



**Annual General Meeting
of
EnQuest PLC**

to be held at

**The Café Royal Hotel
68 Regent Street, London W1B 4DY, United Kingdom**

**on
Thursday 25 May 2017
at 2.00 p.m.**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in EnQuest PLC, please forward this document and the accompanying form of proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A form of proxy for the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, please complete the form of proxy and return it in accordance with the instructions printed on it to arrive no later than **2.00 p.m. on Tuesday 23 May 2017**. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting in person, should you so wish.

EXPLANATORY NOTES TO THE RESOLUTIONS:

1. Resolution 1: To receive the 2016 Report and Accounts

The Directors of the Company are required to lay the Annual Report and Accounts before the shareholders each year at the Annual General Meeting.

If you have opted out of receiving electronic communications from the Company, a copy of the 2016 Report and Accounts is enclosed. Otherwise, the 2016 Report and Accounts is available to view, print or download on the Company's website at www.enquest.com, using Adobe Acrobat or Adobe Acrobat Reader.

2. Resolutions 2 to 9: Election and re-election of Directors

With regard to the retirement and re-election of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code (the 'Code') and the Companies Act 2006. Directors have the power to appoint a director during the year but any person so appointed must stand for election at the next Annual General Meeting. A retiring director is eligible to stand for re-election.

The Directors are fully committed to supporting the principles of good governance outlined in the Code. In accordance with the Code regarding the election and re-election of Directors, each Director will retire and, if appropriate, seek re-election on an annual basis.

Accordingly, save for Carl Hughes and Neil McCulloch, who are seeking election at this Annual General Meeting for the first time, all of the current Directors of the Company, each of whom were re-elected at the Company's Annual General Meeting in 2016 and whose biographical details are set out on pages 50 and 51 of the 2016 Report and Accounts for the year ended 31 December 2016, are standing for re-election at this Annual General Meeting.

The Board has confirmed, following a performance review, that each Director standing for election or re-election continues to perform effectively and demonstrates commitment to the role.

Short biographical details, together with reasons for the re-election of the Executive Directors standing for re-election are given below:

Amjad Bseisu: Amjad Bseisu holds a BSc Honours degree in Mechanical Engineering from Duke University and an MSc and D.ENG degree in Aeronautical Engineering from Stanford University. From 1984 to 1998, Amjad worked for the Atlantic Richfield Company ('ARCO'), eventually becoming president of ARCO Petroleum Ventures and ARCO Crude Trading Inc. In 1998 Amjad founded and was the chief executive officer of Petrofac Energy Developments International Limited, the operations and investment business for Petrofac Limited, which organically grew an upstream and midstream oil and gas business in South East Asia, the UK and North Africa. In 2010 Amjad formed EnQuest PLC, having previously been a founding non-executive chairman of Serica Energy plc and director of Stratic Energy Corporation.

Amjad was appointed Chief Executive of EnQuest PLC in 2010 and sits on the Nomination Committee. Amjad was British Business Ambassador for Energy from 2013 to 2015 and also serves as a non-executive chairman of Enviromena Power Systems, a private company and the leading developer of solar services in the Middle East. He has been chairman of the independent energy community for the World Economic Forum since 2016.

The Board, having reviewed his performance, recommends his re-election as a Director.

Jonathan Swinney: Jonathan Swinney is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of England and Wales. He is also a qualified solicitor and focused on acquisition finance. Jonathan worked at Credit Suisse and then Lehman Brothers, advising on a wide range of transactions. Jonathan joined Petrofac Limited in April 2008 as head of mergers and acquisitions for the Petrofac Group, and left in 2010 to join EnQuest PLC as Chief Financial Officer. Jonathan's experience has been critical in raising finance and his merger and acquisition transactional experience has contributed to EnQuest's growth. Having both accounting and legal professional qualifications, as well as significant capital markets knowledge, experience and understanding, have all been key to the successful restructuring undertaken in 2016.

The Board, having reviewed his performance, recommends his re-election as a Director.

Short biographical details, together with reasons for the election or re-election of the Non-Executive Directors standing for election or re-election are given below:

Jock Lennox: Jock Lennox holds a Law degree and in 1980 qualified as a chartered accountant with Ernst & Young LLP ('EY'), Edinburgh and is a member of the Institute of Chartered Accountants of Scotland. In 1988 Jock became a partner at EY. In his time at EY, Jock gained a wide range of experience working with multi-national clients (including in the oil and gas sector), including projects in many countries and a secondment to Seattle, US in the early 1980s. He held a number of leadership positions in the UK and globally. Jock retired from EY in 2009.

In 2010 Jock was appointed to the Board of EnQuest PLC and became Chairman of the Company in September 2016. Jock also chairs the Nomination Committee. Jock is a non-executive director of Barratt Developments plc and Dixons Carphone plc. He is senior independent director of Hill & Smith Holdings plc and a trustee of the Tall Ships Youth Trust.

The Board, having reviewed his performance, recommends his re-election as a Director.

Helmut Langanger: Helmut Langanger holds an MSc degree in Petroleum Engineering and an MA in Economics. Between 1974 and 2010, Helmut was employed by OMV, Austria where he was a reservoir engineer until 1980. From 1981 to 1985, Helmut was an evaluation engineer for the technical and economic assessment of international E&P ventures, and from 1985 to 1989 he held the position of vice-president, planning and economics for E&P and natural gas projects. In 1989 Helmut was appointed as senior vice-president of international E&P and in 1992 became senior vice-president of E&P for OMV's global operations. From 2002 Helmut was the group executive vice-president for E&P, OMV until he retired in 2010. In this capacity Helmut was in charge of 14 countries. During his tenure production increased from 80,000 barrels per day to 320,000 barrels per day.

In 2010 Helmut was appointed to the Board of EnQuest PLC. He chairs the Remuneration Committee and sits on the Nomination and Audit Committees. Helmut is a non-executive director of Schoeller Bleckmann Oilfield Equipment A.G. (Austria), Serinus Energy Inc. (formerly Kulczyk Oil Ventures Inc.) (Poland and Canada) and MND (Czech Republic).

The Board, having reviewed his performance, recommends his re-election as a Director.

Philip Holland: Phil Holland holds a BSc in Civil Engineering from Leeds as well as an MSc in Engineering and Construction Project Management from Cranfield School of Management. Phil has extensive experience in managing large scale oil and gas projects around the globe. In 1980, Phil joined Bechtel Corporation, where for over 20 years he managed major oil and gas projects in a wide range of international locations. In 2004, Phil joined Shell as vice president of projects, Shell Global Solutions International. In 2009, Phil became executive vice-president downstream projects in Shell's newly formed projects and technology business and then in 2010 he was appointed as project director, for Shell development Kazakhstan's Kashagan phase 2 project, and subsequently the Shell/QP Al Karaana petrochemicals project. Since 2013, he has operated as an independent project management consultant.

In 2015 Phil was appointed to the Board of EnQuest PLC. Phil chairs the Risk Committee and sits on the Remuneration Committee. He is chief executive of Lloyds Energy Limited.

The Board, having reviewed his performance, recommends his re-election as a Director.

Dr Philip Nolan: Phil Nolan holds a BSc and a PhD in Geology and has an MBA from the London Business School. Phil spent 15 years with BP working in the UK, the US, Australia and Southeast Asia. Latterly he was responsible for acquisition and disposals for BP Exploration worldwide and was managing director of Interconnector (UK) Limited which built and operates the gas pipeline between Bacton and Zeebrugge. He joined BG Group plc ('BG Group') where he was chief executive officer of Transco which runs the UK gas pipeline network and sat as an executive member of the BG Group board. On demerger from BG Group, Phil was chief executive officer of the Lattice Group plc, a FTSE 100 company. Subsequently, Phil was chief executive officer of eircom Limited the national Irish telecoms company. He was also a non-executive director of Providence Resources P.L.C., an Irish oil explorer.

In 2012 Phil was appointed to the Board of EnQuest PLC and sits on the Audit, Risk and Remuneration Committees. He is also the non-executive chairman of the John Laing Group plc, an international infrastructure developer and investor with operations in the UK, Europe, Australia, New Zealand, Canada and North America. He is also chairman of the Ulster Bank and Affinity Water Limited.

The Board, having reviewed his performance, recommends his re-election as a Director.

Carl Hughes: Carl Hughes holds an MA in Philosophy, Politics and Economics, is a Fellow of the Institute of Chartered Accountants in England and Wales and is a Fellow of the Energy Institute. Carl joined Arthur Andersen in 1983, qualified as a chartered accountant and became a partner in 1993. Throughout his professional career he specialised in the oil and gas, mining and utilities sectors, becoming the head of the UK energy and resources industry practice of Andersen in 1999 and subsequently of Deloitte in 2002. When Carl retired from the partnership of Deloitte in 2015 he was a vice chairman, senior audit partner and leader of the firm's energy and resources business globally.

In 2017 Carl was appointed to the Board of EnQuest PLC. He chairs the Audit Committee and sits on the Risk and Remuneration Committees. He is a Trustee and member of The Council of The Energy Institute; member of the development board of St Peter's College, Oxford; member of The General Synod of the Church of England and the finance committee of the Archbishop's Council; and vice chairman of the board of finance of The Diocese of Southwark.

The Board recommends his election as a Director.

Neil McCulloch: Neil is a graduate of Cambridge University and Heriot Watt University and holds a Master's degree in Petroleum Engineering. He began his career as a graduate trainee with British Gas E&P and from 1996 to 2001 worked in a variety of technical consultancy and investment banking roles. He then went on to spend 11 years with BG Group in a range of senior UK and international roles, latterly as vice president and asset general manager, UK Upstream, with accountability for the delivery of BG's UK North Sea business. Neil joined EnQuest in March 2014 from international oil and gas company OMV AG, where he held the global role of senior vice president production and engineering. Neil holds a number of external appointments including operator co-chair of Oil and Gas UK and board member of the Oil and Gas Innovation Centre.

Neil is Chief Operating Officer of EnQuest PLC and is a member of the Risk Committee.

The Board recommends his election as a Director.

3. Resolution 10: To reappoint the auditor

The Company is required to appoint the auditor at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting.

The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditor, Ernst & Young LLP, on behalf of the Board, which now proposes their reappointment as the auditor of the Company.

4. Resolution 11: To authorise the Directors to agree the auditor's remuneration

This resolution authorises the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditor. In practice, the Audit Committee will consider and approve the audit fees on behalf of the Board.

5. Resolution 12: To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report

This resolution is to approve the Directors' Remuneration Policy set out in the Directors' Remuneration Report on pages 66 to 81 of the 2016 Report and Accounts (the 'Policy'). This vote is a binding vote and, subject to limited exceptions, no remuneration payment or loss of office payment may be made to a prospective, current or former Director unless consistent with the approved Policy (or otherwise specifically approved by shareholders). If approved by shareholders, the Policy will take effect, as stated in the Directors' Remuneration Report, immediately after the end of the 2017 Annual General Meeting. Under the current legislation, the Policy will be in place for three years, after which time a new Policy must be put forward for shareholder approval.

6. Resolution 13: To approve the Directors' Remuneration Report (other than the part containing the Policy)

In accordance with section 439 of the Companies Act 2006, resolution 13 seeks shareholder approval for the Directors' Remuneration Report (the 'Report') which gives details of the implementation of the Policy. The Report gives details of the payments and share awards made to Directors in connection with their performance and that of the Company during the year ended 31 December 2016, and can be found on pages 66 to 81 of the 2016 Report and Accounts. As this vote is an advisory vote, no entitlement of a Director to remuneration is conditional on it. This resolution is put annually as required by the Companies Act 2006.

7. Resolution 14: Authority for political donations and political expenditure

This resolution is designed to deal with rules on political donations and expenditure contained in Part 14 of the Companies Act 2006 (the 'Act') (sections 362 to 379). Under section 366 of the Act, the Company is required to seek shareholders' authority for any political donations and/or political expenditure made by the Company in the European Union.

Although the Company does not make and does not intend to make political donations to political parties, political organisations or independent election candidates, or to incur political expenditure, the legislation is very broadly drafted and may catch such activities as funding seminars or functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support. Accordingly, the Directors have decided to seek shareholders' authority for political donations and political expenditure in case any of the Company's activities in its normal course of business are caught by the legislation.

The authority sought would be capped at \$80,000 for the next year. This authority will cover the period from the date resolution 14 is passed until the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier (30 June 2018 being the last date by which the Company must hold an Annual General Meeting in 2018). As permitted under the Act, resolution 14 also covers any political donations made, or any political expenditure incurred by any subsidiaries of the Company. The Directors will continue to seek to renew their authority at each Annual General Meeting, in accordance with current best practice.

8. Resolution 15: Authority to allot shares

Your Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. The authorities granted at the last Annual General Meeting and at the General Meeting held on 14 November 2016 are due to expire at this year's Annual General Meeting. Accordingly, resolution 15 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier (30 June 2018 being the last date by which the Company must hold an Annual General Meeting in 2018).

This will allow Directors to allot Ordinary shares (a) up to a nominal amount of £19,323,314, representing approximately one third (33.33%) of the Company's existing issued Ordinary share capital calculated as at 18 April 2017 (being the latest practicable date prior to publication of this document); and (b) in connection with a rights issue, up to an aggregate nominal amount of £38,646,629 (as reduced by allotments under paragraph (a) of the resolution), representing (before any reduction) approximately two thirds (66.67%) of the Company's existing issued Ordinary share capital calculated as at 18 April 2017 (being the latest practicable date prior to publication of this document).

The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to take note of relevant corporate governance guidelines in the use of such powers.

As at the date of this notice, the Company holds no treasury shares.

9. Resolution 16: Disapplication of pre-emption rights

Your Directors also require a power from shareholders to allot equity securities or sell treasury shares for cash and otherwise than to existing shareholders pro rata to their holdings. The powers granted at the last Annual General Meeting and at the General Meeting held on 14 November 2016 are due to expire at this year's Annual General Meeting. Accordingly, resolution 16 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £2,898,497 (being 5% of the Company's issued Ordinary share capital at 18 April 2017, the latest practicable date prior to publication of this notice). If given, the power will expire at the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier (30 June 2018 being the last date by which the Company must hold an Annual General Meeting in 2018).

Your Directors will have due regard to institutional guidelines in relation to any exercise of this power, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital in any rolling three-year period.

10. Resolution 17: Further disapplication of pre-emption rights

Your Directors are seeking this year a further power from shareholders to allot equity securities or sell treasury shares for cash otherwise than to existing shareholders pro rata to their holdings, to reflect the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the 'Statement of Principles'). Accordingly, resolution 17 will be proposed as a special resolution to grant such a power. The power will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of £2,898,497 (being 5% of the Company's issued Ordinary share capital at 18 April 2017, the latest practicable date prior to publication of this notice). This is in addition to the 5% referred to in resolution 16). If given, this power will expire at the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier. Your Directors will have due regard to the Statement of Principles in relation to any exercise of this power and in particular they confirm that they intend to use this power only in connection with a transaction which they have determined to be an acquisition or other capital investment (of a kind contemplated by the Statement of Principles most recently published prior to the date of this notice) which is announced contemporaneously with the announcement of the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

11. Resolution 18: Authority to purchase own shares

This resolution will give the Company authority to purchase its own shares in the markets up to a limit of 10% of its issued Ordinary share capital. The maximum and minimum prices are stated in the resolution. Your Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. Your Directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the Companies Act 2006, be retained as treasury shares. The Company may consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to transfer treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

12. Resolutions 19, 20 and 21: Amendments to share plans

Resolutions 19, 20 and 21 address amendments to the following discretionary share plans of the Company: the EnQuest PLC Performance Share Plan (the 'PSP'); the EnQuest PLC Restricted Share Plan (the 'RSP'); and, the EnQuest PLC Deferred Bonus Share Plan (the 'DBSP'). The DBSP, the PSP and the RSP are together referred to as the 'Plans'.

The Plans each provide for the grant of conditional share awards over shares that ordinarily vest on such dates and in such proportions as the Remuneration Committee may specify at the time of grant of the relevant award. In accordance with current policy, awards normally vest on: (i) in the case of the PSP, the third anniversary of grant; (ii) in the case of the RSP, between the second and fourth anniversary of grant; and (iii) in the case of the DBSP, between the first and third anniversary of grant, subject in all cases to the participant being an employee or Director with the Company's Group at the time of vesting.

Whereas participation under the PSP and RSP is entirely at the discretion of the Remuneration Committee, under the DBSP selected employees may be invited to defer and/or invest a proportion of their annual bonus (or their own resources) in shares. The Company may then grant matching awards in relation to shares acquired by or on behalf of participants. In accordance with the Directors' Remuneration Policy, matching awards are not granted to any executive Director of the Company.

Performance conditions may or must (as in the case of the PSP) apply to the awards and unvested awards shall ordinarily lapse on cessation of service (excluding shares that have been acquired under the DBSP by a participant using funds other than a portion of deferred bonus).

The Plans may only be operated for the benefit of selected employees and were approved by the shareholders of the Company in general meeting on 18 March 2010 for ten years.

Certain changes are proposed to the Plans to take account of the new Policy where relevant (the new Policy as referenced in explanatory note 5 above) and also to have regard to developments in market and best practice.

The changes proposed and their effect is summarised below.

Amendments to the PSP:

It is proposed that the personal annual limits on awards under the PSP are increased to provide that an employee may not receive awards in any financial year over shares having a market value (as at the time of award) in excess of 250% of their annual base salary in that financial year (compared to the current limit of 200% per annum), save in exceptional circumstances in which case this limit increases to 350% of their annual base salary (compared to the current limit of 300% per annum). These increases to the personal annual limits require the approval of shareholders.

Separately, it is proposed that the terms of the PSP would be amended to allow the Remuneration Committee at its discretion to specify that the term of future awards granted to Executive Director participants (and such others, if any, as the Remuneration Committee requires) require that they ordinarily retain any vested shares (on an after-tax basis) acquired under the PSP (or, where relevant, the full number of the vested shares whilst held under an unexercised but vested award) until at least the second anniversary of the vesting of the relevant award (often referred to and known as a 'holding period'). The current terms of the PSP do not require vested shares to be retained during any holding period. The inclusion of a holding period to the rules of the PSP does not require the prior approval of shareholders.

Amendments to the DBSP:

Awards under the DBSP can currently only be structured as conditional share awards that vest automatically on the date of vesting. The vesting of awards under the DBSP is subject to the participant being an employee or Director within the Company's Group at that time and in the case of any matching awards made under the DBSP subject to the satisfaction of any performance condition. It is proposed that the terms of the DBSP be amended to provide flexibility to structure future awards under the DBSP as 'nil cost options' as currently already available under the PSP and RSP. Under an option the participant can choose when to exercise their vested option and acquire shares during an exercise period that will expire on the day before the tenth anniversary of the grant date (or such earlier date specified by the Remuneration Committee). The current terms of the DBSP do not permit the Remuneration Committee to structure awards as 'nil cost options'. The ability to structure awards as options requires the prior approval of shareholders.

Separately, it is proposed that the terms of the DBSP would be amended to expressly allow the Remuneration Committee to use the deferred bonus award feature of the DBSP without connection to the matching award feature of the DBSP (matching awards are not granted to any Executive Director of the Company) and/or the need for an invitation process. The effect of such changes will be to provide that the Remuneration Committee may implement compulsory deferral of a portion of bonus into shares under the deferred bonus feature of the DBSP (as desired and in line with existing policy) without the unnecessary steps of invitation or the need to record a nil matching award in relation to such awards if no matching element is proposed. The compulsory deferral of bonus under the DBSP and waiver of matching awards does not require the prior approval of shareholders.

Amendments to all Plans:

It is proposed that each of the Plans (including the PSP and RSP) be amended in the following respects:

- (i) **Incorporate flexibility for 'dividend equivalents'.** The holders of conditional share awards under the Plans do not currently benefit from any dividends paid on shares until such time as awards have vested and shares have been acquired. It is proposed that the rules of the Plans are amended to allow the Remuneration Committee to decide that participants who are granted awards after the AGM may receive a payment (in cash and/or shares) of an amount equivalent to the dividends that would have been payable on an award's vested shares between the date of grant and the vesting of the award (or if later, and only whilst the award remains unexercised in respect of vested shares, the expiry of any holding period). This amount may assume the reinvestment of dividends and would be paid at the same time as the delivery of the related vested shares (or cash payment as relevant). Alternatively, participants may have their awards increased as if dividends were paid on the shares subject to their award and then reinvested in further shares.
- (ii) **Incorporate flexibility for 'good leavers' awards to vest early in exceptional circumstances.** The Plans currently provide that if a participant ceases to be a Director or employee of a Group Company any unvested award (excluding an award of shares voluntarily acquired by a participant other than from bonus under the DBSP) will lapse on cessation unless that participant ceases by reason of death (in which case awards currently vest in full) or is a 'good leaver', in which case awards shall remain capable of vesting at the normal time, subject to performance and time apportionment where relevant. For these purposes a good leaver under the Plans means a participant who ceases to be a Director or employee within the Group by reason of redundancy, retirement, the sale or transfer of their employing Company or business out of the Group, injury, ill-health, disability or any other reason permitted by the Remuneration Committee. It is proposed to amend the good leaver provisions under the Plans to allow the Remuneration Committee to permit the early vesting of a good leaver's award in exceptional circumstances, subject to time apportionment and the satisfaction of any performance conditions where relevant. The changes will apply to both existing and future awards; however, the vesting of good leavers' awards on normal timetable (except death) shall continue to be the default position under each of the Plans.
- (iii) **Incorporate flexibility for exercise periods to be extended in the event of dealing constraints.** The rules of the Plans do not currently permit the Remuneration Committee to extend the period during which an option may be exercised if at the end of the relevant option exercise period the participant is prohibited or restricted from exercising the option and dealing in shares. In the light of this it is proposed to amend the rules to provide that, in the event that a participant is prohibited or restricted in any way from exercising their award and acquiring vested shares at any time within the last 30 days of the normal exercise period (typically six months from time of vesting in the case of good leavers) on account of dealing constraints or restrictions, the Remuneration Committee could approve an extension of the normal exercise period to allow the exercise to be processed as soon as reasonably practicable after the dealing constraints or restrictions cease to apply. The changes will apply to both existing and future awards.
- (iv) **Incorporate flexibility for cash settlement of awards in exceptional circumstances.** The current terms of each of the Plans do not permit any awards to be cash settled. It is proposed to amend the rules of each of the Plans to provide that, at the time of settlement of any given award, the Remuneration Committee could determine (if considered appropriate in exceptional circumstances, for example if there are local law constraints or insufficient shares held in the employees' trust to satisfy awards) to cash settle an award by reference to the market value of the shares that would have otherwise been used to settle the award at the time of vesting or (in the case of an option) exercise. The changes will apply to both existing and current awards.

All of the amendments explained above require the approval of shareholders in general meeting.

In addition to the above, the Plans will be amended to provide as follows (for which shareholder approval is not required):

- (i) **Incorporate flexibility to apply time apportionment and/or performance conditions in the event of death.** The current terms of the Plans provide that full vesting arises in the event of the participant's death. The Plans will be amended to provide that future awards may be subject to performance conditions and a time pro rata adjustment in the event of a participant's death.
- (ii) **Incorporating best practice malus and clawback provisions.** Malus and clawback provisions currently apply to awards made to Executive Directors in accordance with the Directors' Remuneration Policy. The malus and clawback provisions will be amended and incorporated into the Plans for future awards so that the Remuneration Committee may apply them if, at any time prior to three years following the vesting of an award (or three years from the grant of an award made to effect the deferral of bonus under the DBSP), it is discovered that there has been a material misstatement of the Company's financial results or an error of calculation of any performance condition or bonus metric (including on account of inaccurate or misleading information), or in the event of misconduct. The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

Other than as described above, all terms of the Plans as currently approved by shareholders of the Company will remain materially the same.

The terms of participation in the Plans by Executive Directors will be set to operate within Directors' Remuneration Policy from time to time.

Resolution 19 seeks shareholder approval for the changes proposed to the PSP.

Resolution 20 seeks shareholder approval for the changes proposed to the RSP.

Resolution 21 seeks shareholder approval for the changes proposed to the DBSP.

Recommendation

Your Directors believe that all the proposed resolutions are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of them as they intend to do in respect of their own beneficial holdings.

Poll voting

Each of the resolutions to be considered at the AGM will be voted on by way of a poll. This ensures that shareholders who are not able to attend the AGM, but who have appointed proxies, have their votes fully taken into account. Any Directors who have been appointed as proxies will cast those votes as directed by the person who appointed them. The results of the polls will be announced to the London Stock Exchange and published on the Company's website as soon as possible after the conclusion of the AGM.

ENQUEST PLC
NOTICE OF ANNUAL GENERAL MEETING 2016

Notice is hereby given that the Annual General Meeting of EnQuest PLC (the 'Company') will be held at the Café Royal Hotel, 68 Regent Street, London, W1B 4DY, United Kingdom on Thursday 25 May 2017 at 2.00 p.m. to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 16, 17 and 18 as special resolutions. All other resolutions will be proposed as ordinary resolutions.

1. To receive and adopt the accounts for the financial year ended 31 December 2016, together with the reports of the Directors and auditor thereon **(Resolution 1)**.
2. To re-elect Mr Jock Lennox as a Director of the Company **(Resolution 2)**.
3. To re-elect Mr Amjad Bseisu as a Director of the Company **(Resolution 3)**.
4. To re-elect Mr Jonathan Swinney as a Director of the Company **(Resolution 4)**.
5. To re-elect Mr Helmut Langanger as a Director of the Company **(Resolution 5)**.
6. To re-elect Dr Philip Nolan as a Director of the Company **(Resolution 6)**.
7. To re-elect Mr Philip Holland as a Director of the Company **(Resolution 7)**.
8. To elect Mr Carl Hughes as a Director of the Company **(Resolution 8)**.
9. To elect Mr Neil McCulloch as a Director of the Company **(Resolution 9)**.
10. To reappoint Ernst & Young LLP as auditor of the Company **(Resolution 10)**.
11. To authorise the Directors to set the remuneration of the auditor **(Resolution 11)**.
12. To approve the Directors' Remuneration Policy which is contained in the Directors' Remuneration Report as set out on pages 66 to 81 of the 2016 Report and Accounts **(Resolution 12)**.
13. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the financial year ended 31 December 2016 as set out on pages 66 to 81 of the 2016 Report and Accounts **(Resolution 13)**.
14. That, in accordance with sections 366 and 367 of the Companies Act 2006 (the 'Act'), the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised to:
 - (a) make political donations to political parties or to independent election candidates not exceeding \$80,000 in total;
 - (b) make political donations to political organisations (other than political parties) not exceeding \$80,000 in total; and
 - (c) incur any political expenditure not exceeding \$80,000 in total,in each case during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company in 2018 (or, if earlier, on 30 June 2018), and provided that the aggregate amount of political donations and political expenditure so made and incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed \$80,000. For the purpose of this resolution 'political donation', 'political party', 'political organisation', 'independent election candidate' and 'political expenditure' are to be construed in accordance with sections 363, 364 and 365 of the Act **(Resolution 14)**.
15. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the 'Act'), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £19,323,314 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £38,646,629 (such amount to be reduced by allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of Ordinary shares in proportion (as nearly as practicable) to their respective number of Ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,these authorisations to expire at the conclusion of the next Annual General Meeting of the Company in 2018 (or, if earlier on 30 June 2018), (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to subscribe to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired) **(Resolution 15)**.

16. That, subject to the passing of resolution 15 set out above, the Directors be given power pursuant to sections 570(1) and 573 of the Companies Act 2006 (the 'Act') to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution; and
- (b) sell Ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:

- (i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under resolution 15(b) above, by way of a rights issue only) in favour of holders of Ordinary shares in proportion (as nearly as practicable) to the respective number of Ordinary shares held by them on the record date for such allotment or sale but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
- (ii) in the case of the authorisation granted under resolution 15(a) above, and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £2,898,497,

and shall expire at the conclusion of the next Annual General Meeting of the Company in 2018 (or, if earlier, on 30 June 2018), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired
(Resolution 16).

17. That, subject to the passing of resolutions 15 and 16 set out above, and in addition to the power given by that resolution 16, the Directors be given power pursuant to sections 570 (1) and 573 of the Companies Act 2006 (the 'Act') to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by paragraph (a) of that resolution 15; and
- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be:

- (i) limited to the allotment of equity securities for cash and the sale of treasury shares, up to an aggregate nominal amount of £2,898,497; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors have determined to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, or for any other purposes as the Company in general meeting may at any time by special resolution determine,

and shall expire at the conclusion of the next Annual General Meeting of the Company in 2018 (or, if earlier, on 30 June 2018), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired
(Resolution 17).

18. That the Company is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of Ordinary shares which may be purchased is 115,939,887, representing 10% of the issued Ordinary share capital as at 18 April 2017;
- (b) the minimum price that may be paid for each Ordinary share is 5p, which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) that may be paid for each Ordinary share is an amount equal to the higher of:
 - (i) 105% of the average of the middle market quotations for the Ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade of an Ordinary share and the highest current independent bid for an Ordinary share on the trading venues where the purchase is carried out;
- (d) unless previously renewed, revoked or varied by the Company at a general meeting, this authority shall expire at the conclusion of the next Annual General Meeting of the Company in 2018 (or, if earlier, on 30 June 2018); and
- (e) the Company may, before this authority expires, make a contract to purchase Ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary shares pursuant to it as if this authority had not expired **(Resolution 18).**

19. That the proposed amendments to the rules of the EnQuest PLC Performance Share Plan (the 'PSP'), in the form presented to the Meeting and as summarised in note 12 of the explanatory notes section of this Notice of Annual General Meeting, be and are hereby approved and the Directors be authorised to adopt the amendments into the rules of the PSP and to do all such other acts and things as they may consider appropriate to implement the amendments **(Resolution 19)**.
20. That the proposed amendment to the rules of the EnQuest PLC Restricted Share Plan (the 'RSP'), in the form presented to the Meeting and as summarised in note 12 of the explanatory notes section of this Notice of Annual General Meeting, be and are hereby approved and the Directors be authorised to adopt the amendments into the rules of the RSP and to do all such other acts and things as they may consider appropriate to implement the amendments **(Resolution 20)**.
21. That the proposed amendment to the rules of the EnQuest PLC Deferred Bonus Share Plan (the 'DBSP'), in the form presented to the Meeting and as summarised in note 12 of the explanatory notes section of this Notice of Annual General Meeting, be and are hereby approved and the Directors be authorised to adopt the amendments into the rules of the DBSP and to do all such other acts and things as they may consider appropriate to implement the amendments **(Resolution 21)**.

BY ORDER OF THE BOARD
STEFAN RICKETTS
COMPANY SECRETARY

19 April 2017

Registered Office: Cunard House, 5th Floor, 15 Regent Street, London SW1Y 4LR
Registered in England and Wales No. 07140891

NOTES:

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the Register of Members of the Company at close of business on Tuesday 23 May 2017 or, in the event of any adjournment, at close of business on the date which is two days before the day of the adjourned meeting. Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Annual General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form of proxy for the meeting is enclosed.

To be valid any proxy form or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) in accordance with the instructions printed on the form of proxy to arrive no later than 2.00 p.m. on Tuesday 23 May 2017. If you are a CREST member, see note 3 below.

Completion of a form of proxy, or other instrument appointing a proxy or any CREST proxy instruction will not preclude a member attending and voting in person at the meeting if he/she wishes to do so.

Shareholders may also submit their proxy electronically via the internet. Details on how to do this can be found on the form of proxy.

3. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's Articles of Association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 2.00 p.m. on Tuesday 23 May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
6. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
 - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information,
 - (b) the answer has already been given on a website in the form of an answer to a question, or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
7. Copies of the following documents are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting:

- (a) the Executive Directors' service agreements;
- (b) the terms and conditions of appointment of Non-Executive Directors;
- (c) the Directors' deeds of indemnity; and
- (d) a copy of the draft rules of each of the Plans in the proposed amended form.

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.enquest.com.

8. Under section 527 of the Companies Act 2006 (the 'Act'), members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
 - (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
 - (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
9. As at 18 April 2017 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 1,159,398,871 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 1,159,398,871.
10. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents and proxy form) to communicate with the Company for any purposes other than those expressly stated.