



Preliminary Results Presentation

8th March 2017

Value Creation Through Exploration Success and Commercialising Resources

Near term production and future development options

- UK North Sea
 - Kraken and Catcher
- Norway
 - Skarfjell

Significant growth opportunities

- Senegal
- Atlantic Margin
- Barents Sea

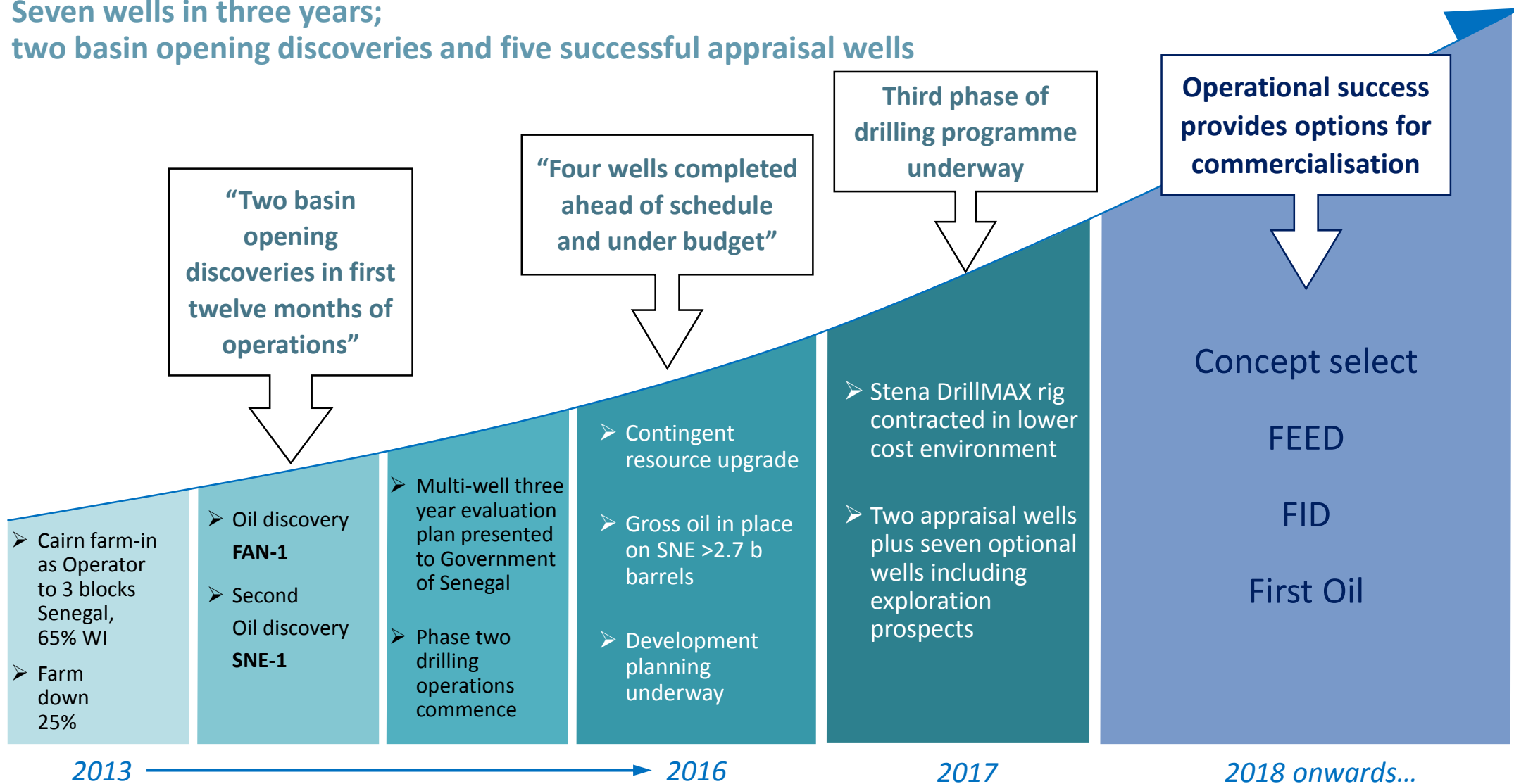
Funding flexibility

- Funded for strategic delivery and further growth:
 - Cash resources
 - Undrawn facilities
 - Norwegian financing
 - FlowStream financing
 - Indian dividends

Value Creation in Senegal

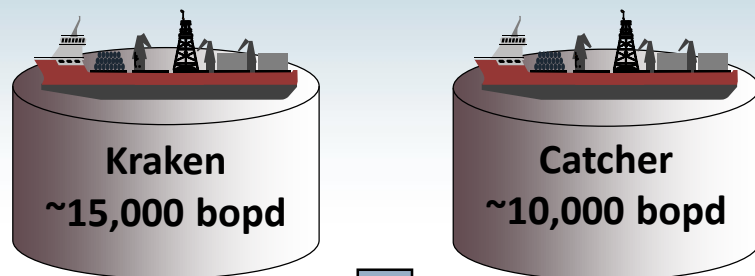
Seven wells in three years;

two basin opening discoveries and five successful appraisal wells



Production Base to Fund Future Exploration

Current Production Base

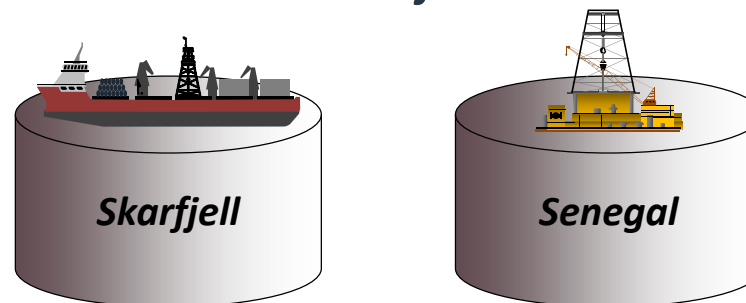


*Kraken / Catcher
provide options to*

Directly fund
future
exploration

Reinvest in
sustainable
cashflow

Future Projects



Flexibility to
develop and / or
commercialise
and / or
produce

Future Exploration



Senegal



Morocco



Ireland



UK



Norway

including Barents Sea



New Ventures

Exploration

Richard Heaton



Creating Growth Through Exploration

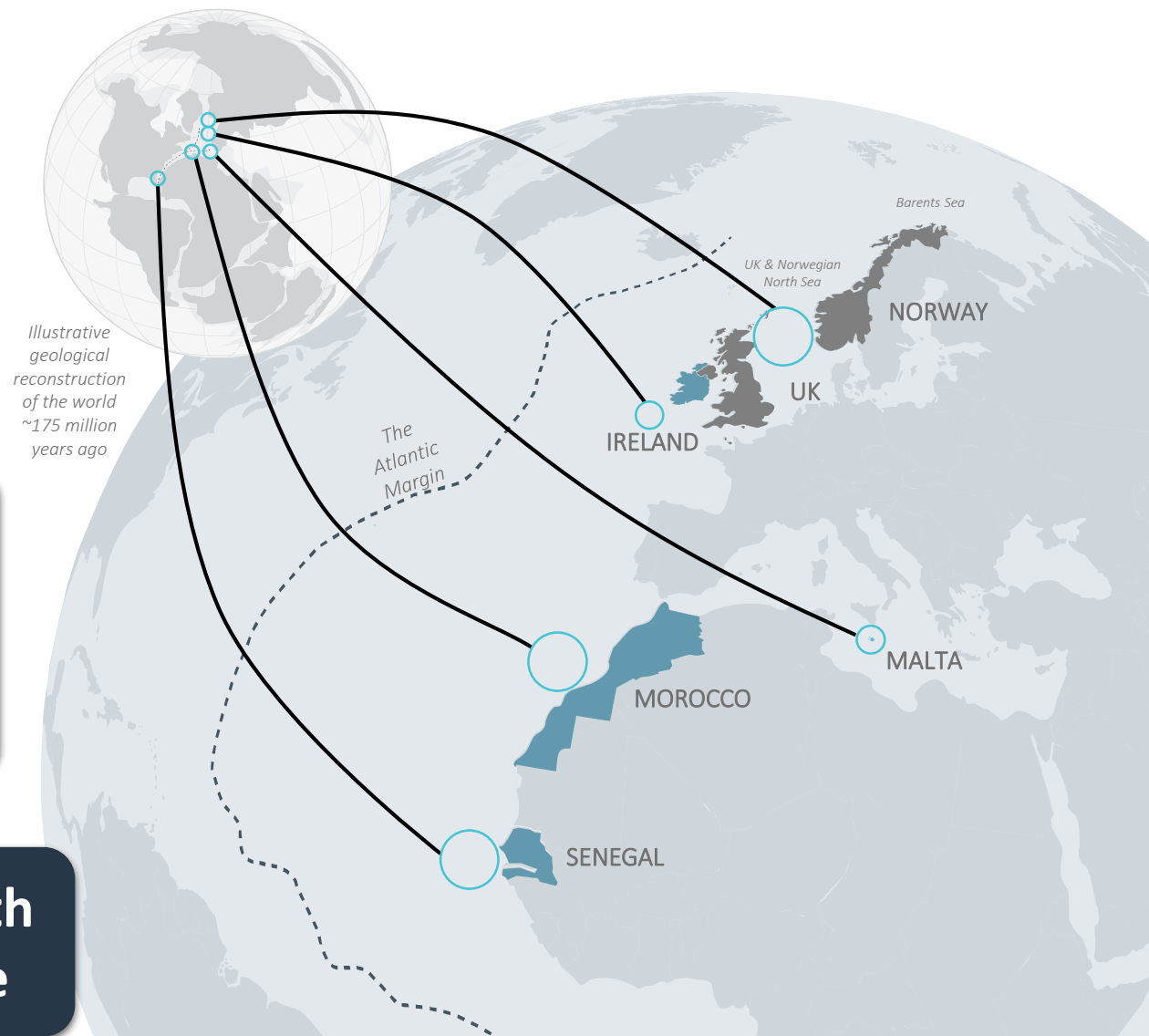
Emerging and Frontier Basins along the North Atlantic Margin

- Senegal
- Morocco
- Ireland

Mature and Emerging Basins in UK and Norway

- Barents Sea
- Norwegian North Sea

Significant acreage positions with technical and commercial value



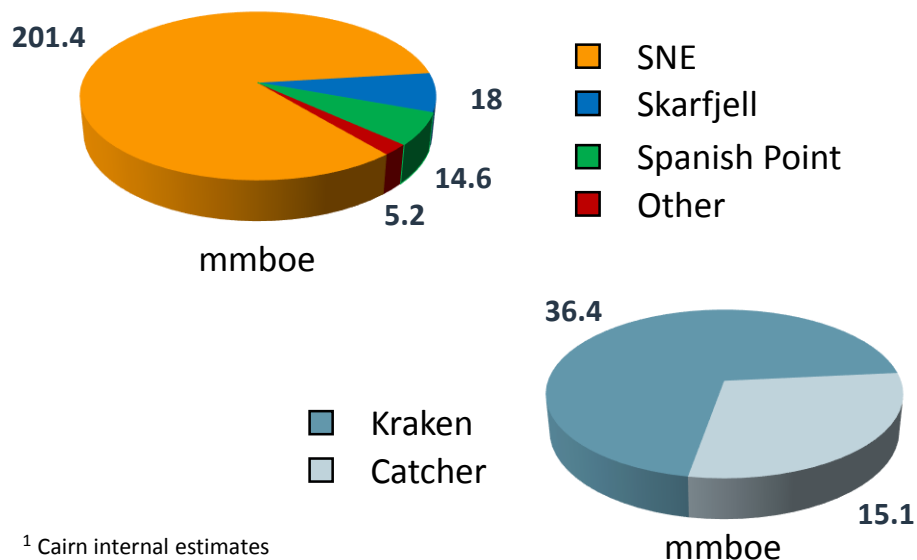
Strong Platform for Future Growth

Active in **6** Countries

Combined acreage **~56,000 Km²**

Total of **51 mmboe¹** booked as 2P

Reserves and **239 mmboe¹** booked
as 2C Contingent Resources (net to Cairn)

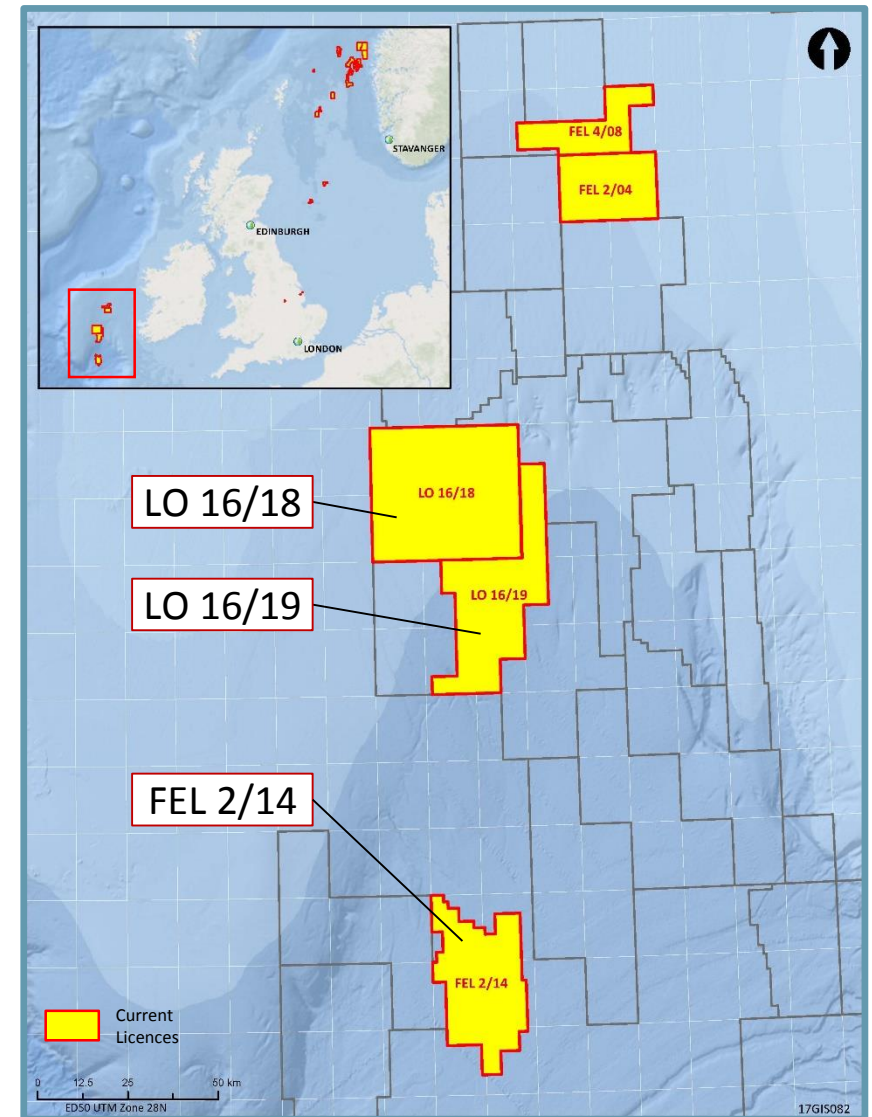


¹ Cairn internal estimates



Atlantic Margin – Ireland

- Cairn awarded Licence Option (LO) 16/18 in the Atlantic Ireland Licencing Round in H1 2016
- Farm-in to a 70% WI and Operatorship in the adjacent LO 16/19 with Europa Oil & Gas with plans for 3D seismic (2017)
- Farm-in to a 30% WI in Frontier Exploration Licence (FEL) 2/14 in Southern Porcupine Basin with Providence Resources and Sosina
- One firm exploration well (2017)
- Future option on Operatorship



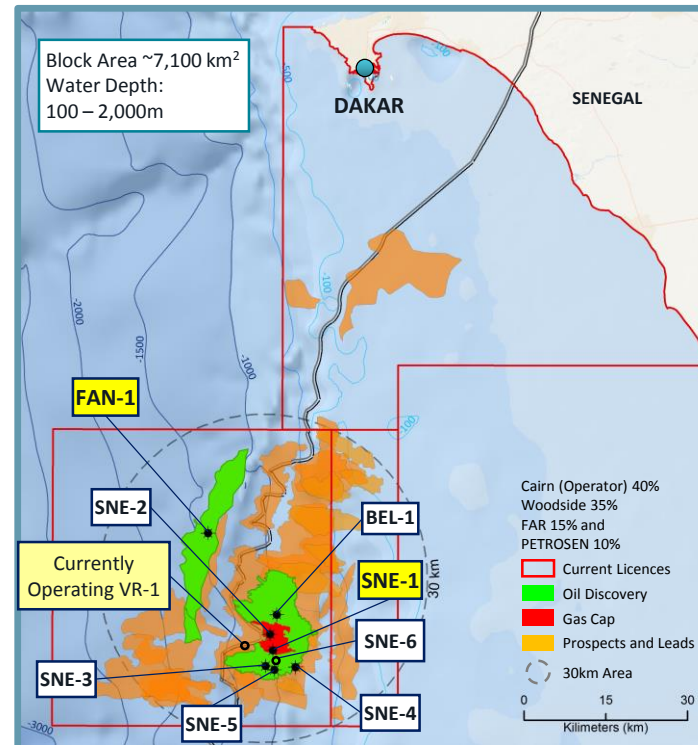
Exploration

Senegal Overview

- Seven wells in three years; two basin opening discoveries and five successful appraisal wells
- Third phase of drilling commenced January 2017
 - Programme will include appraisal well tests and interference testing
 - Activity will improve definition of field in terms of scale, connectivity and productivity
- Exploration drilling will target further prospectivity in 2017
- Further block wide exploration potential ~500 mmbbls gross mean risked resource²
- Current SNE Contingent resource to be evaluated post current wells
 - SNE 2C STOIP > 2.7 billion bbls¹
 - Current 2C recoverable resource 473 mmbbls¹



Stena DrillMAX

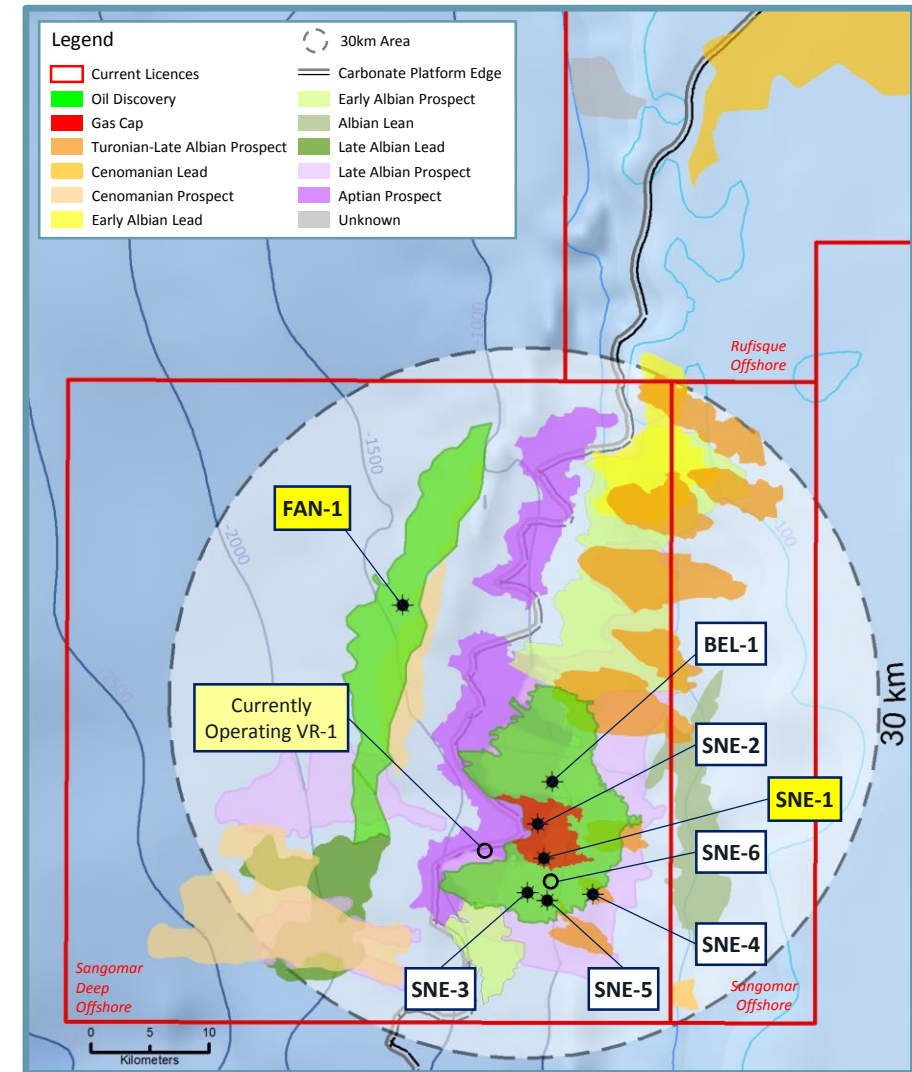


¹ Resource estimates audited by ERC-Equipose

² Cairn internal estimate

Exploration Potential Within 30km of SNE

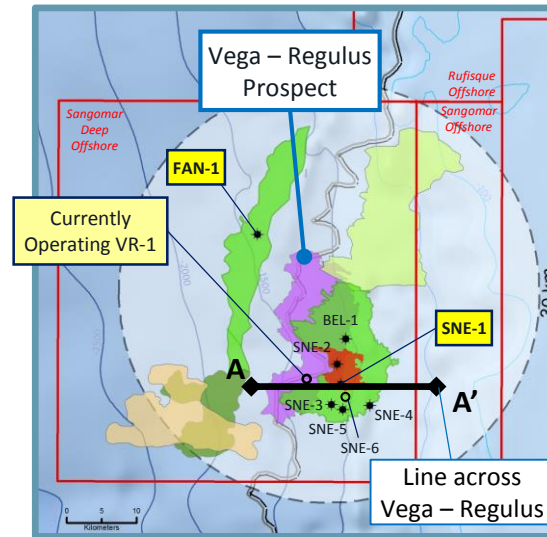
- Large Block area ~7,100 km²
- Significant untested prospectivity
- Multiple plays
- Prolific source rock, excellent reservoir development and good working seal
- New 3D seismic has improved ability to map traps along extension of SNE trend
- Shelf prospects similar to SNE; all shallow - approximately 30 day wells
- Route to commercialisation with tie back potential to SNE Field Development



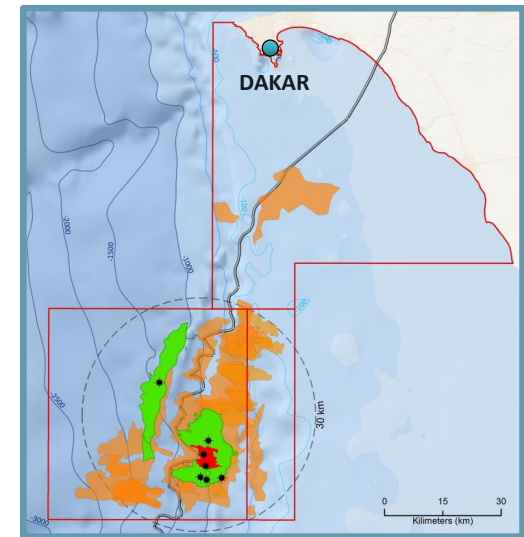
Vega – Regulus VR-1

- ~1,400m water depth
- ~5km from SNE discovery well
- Two objectives
 - Exploration prospect: Gross consolidated prospective resources
 - Mean prospective resource >100 mmbbls
 - Consolidated geological chance of success 30%
- SNE Appraisal:
 - Will intersect lower reservoirs
 - Targeted to confirm 1C resource

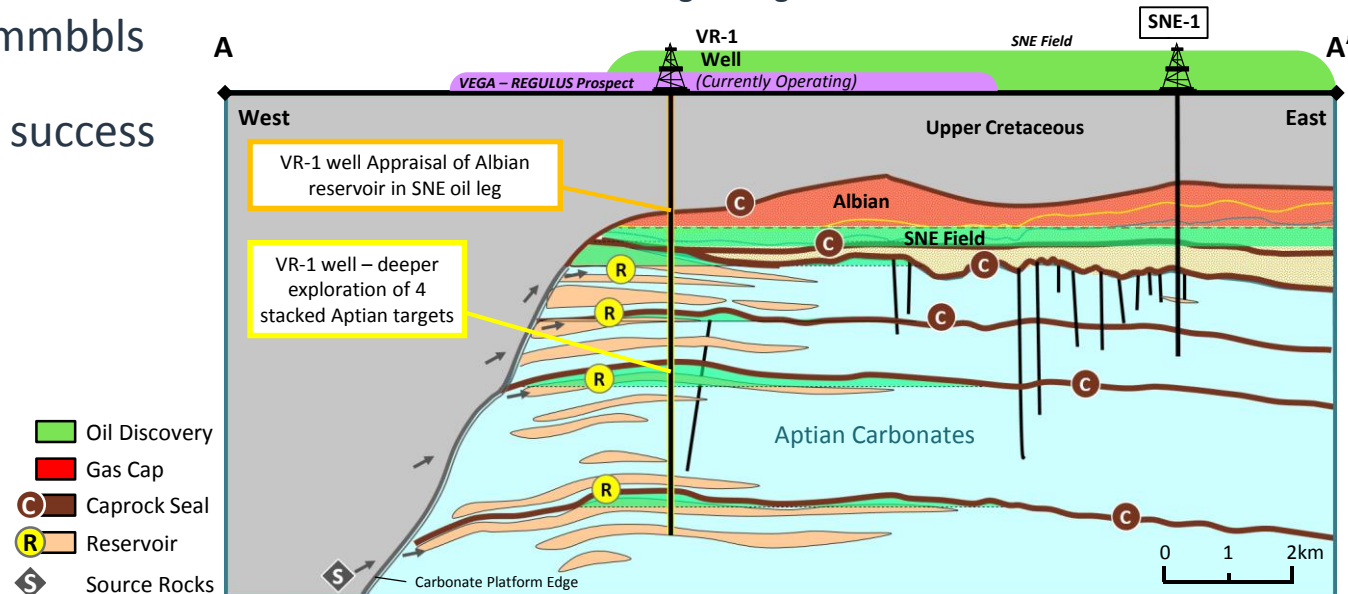
2017 Prospect Focus



Block Wide Prospectivity



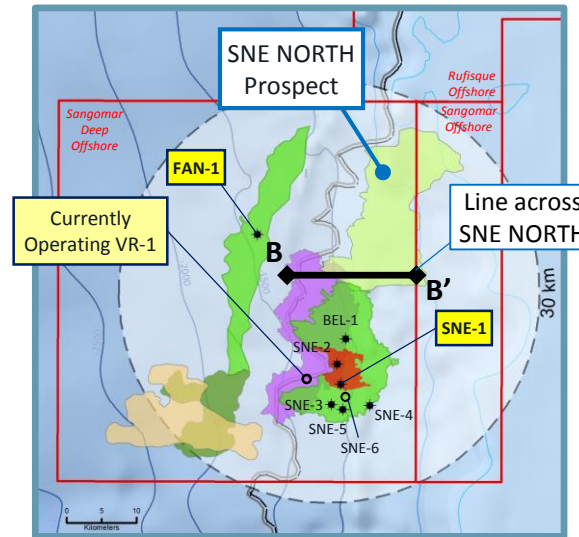
Schematic Cross Section Across Vega – Regulus



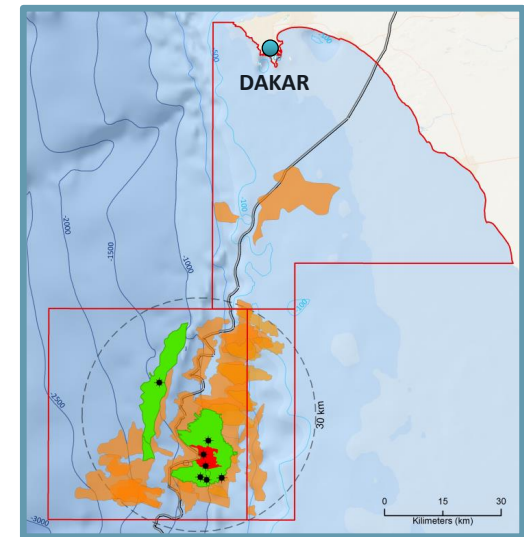
SNE NORTH (Sirius)

- ~900m water depth
- ~15km from SNE discovery well
- Two main targets
- Gross consolidated prospective resource
- Mean prospective resource >80 mmbbls
- Consolidated geological chance of success 67%

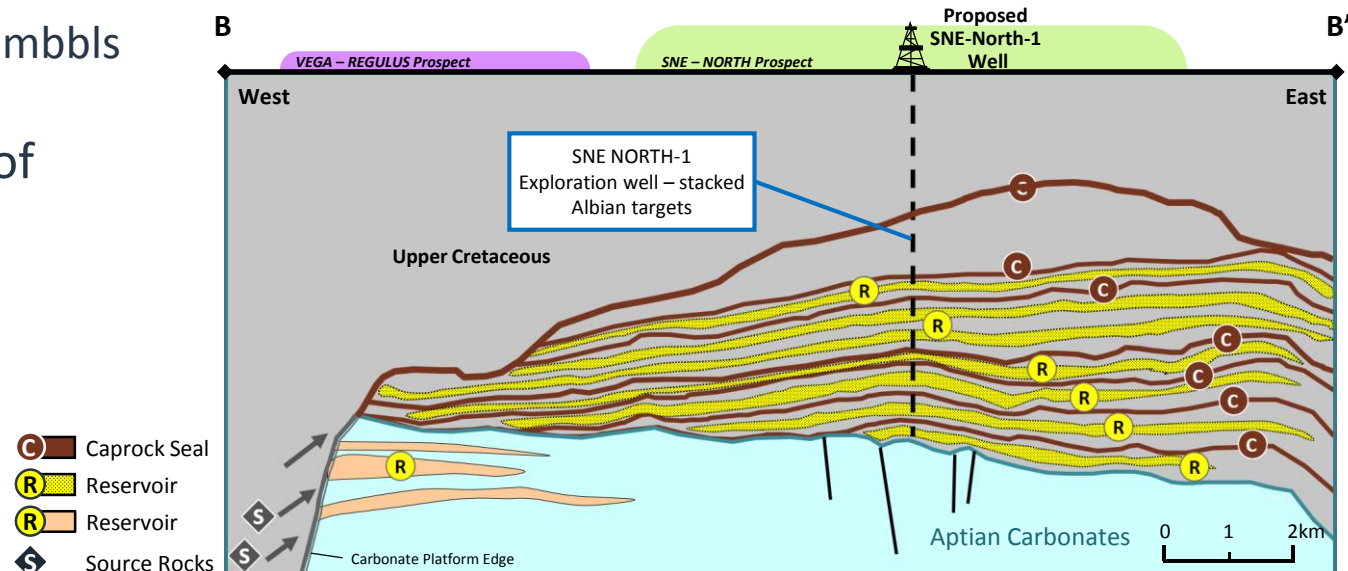
2017 Prospect Focus



Block Wide Prospectivity



Schematic Cross Section Across SNE North

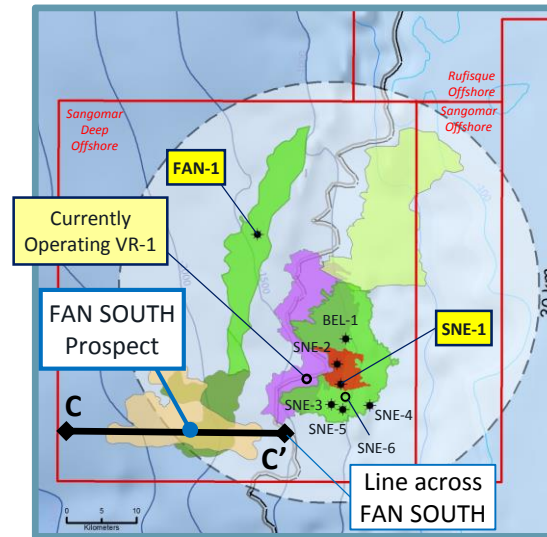


Exploration – Senegal, Prospects Within 30 km of SNE

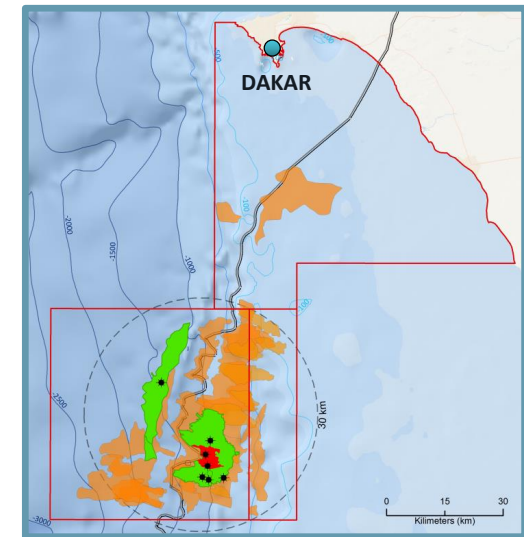
FAN SOUTH

- ~2,175m water depth
- ~20km South West of SNE-3 well
- FAN SOUTH
 - Gross consolidated prospective resource
 - Mean prospective resource > 110 mmbbls
- Consolidated geological chance of success 24%

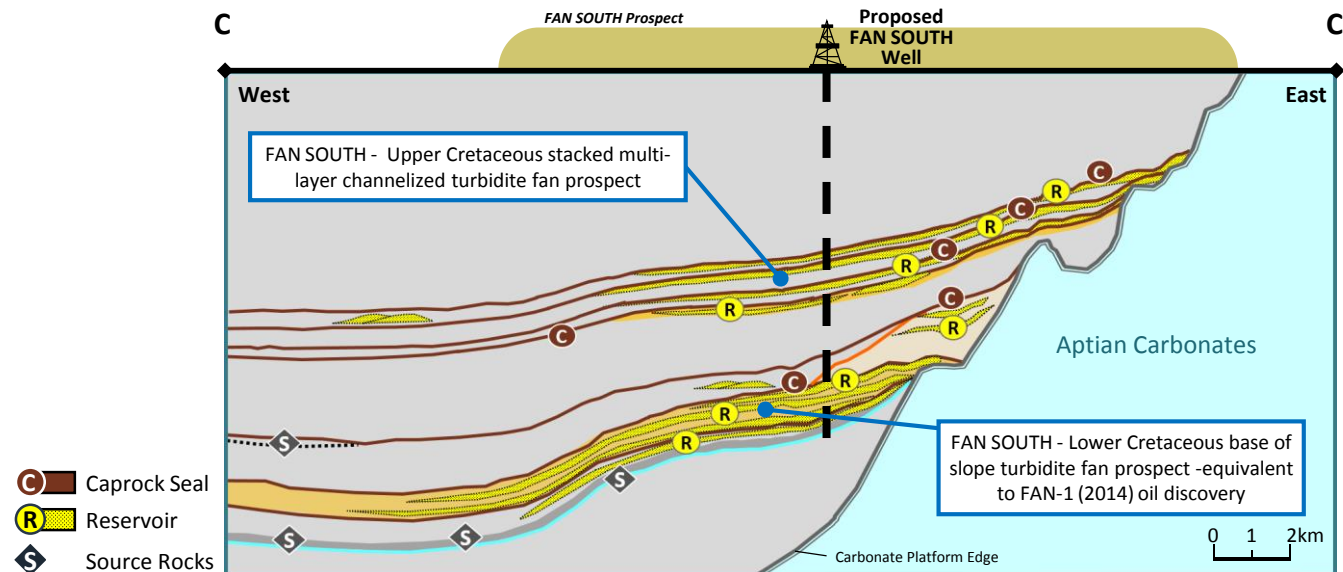
2017 Prospect Focus



Block Wide Prospectivity

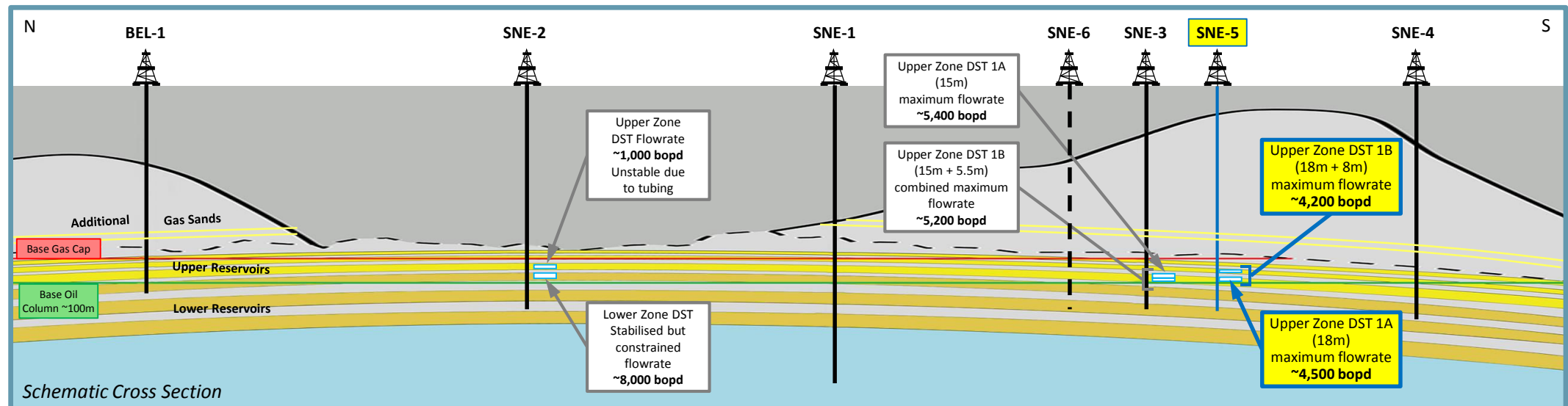


Schematic Cross Section Across FAN South



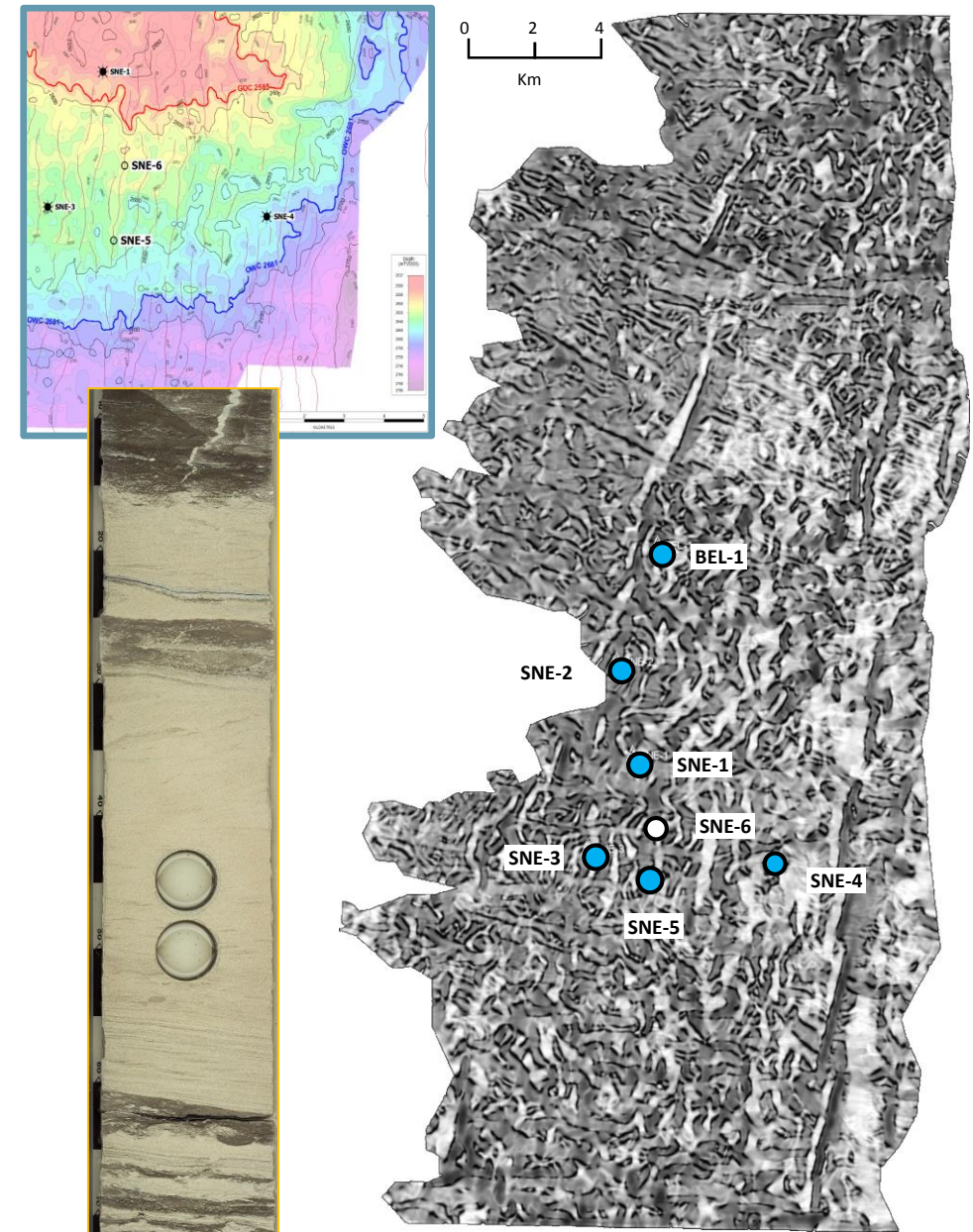
SNE-5 Initial Results

- SNE-5 and SNE-6 in combination are designed to characterise the nature of the upper reservoirs
- Reservoir units, pressures and fluid boundaries match previous SNE wells
- Multiple samples of oil and gas recovered: similar quality to previous wells
- Gauges installed for observation
- Drill Stem Testing (DST) 1A 18m perforated
 - Maximum rate 4,500 bopd stabilized rate 2,500 bopd on 40/64 choke, and 3,000 bopd on 56/64 choke – 24hr each test
- DST 1B additional 8m perforated
 - Maximum rate 4,200 bopd: average stabilised rate 3,900 bopd on 64/64 choke



Interference Test

- SNE-5 and SNE-6
 - SNE-5 drilled, tested and gauges installed
 - Results in line with expectations
 - SNE-6 location being finalised utilising SNE-5 results
 - SNE-6 will be drilled and tested for up to ~10 days
 - Pressure pulse will be observed at SNE-5 and potentially SNE-3
- Results will determine and calibrate reservoir connectivity, potential for water flood and recovery factor
- Results will impact potential development wells design, number, placement and orientation



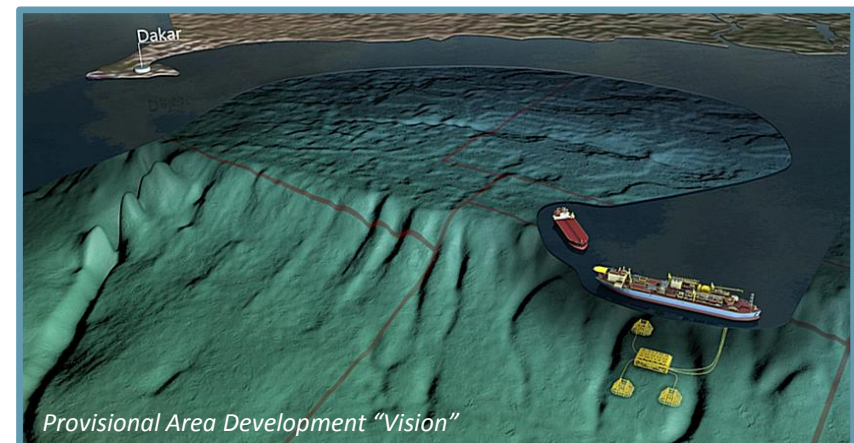
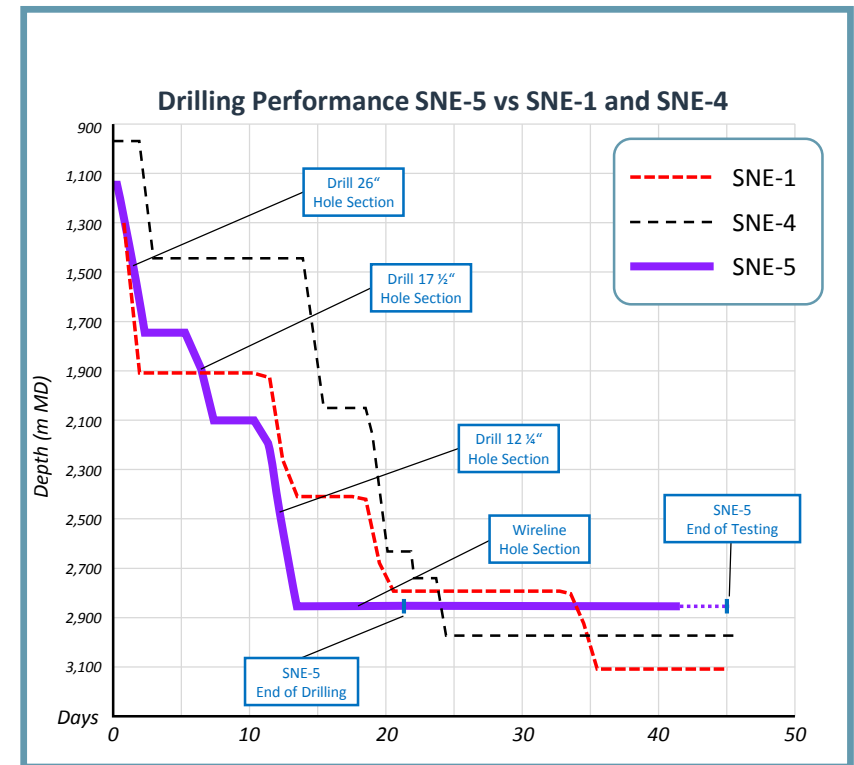
Developments and Operations

Paul Mayland



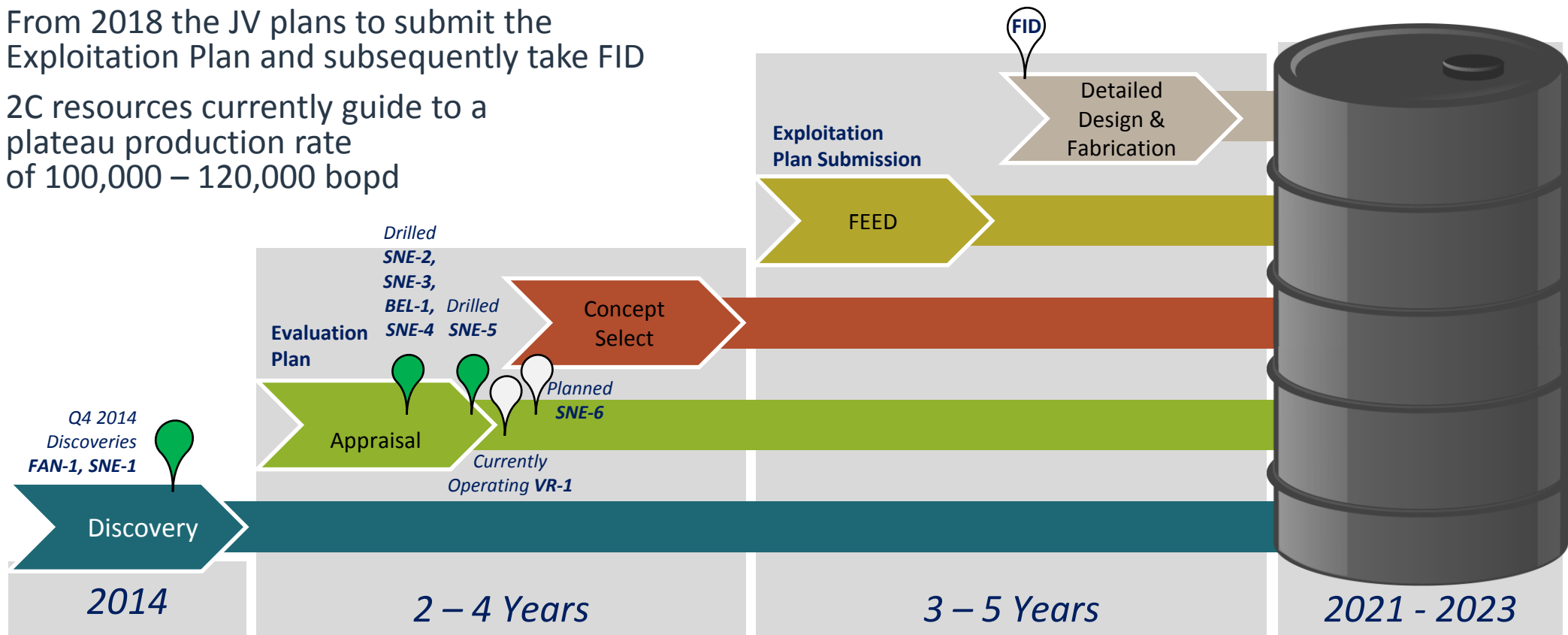
Planning for Development

- Significant performance improvement demonstrated on SNE-5 well during drilling and testing phases
- Aim to incorporate into development well planning and design
- Woodside Petroleum Ltd entered Joint Venture (JV) in 2016 bringing additional well, FPSO development and operating experience
- JV Support for FPSO solution with subsea wells; overall contract strategy in development
- Geotechnical seabed survey across SNE area and further metocean data gathering planned 2017



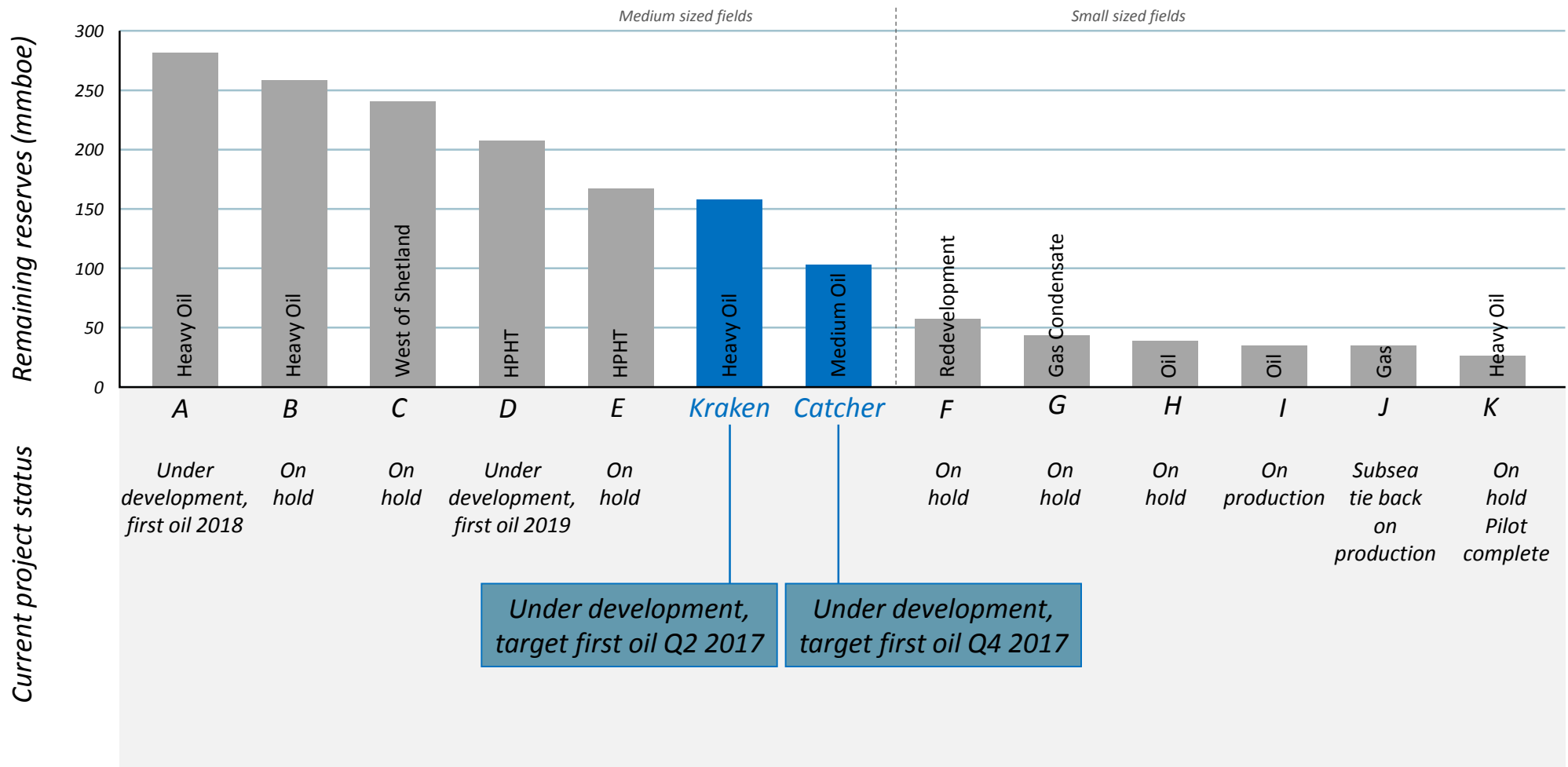
Planning for Development – Timeframe

- Results of remaining exploration and appraisal will determine overall development plan including capital phasing and level of resources to be translated to reserves on Final Investment Decision (FID)
- Concept select expected to be finalised in 2017 allowing Evaluation Report to be prepared for submission
- From 2018 the JV plans to submit the Exploitation Plan and subsequently take FID
- 2C resources currently guide to a plateau production rate of 100,000 – 120,000 bopd



Cairn's UK Projects in Context

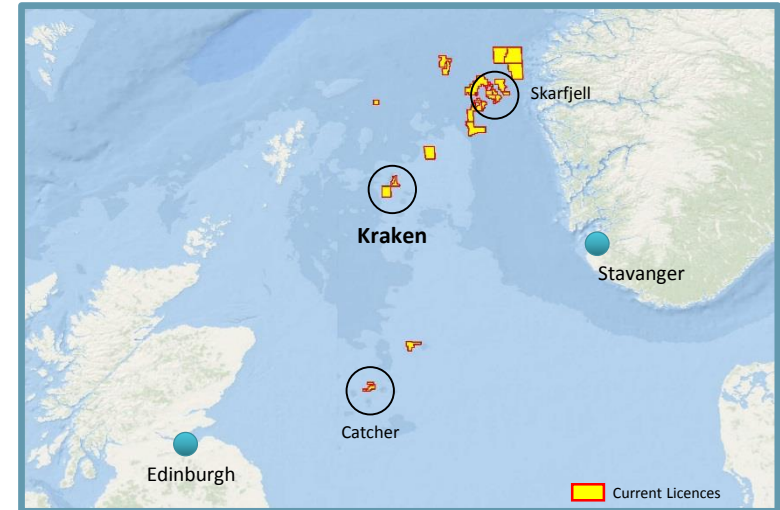
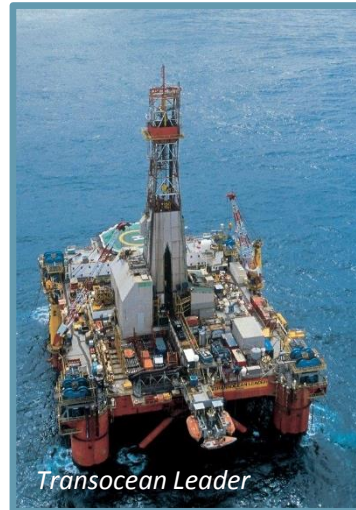
Development projects ranked by size, including current status



Future Production Base - Kraken

- Target first oil Q2 2017¹ (Operator EnQuest)
- Plateau production 50,000 bopd (Net to Cairn ~15,000 bopd)
- Drilling and completion activity going well; anticipate having 7 producers and 6 injectors for start-up
- Transocean Leader remains in field adding further well capacity
- All subsea equipment installed ready for first oil
- ~\$700mm¹ of gross project capex savings compared to sanction estimate (~22% lower)

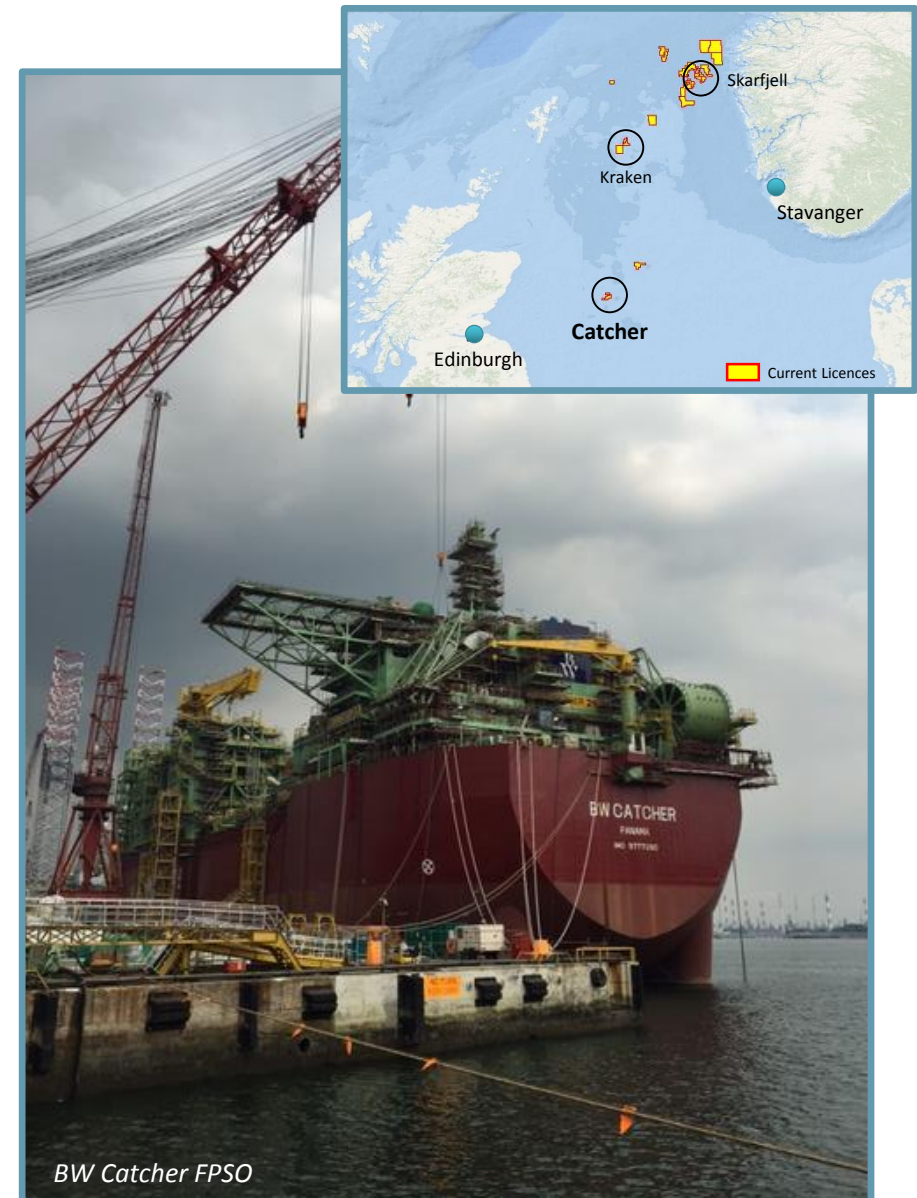
¹ Operator estimate



Future Production Base - Catcher

- Target first oil Q4 2017¹ (Operator Premier)
- Plateau production 50,000 bopd (Net to Cairn 10,000 bopd)
- 4 Catcher, 2 Burgman and 2 Varadero wells successfully drilled and completed; reservoir quality and productivity / injectivity met or exceeded expectations
- FPSO progressing well in Keppel yard in Singapore
- ~\$650mm¹ of gross project capex savings compared to sanction estimate (~29% lower)
- Laverda licence extended as possible future tie back development

¹ Operator estimate

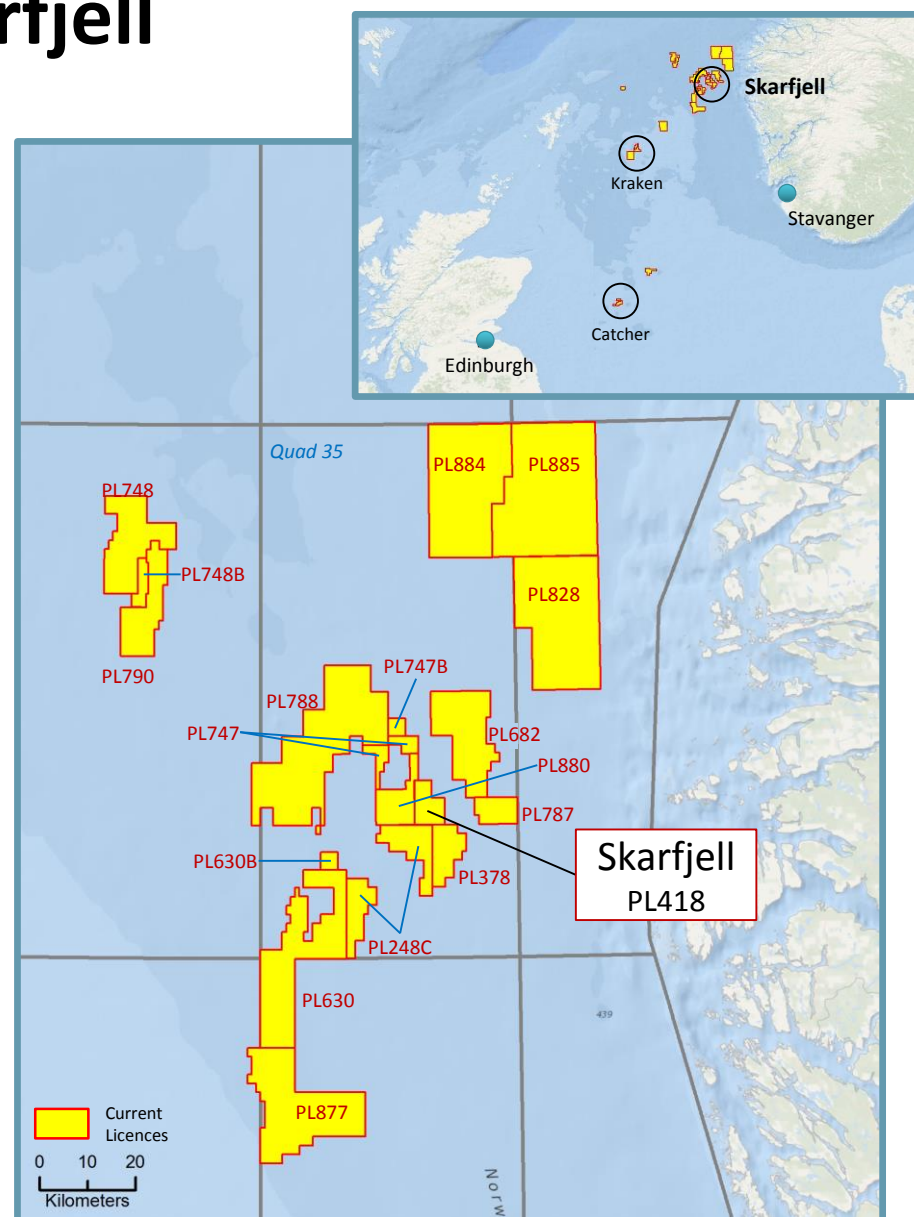


BW Catcher FPSO

Potential Future Production – Skarffjell

- Production potential 50,000 bopd
(Net to Cairn 10,000 bopd)
- Light oil development in 380m water depth
- Expected recovery¹ 60-140 mmboe
- Field Operated by Wintershall
- Concept select: subsea tie back to nearby Gjøa platform
- FEED commenced with objective of FID being achieved on or before Q1 2018
- Quad 35 is a core area for Cairn where it holds multiple licences and expects to participate in 1-2 exploration wells in 2017

¹ Operator estimate



Finance

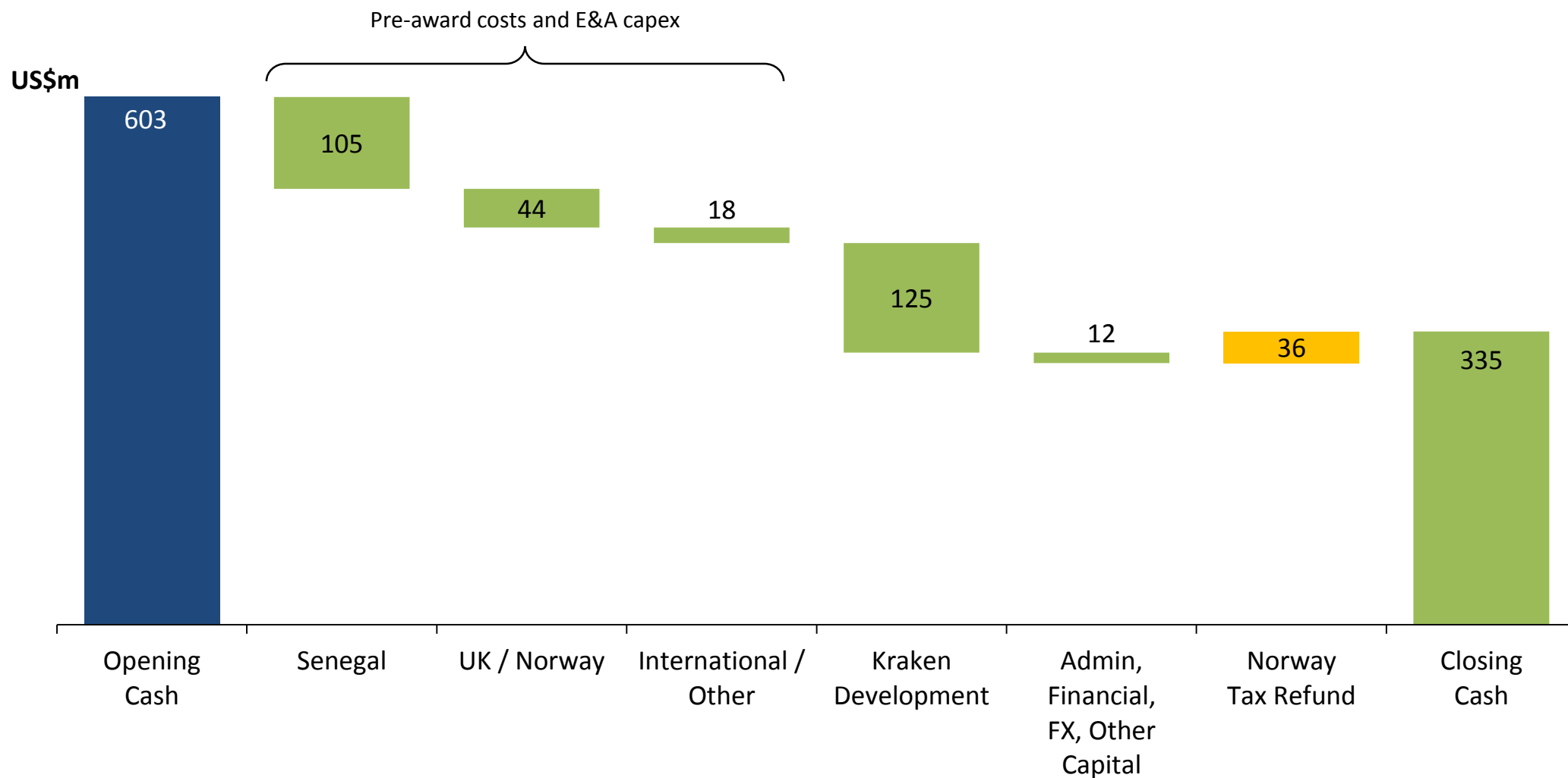
James Smith



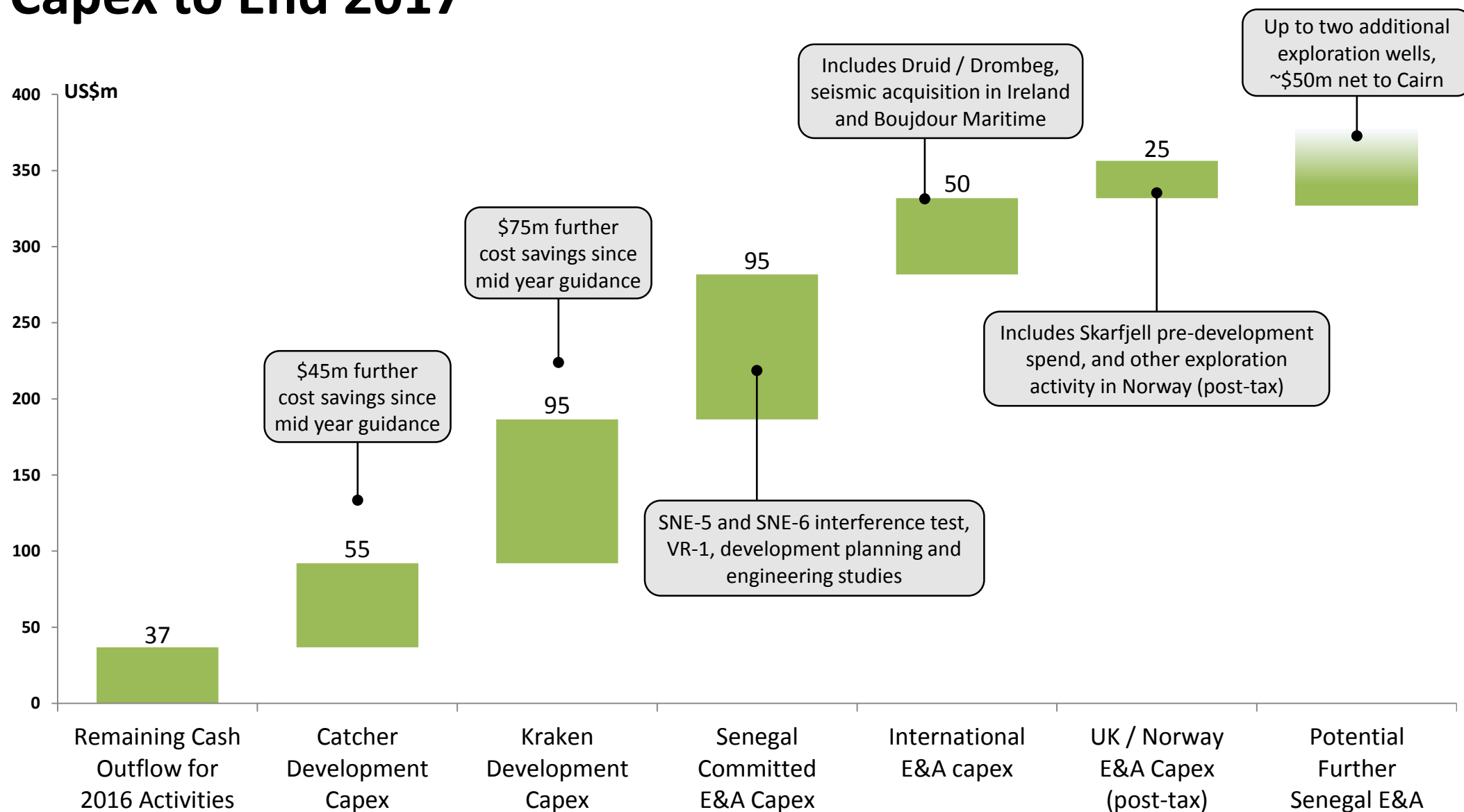
Financial Headroom to Deliver Balanced Business

- Strong execution throughout 2016, significant cost savings delivered
- Enhanced sources of financing
- Supporting exploration programme in Senegal and additional new venture opportunities
- Moving into cashflow phase in 2017 will further strengthen Group funding position to support a sustainable investment programme
- Key catalysts over next 12 – 18 months:
 - Plateau production from North Sea (Kraken, Catcher)
 - Skarvfjell FID
 - Senegal exploitation plan
 - Further exploration and new ventures

2016 Cashflow



Capex to End 2017



Sources of Funding

Cash at 31 December 2016	➤ \$335m
Reserve Based Lending Facility	<ul style="list-style-type: none"> ➤ Peak availability \$350m to \$400m ➤ Availability by end 2017 ~\$210m ➤ \$175m Letter of Credit / Guarantee tranche
2016 Norway tax receivable in 2017	➤ \$26m
Exploration Finance Facility	<ul style="list-style-type: none"> ➤ \$60m (NOK 500m) working capital facility to borrow against future Norwegian exploration tax refunds ➤ \$20m forecast tax refund from 2017 expenditure
FlowStream	<ul style="list-style-type: none"> ➤ \$75m cash proceeds ➤ 4.5% Kraken stream receivable by FlowStream, only recourse is to production interest ➤ Stepping down to 1.35% after FlowStream achieve a 10% IRR
CIL dividends	➤ \$51m
Operating cashflow	<ul style="list-style-type: none"> ➤ Q2 Kraken first oil, expect 2017 operating cashflow of ~\$90m at \$52/bbl forward curve ➤ Catcher first oil late 2017 ➤ 2018 ramp up to production plateau of 25,000 bopd

Summary

Simon Thomson

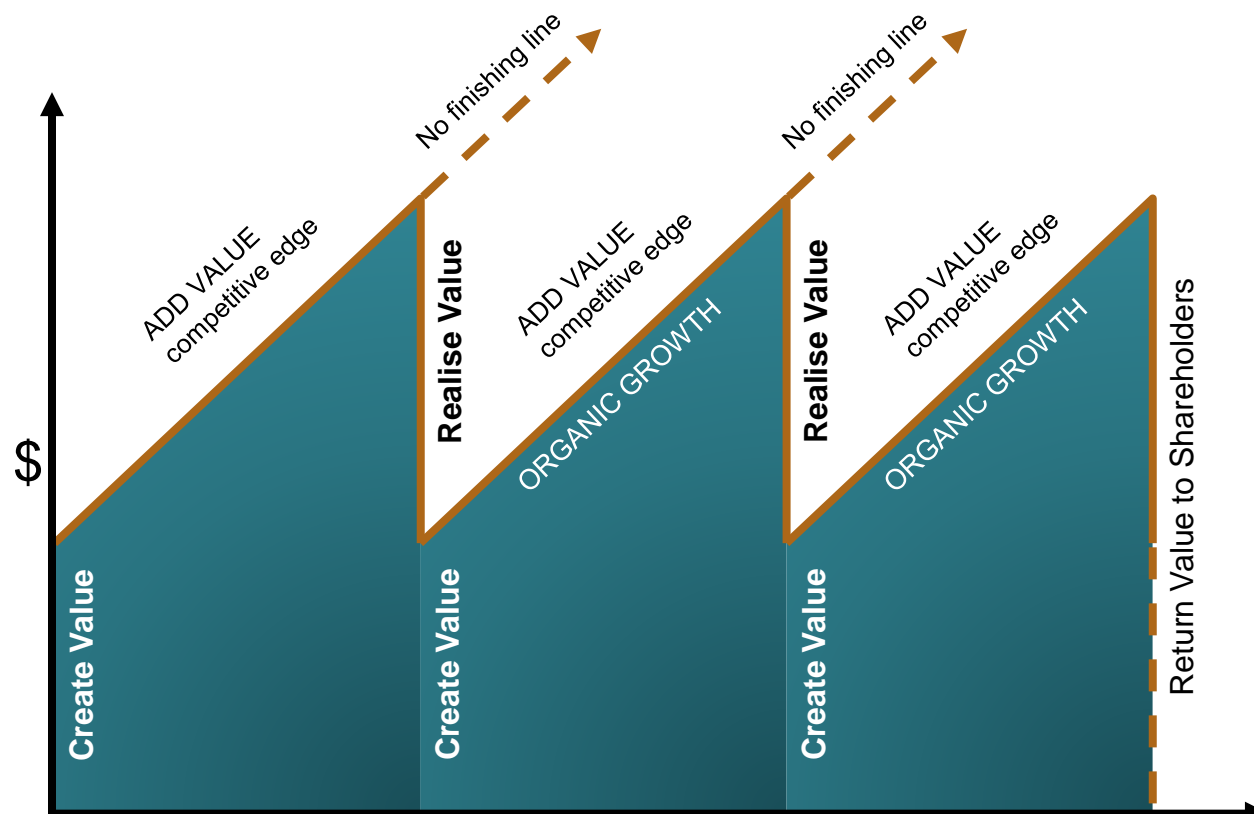


Strategic Delivery

Near term production
and future
development options

Significant
growth
opportunities

Funding flexibility



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