



FOR IMMEDIATE RELEASE

30 November 2017

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

Kraken update

The enclosed announcement has been reported by EnQuest Plc (70.5% Operator) with regards to the Kraken development in which Cairn has a 29.5% working interest.

EnQuest announcement:

Kraken production rate on plan

- Kraken is achieving month on month increases in production and by early November average production rates were around 23,000 Bopd gross. The second production processing train was brought onstream later in November, with rates of over 40,000 Bopd gross being achieved.
- The second and third cargo offloads were completed in October and November respectively. The quality of the crude has been well received by buyers; the latest sale of a cargo was contracted at a discount to Brent of less than \$5 per barrel, this level of pricing has been achieved earlier than targeted.
- The final DC2 production well has been brought online. Excellent drilling performance has continued with the drilling of the DC3 wells nearing completion and ahead of time. The process of bringing the DC3 wells onstream has commenced early and plans to drill DC4 in 2018 are being developed.
- On the basis of this strong performance and subject to continued progress on plant uptime, EnQuest continues to expect production at Kraken to reach 50,000 Bopd gross during H1 2018.

The Kraken development

First oil from Kraken was delivered on 23 June 2017. The four wells from drill centre 1 ('DC1') and the three wells from drill centre two ('DC2'), have produced at initial gross rates above expectations and with stabilised flow rates which confirm the Field Development Plan. The sum of DC1 maximum individually tested well rates have been approximately 24,000 Bopd, with stabilised combined well rates at approximately 15,000 Bopd. One DC2 well has been tested at a rate well above 10,000 Bopd, demonstrating excellent reservoir properties and completion efficiency. Water injection wells have performed in line with expectations.

DC3 wells are nearing completion, substantially ahead of schedule. The process of bringing the DC3 wells onstream has commenced early and plans to drill DC4 in 2018 are being developed. The second production processing train was brought online during November. This second train and DC3 are both further facilitating reaching the expected 50,000 Bopd during H1 2018.

Full cycle gross Kraken project capex is estimated to be c.\$2.4 billion, 25% down on the original sanctioned cost of \$3.2 billion. The previously announced latest c.\$100m of capex savings on the project resulted from the excellent delivery of the DC3 drilling programme and also the lower market rates for the remaining sub-sea campaign.

The full Operational Update can be found on the EnQuest [website](#).

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Cairn Energy PLC

NOTES TO EDITORS

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 now 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