52 week High Low
30 7.065

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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