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CAIRN ENERGY PLC ("Cairn" or "the Company")

**FAN South-1 well result
SNE North exploration prospect**

Cairn announces the results of the FAN South-1 well in the South Fan prospect offshore Senegal. The Stena DrillMAX drill ship performance continues to be excellent and operations have been safely and successfully completed ahead of schedule and under budget following drilling and wire line logging operations.

The well encountered hydrocarbon bearing reservoir (Lower Cretaceous) and oil samples were obtained. Preliminary analysis indicates 31° API oil quality. Further work is being undertaken to integrate this discovery with FAN-1 to establish the potential commerciality of the deep water, basinal resource seen in these two wells.

FAN South-1 is located in ~2,175 metres (m) water depth, ~90 kilometres (km) offshore in the Sangomar Deep Offshore block and 30 km south west of the FAN-1 exploration well. The well reached Total Depth of 5,343m, targeting dual prospects: an Upper Cretaceous stacked multi-layer channelised turbidite fan prospect and a Lower Cretaceous base of slope turbidite fan prospect, similar to the FAN-1 oil discovery in 2014. FAN South -1 is being plugged and abandoned.

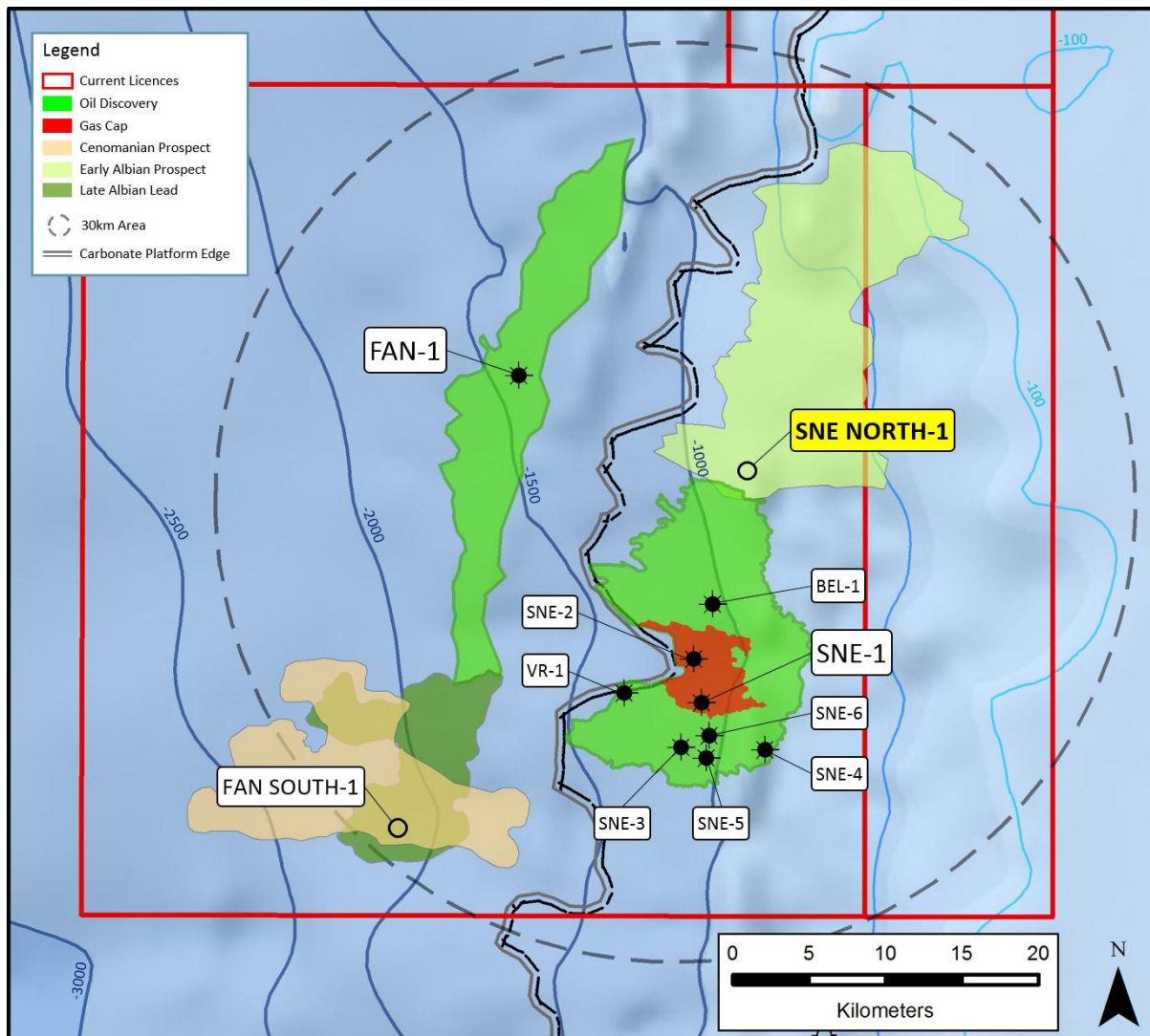
The rig is now moving location to commence operations at the SNE North exploration prospect, 15 km north of the SNE-1 discovery well and the most northerly location yet tested, on trend with the highly successful SNE field. SNE North is targeting a prospective volume of more than 80 mmbbls of total resource in multiple objectives. The well is located in ~ 900m water depth and the projected total depth of the well is 2,800m.

Simon Thomson, CEO of Cairn Energy PLC said:

"FAN South is our tenth well in Senegal in the last three years and our second well to encounter oil in the deep portion of the basin, adjacent to the FAN discovery.

The results of FAN South will be integrated with FAN-1 and SNE to help the joint venture's ongoing evaluation of the large, deep water basin potential offshore Senegal.

As planning for the phased development of the SNE field moves ahead, we will shortly commence operations on the SNE North prospect which has the potential to enhance our total resources in Senegal."



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NOTES TO EDITORS

The JV has drilled ten wells in three years; with two basin opening discoveries in 2014, followed by four wells completed in 2016 ahead of schedule and under budget. Cairn then announced a contingent resource upgrade with gross oil in place on SNE of more than 2.7 billion barrels.

The third phase of drilling commenced in January 2017 with further evaluation of both the SNE and FAN discoveries; SNE-5 appraisal well, VR-1 exploration and appraisal well, SNE-6 appraisal well, FAN South-1 exploration well and to follow, SNE North exploration well.

Cairn has a 40% Working Interest (WI) in three blocks offshore Senegal (Sangomar Deep, Sangomar Offshore and Rufisque), Woodside has 35% WI, FAR Ltd 15% WI and PETROSEN, the national oil company of Senegal 10% WI.

Cairn is one of Europe's leading independent oil and gas exploration and development companies and is listed on the London Stock Exchange. Cairn has discovered and developed oil and gas reserves in a variety of locations around the world.

Cairn's business operations are focused on frontier exploration acreage in North West Europe, North West Africa and the North Atlantic, underpinned by interests in development assets in the North Sea. Cairn has its headquarters in Edinburgh, Scotland supported by operational offices in London, Norway and Senegal.

Cairn and Corporate Responsibility

- Cairn is a signatory to the UN Global Compact and our core values of respect, responsibility, relationships and our commitments towards people, the environment and society are enshrined in our Business Principles, which are available on the Cairn website at <http://www.cairnenergy.com/index.asp?pageid=282>
- Cairn became a participating company in the Extractive Industry Transparency Initiative (EITI) in September 2013. The EITI is a coalition of governments, companies and civil society, who have adopted a multi-stakeholder approach to applying the EITI global standard promoting transparency of payments in the oil, gas and mining sectors <http://eiti.org/>

For further information on Cairn please see: www.cairnenergy.com