



Preliminary Results Presentation

Cairn Energy PLC

13th March 2018



Disclaimer

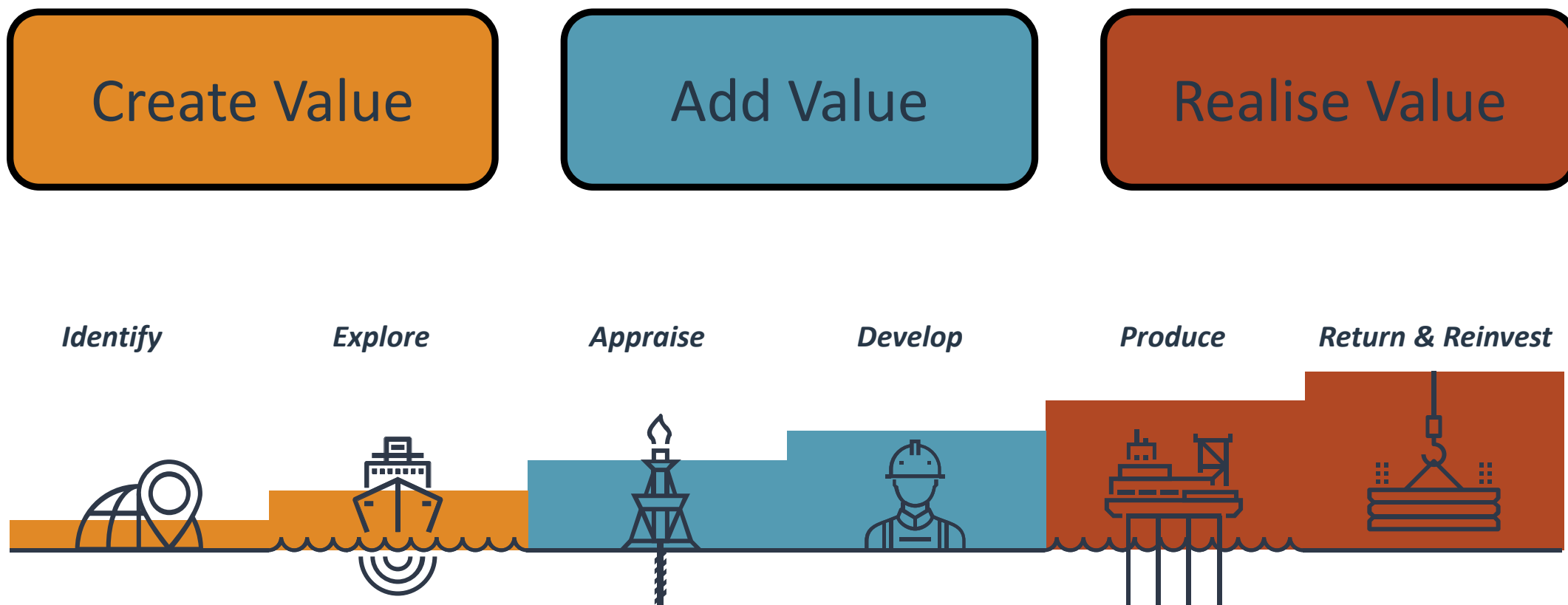
These materials contain forward-looking statements regarding Cairn, our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time.

These forward-looking statements are, by their nature, subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions.

Cairn undertakes no obligation to revise any such forward-looking statements to reflect any changes in Cairn's expectations with regard thereto or any change in circumstances or events after the date hereof.

Value Creation Strategy

Cairn's business model is to create, add and realise value for shareholders through exploration, development and production of oil and gas within a self-funding business model





Finance

James Smith

Group Funding

Significant Financial Headroom at Year End

- Cash at 31 December 2017: \$86m
- Reserve Base Lending Facility: undrawn, ~\$200m available at year end
- 2017 Norway tax receivable in 2018: \$38m

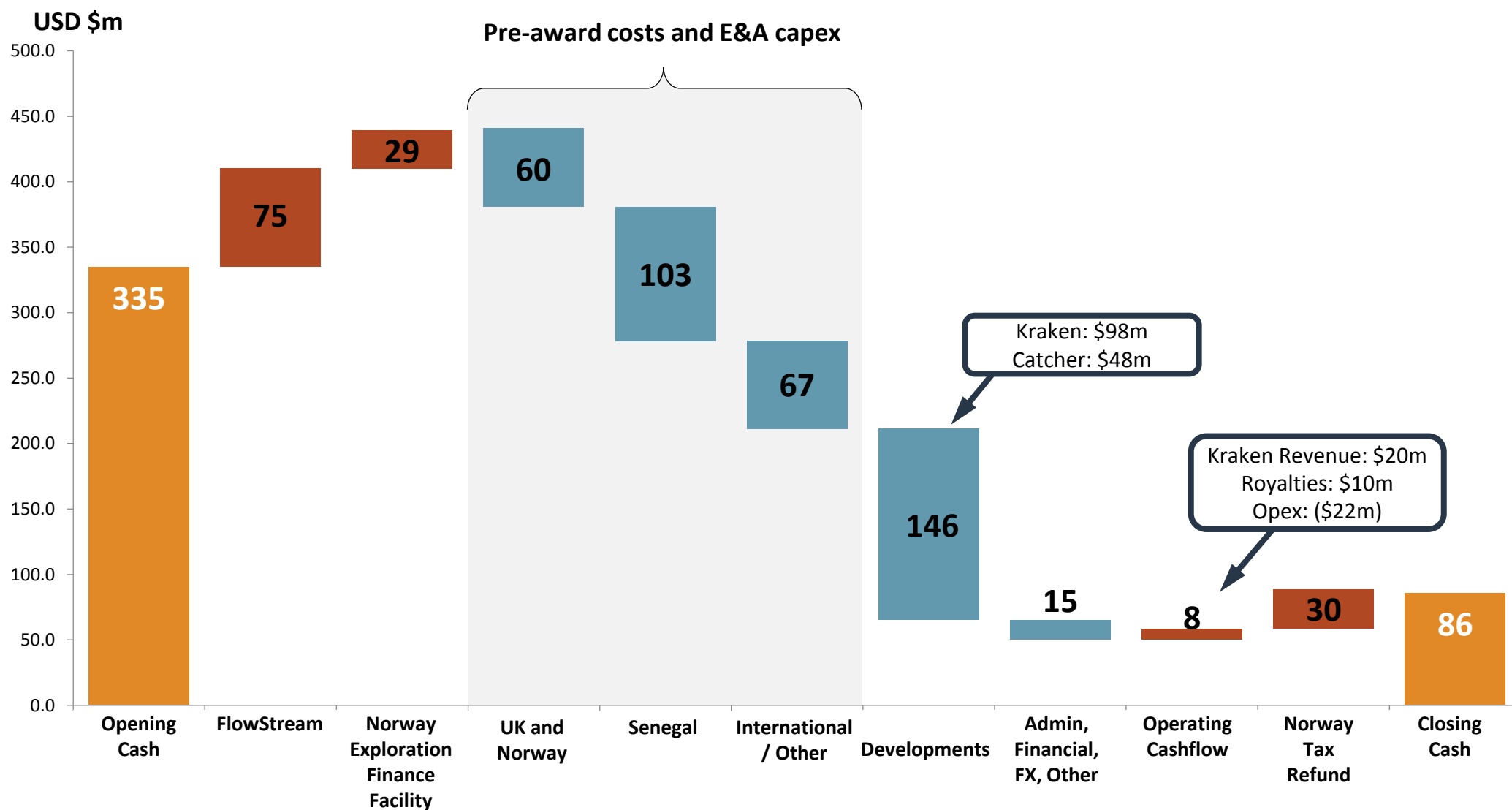
2018 Guidance

- Kraken and Catcher development spend: ~\$140m
- Currently committed exploration and appraisal spend: ~\$95m
- Reserve Base Lending Facility: peak availability of \$350m to \$400m
- Production guidance:
17,000 to 20,000 bbl/day, blended operating cost of \$18/bbl
- Hedging strategy:
~5,800 bopd at a floor price of \$58.4/bbl, ceiling price of \$70/bbl

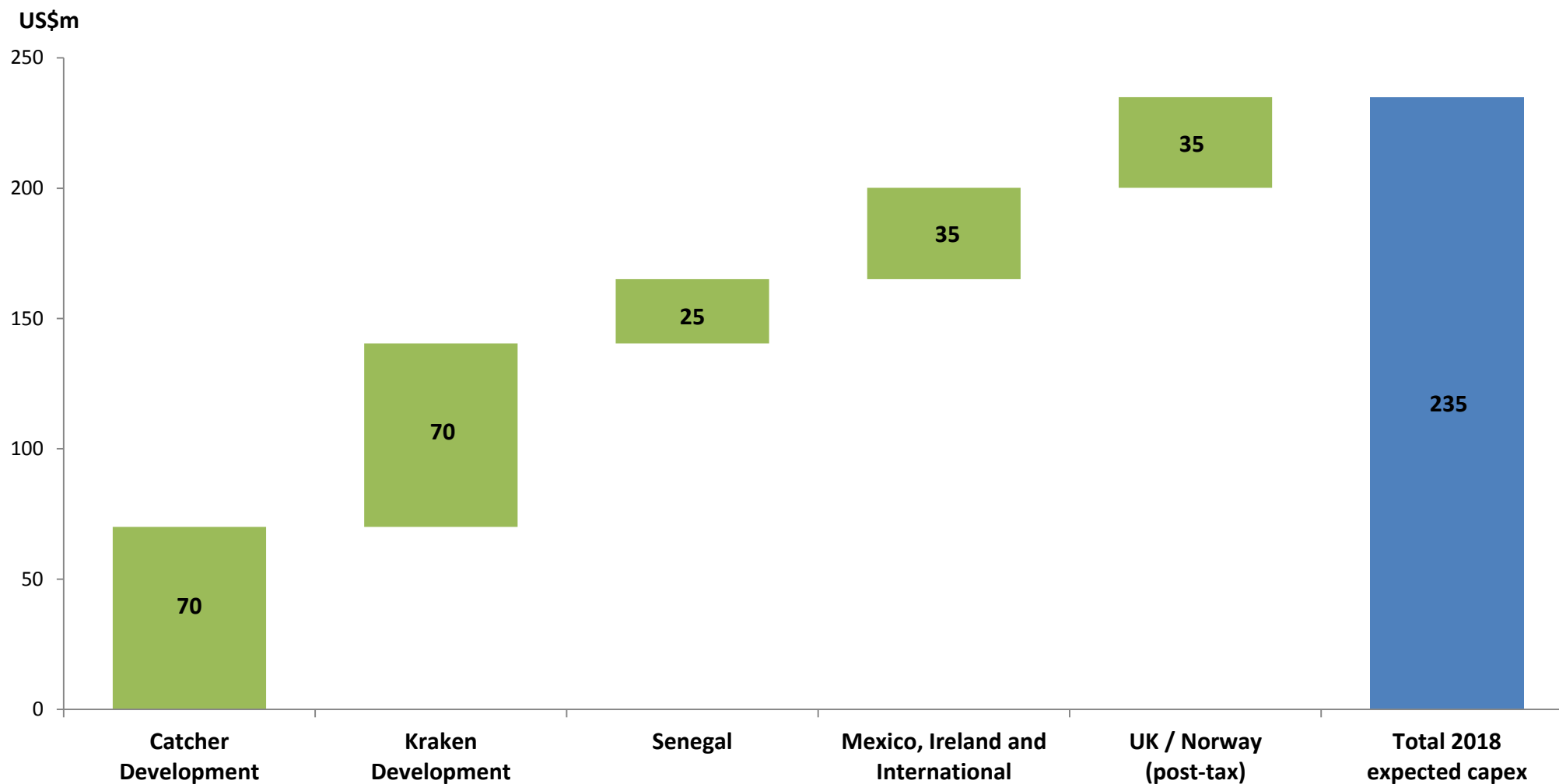
India

- Business plan not dependent on Indian dispute resolution, final international arbitration hearing scheduled for August 2018 (damages claim not less than ~\$1.3bn)

2017 Cashflow



2018 Capex Guidance



Note: Capex guidance includes \$35m cash outflows relating to 2017 activity

Senegal – SNE

➤ SNE Development

- Full field phased – FPSO
- Exploitation plan approval targeted 2018

➤ Expenditure

- Capex to first oil ~\$800m (net to Cairn)
- Development costs ~\$12/boe (60% development drilling) life of field

➤ Operating Expenditure

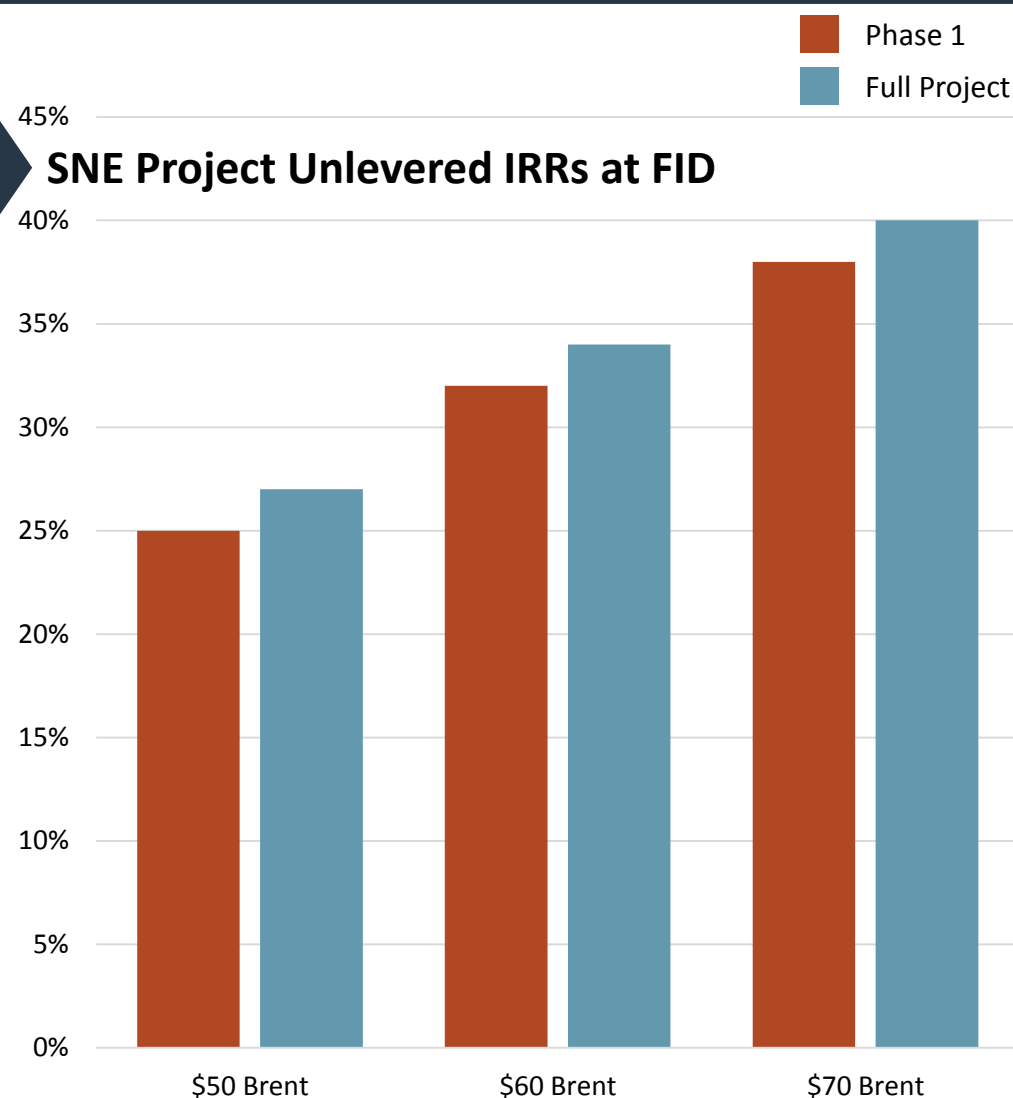
- Production costs: ~\$7/boe (life of field)
- FPSO lease costs: ~\$3-7/boe (life of field)

➤ Economics

- Highly attractive even in lower oil price environment
- 10% return break even oil price ~\$35/boe
- Full project unlevered IRR at \$60/boe, ~34%

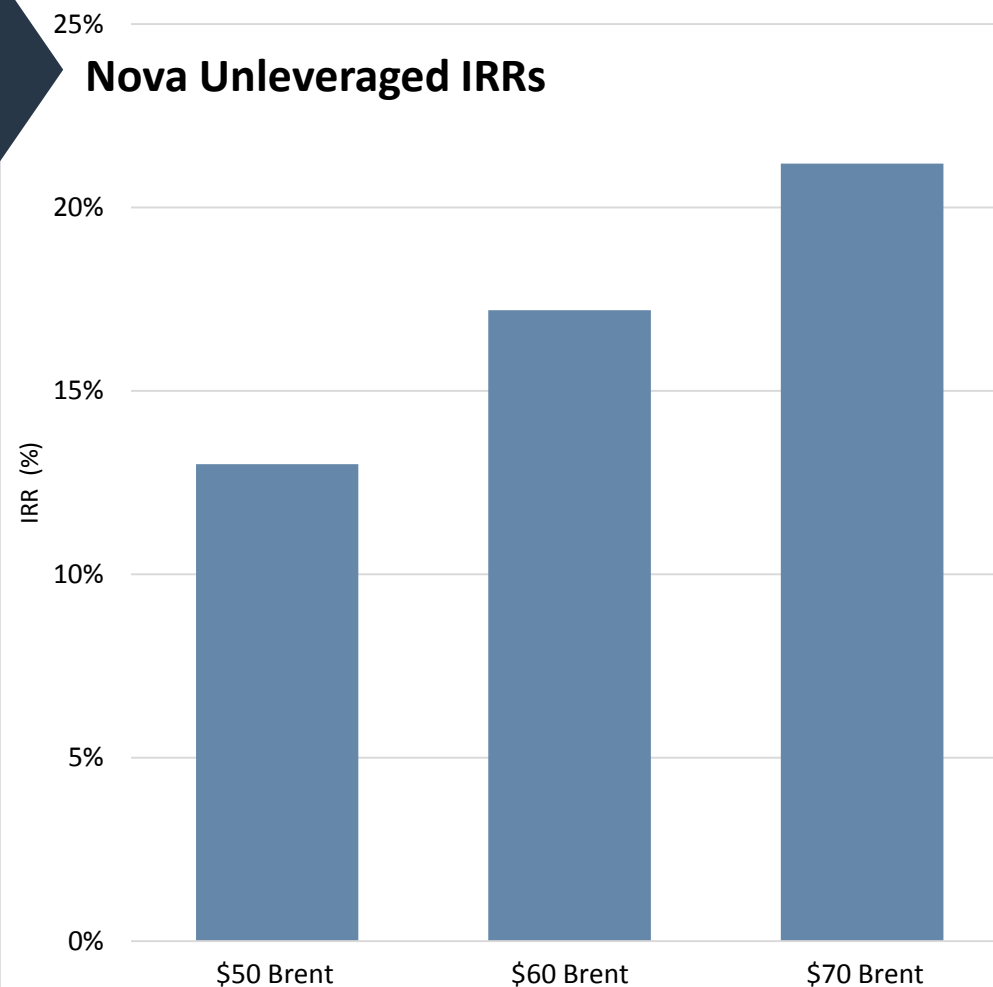
➤ Funding

- Work on project financing structures and pre-launch preparation underway



Norway – Nova (formerly Skarvfjell)

- Nova Development
 - Subsea tie-back to Gjøa platform
 - Nova Final Investment Decision (FID) H1 2018
- Expenditure
 - Capex to first oil ~\$200m (net to Cairn)
 - Development costs ~\$15/boe life of field
- Operating Expenditure
 - ~\$7/boe at peak production
- Economics
 - 10% return break even oil price ~\$45/boe
 - Unlevered IRR at \$60/boe, ~17%
- Funding
 - Work underway to include in existing Reserve Based Lending Facility



Delivering Long Term Sustainability

2018

- Kraken and Catcher production ramp up, completion of development drilling
- Nova Final Investment Decision and amended RBL

2019

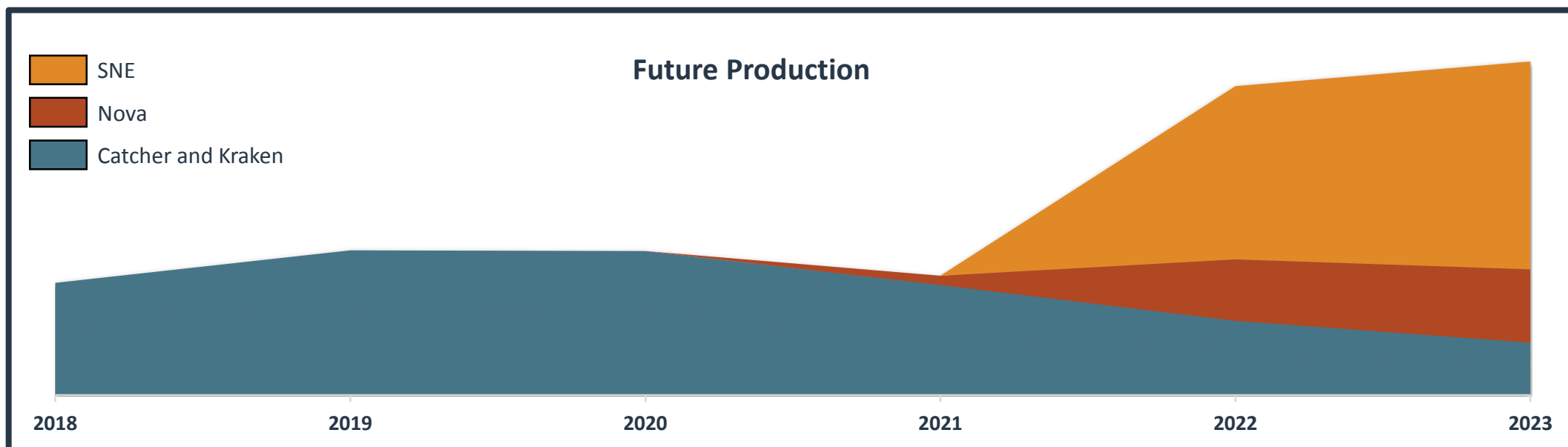
- SNE project financing complete

2020

- Nova development drilling
- SNE development drilling

2021 →

- Nova first oil
- SNE development drilling
- SNE first oil 2021 - 2023



Development and Production

Paul Mayland



2018 Outlook – Further Progress Across All Assets

Senegal – SNE

- Exploitation plan submission and entry to FEED with preferred contractor(s)
- Transfer of Operatorship

Norway – Nova

- PDO submission and contract finalisation to ensure project captures current cycle pricing
- PDO approval and FID

UK – Kraken

- Optimise production up to 50,000 bopd
- Completion of firm development drilling (25 wells)

UK – Catcher

- Final FPSO commissioning
- Ramp-up to plateau production (60,000 bopd) H1 2018
- Completion of firm development drilling (18 wells)

Future

Production

Current



Senegal
(Net to Cairn
~40,000 bopd
on plateau)

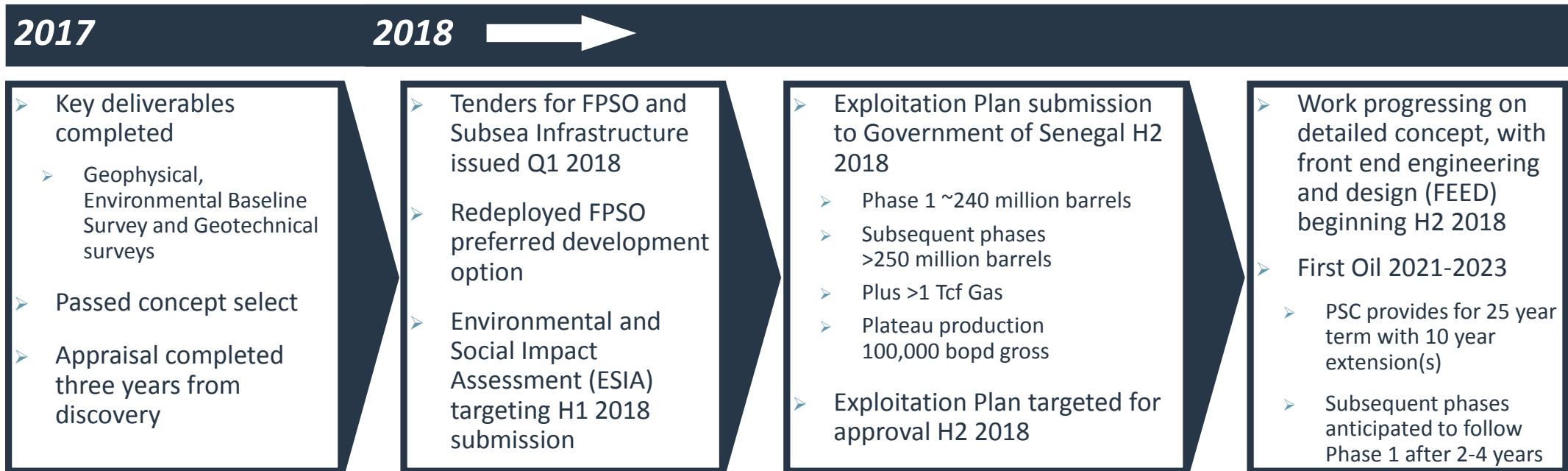


Nova
(Net to Cairn
~10,000 bopd
on plateau)

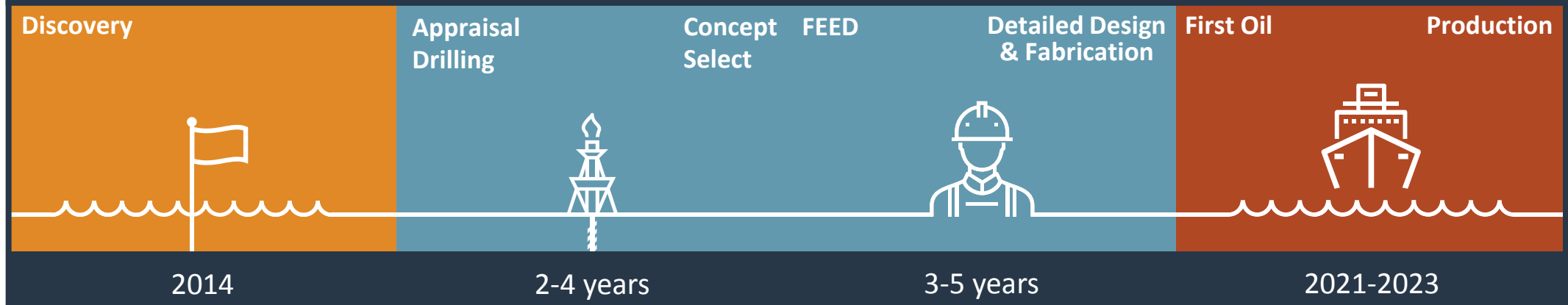


Kraken / Catcher
(Net to Cairn 17,000
to 20,000 bopd in 2018)

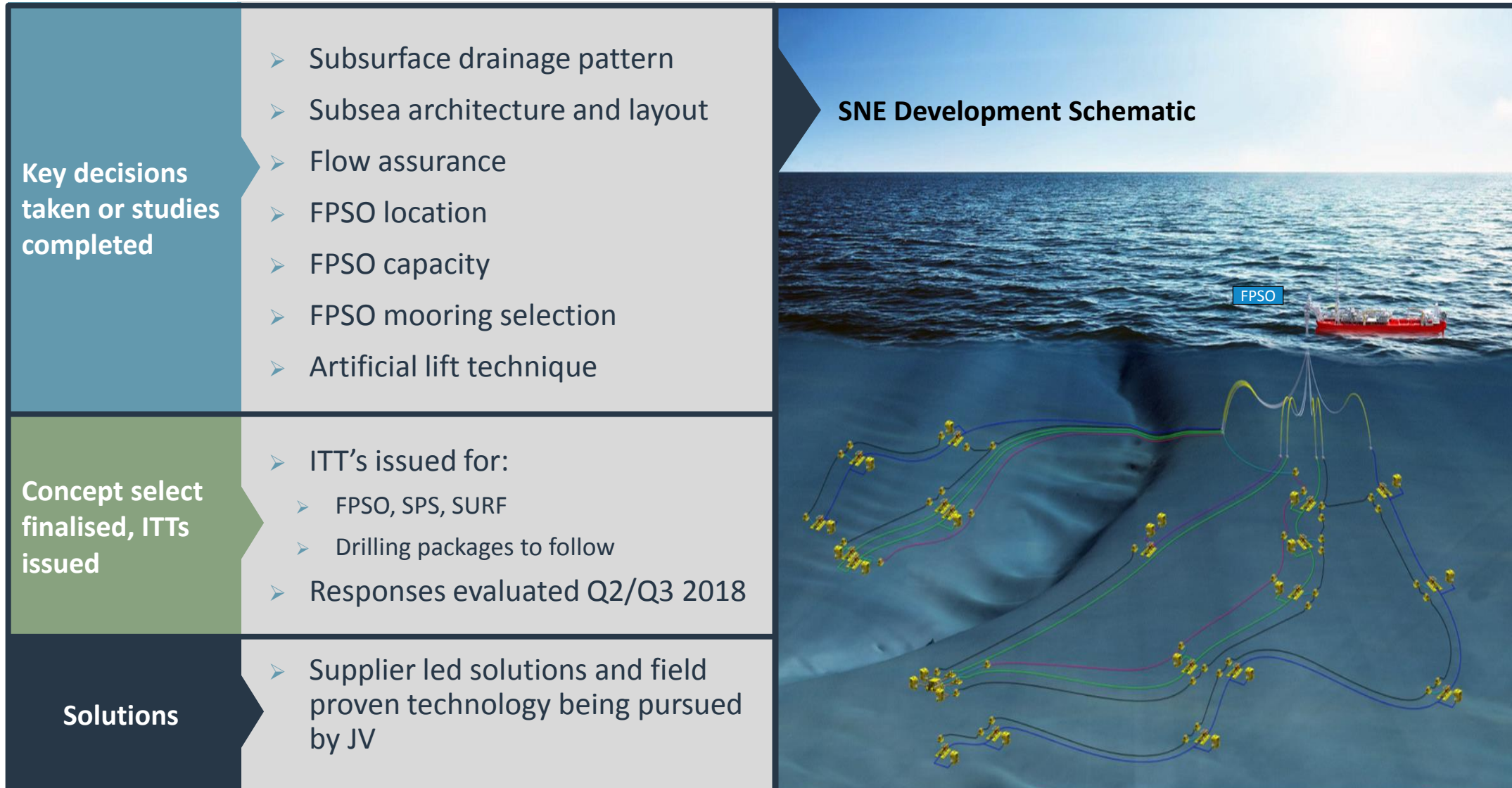
Senegal – SNE Development Milestones



Timeline

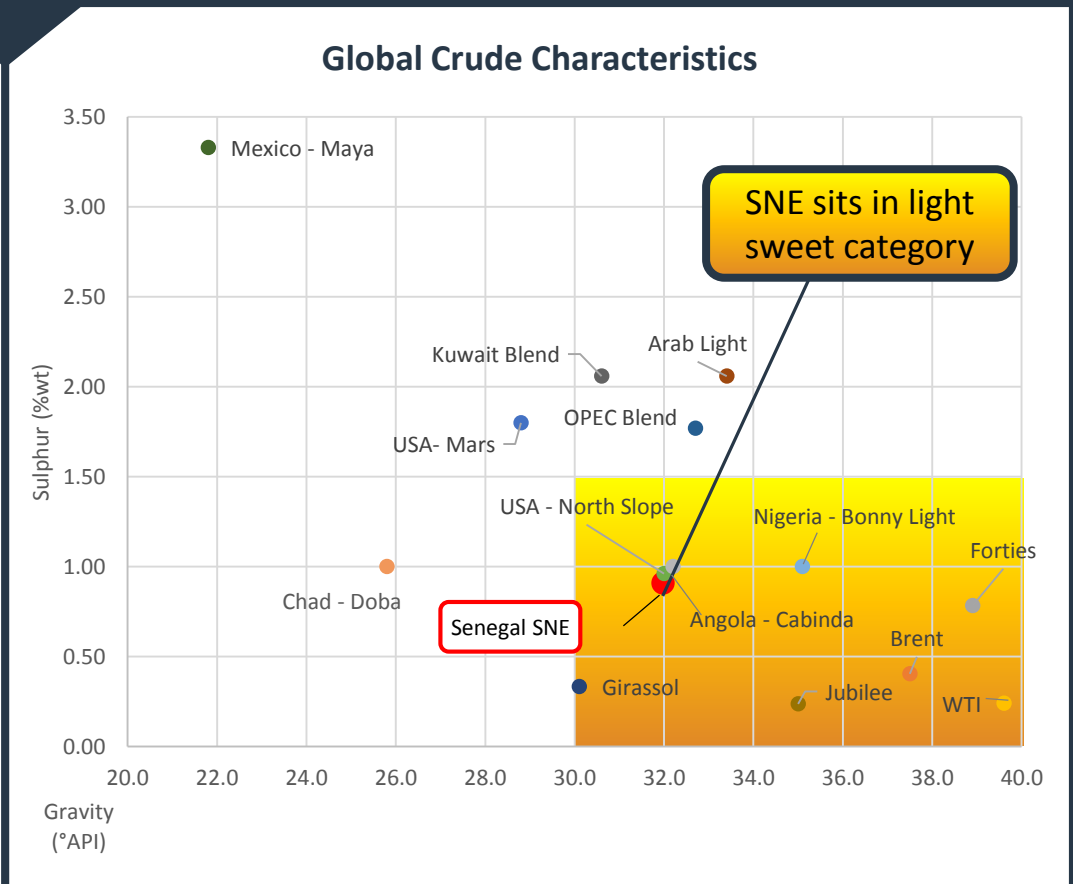
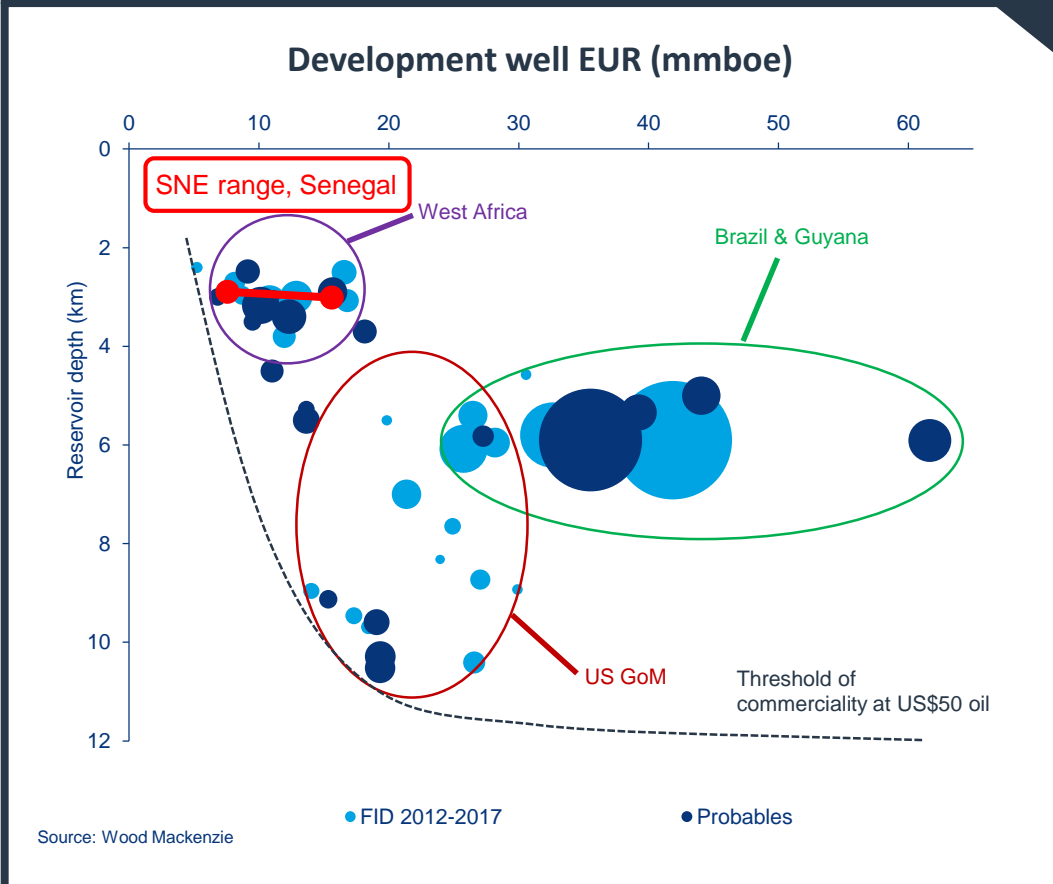


Senegal – SNE Phase 1 Development Moving Forward



Senegal – SNE Recovery

- Reservoir depth and productivity of recent and probable deepwater oil developments
- SNE fits well within West African analogues, with EURs/well ranging from 6-18 mmbbls, driven by shallow normally pressurised reservoirs and low viscosity oil

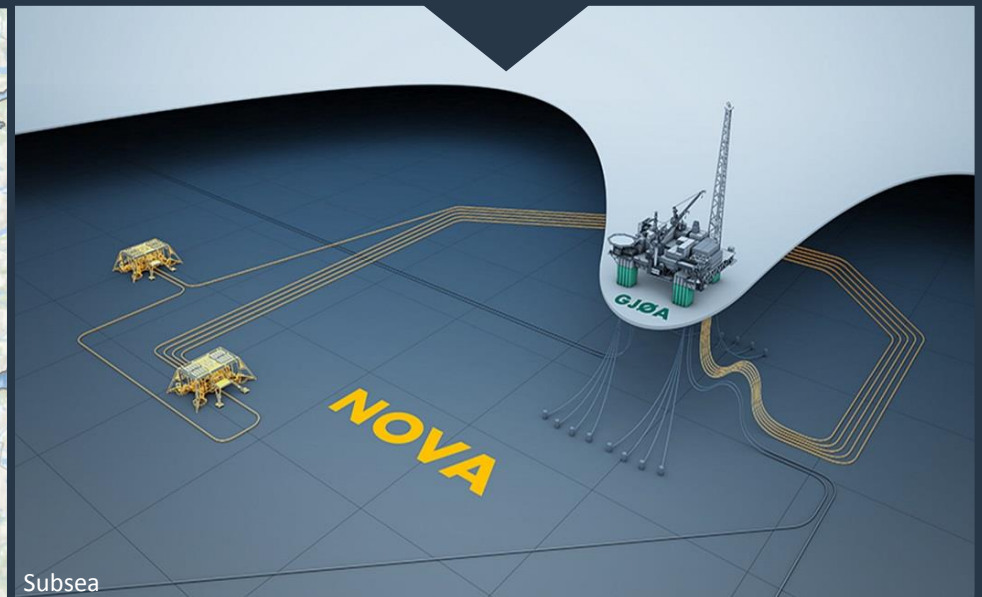
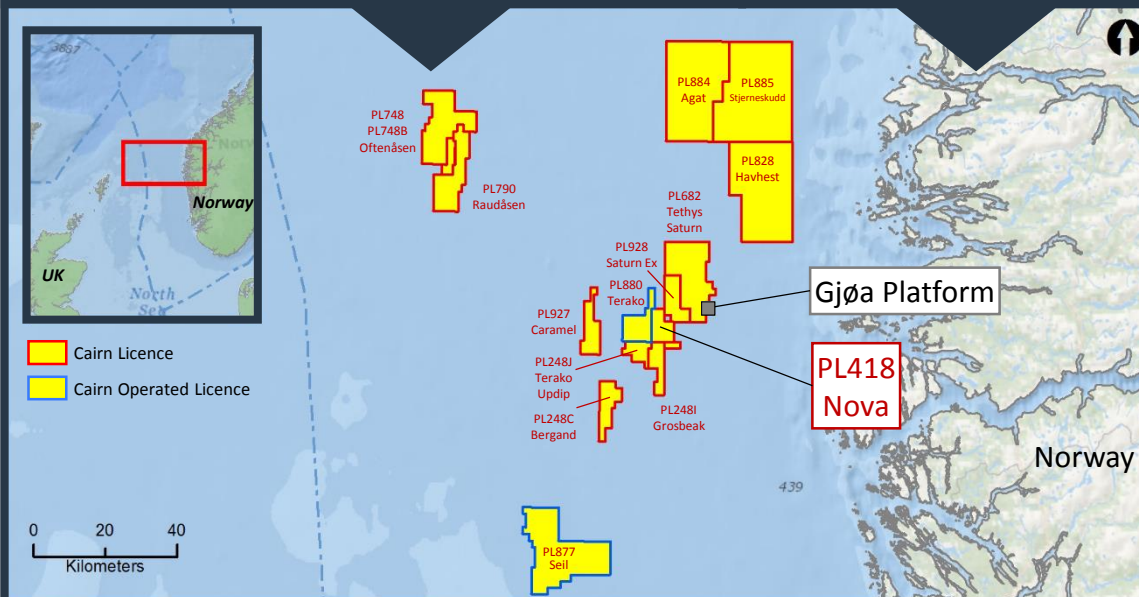


Norway – Nova Development

- Oil field ~16 km south west of Gjøa field
- High quality Upper Jurassic reservoir: light oil with gas cap
- Reserves 80 mmboe*
- Peak production (net to Cairn) ~10,000 bopd with associated gas

- Two subsea templates tied back to Gjøa platform for processing and export
- Gjøa will provide lift gas and also water injection for pressure support

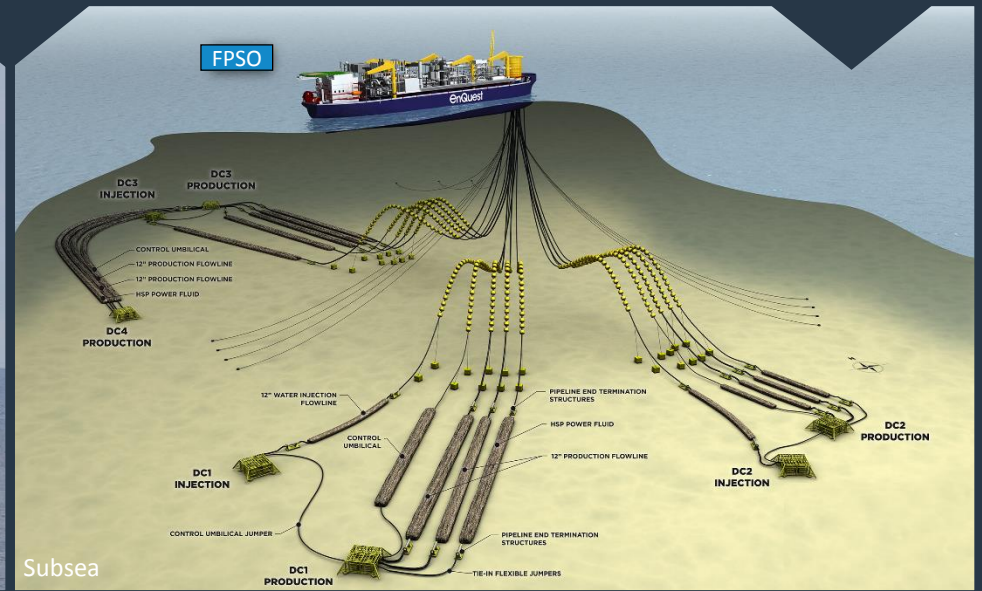
- Q1 2018 JV awarded two major subsea contracts
 - Subsea Production System
 - Pipeline and Subsea Construction
- Plan for Development and Operation (PDO - FDP) submission Q2 2018 and approval Q3 2018
- First oil target 2021



* Operator estimates

UK – Kraken Production

- First oil H1 2017
- Reserves updated but broadly consistent with FID values (2P 121 mmboe Gross)
- Optimise Production up to 50,000 bopd in 2018
- \$2.3 bn full cycle capex (down 25% from FID)
- Both process trains online
- 11 producers and 10 injectors successfully complete and online producing at capacity
- Operational efficiency significantly improved in 2018
- DC4 subsea installation planned for Q3 2018, and drilling / completion of remaining four wells in Q3/Q4 2018
- Regular liftings with strong interest in crude from European, US and Asian buyers



UK – Catcher Production

- First oil H2 2017
- Reserves now upgraded from FID values (2P 90 mmboe Gross) and satellite potential being evaluated
- Ramp-up to 60,000 bopd in H1 2018
- \$1.6 bn full cycle capex (down 30% from FID)
- Production established from Catcher and Varadero fields
- 10 producers and 4 injectors successfully completed and available for production / injection
- Ensco 100 jackup-rig completing planned remaining 4 wells in initial phase
- Regular cargo liftings underway at small premium to Brent





Exploration

Eric Hathon



Full Cycle Exploration

Strategy

To generate value with an evolving portfolio of prospects which mature into a choice of material drilling targets and deliver consistent results on a three year rolling average

➤ Moving from Exploration and Appraisal to Development

- Senegal – SNE
- Norway – Nova

➤ Drill ready portfolio

- UK
- Norway

➤ Future/Maturing Opportunities

- Ireland
- Mexico
- Suriname

Critical Success Factors

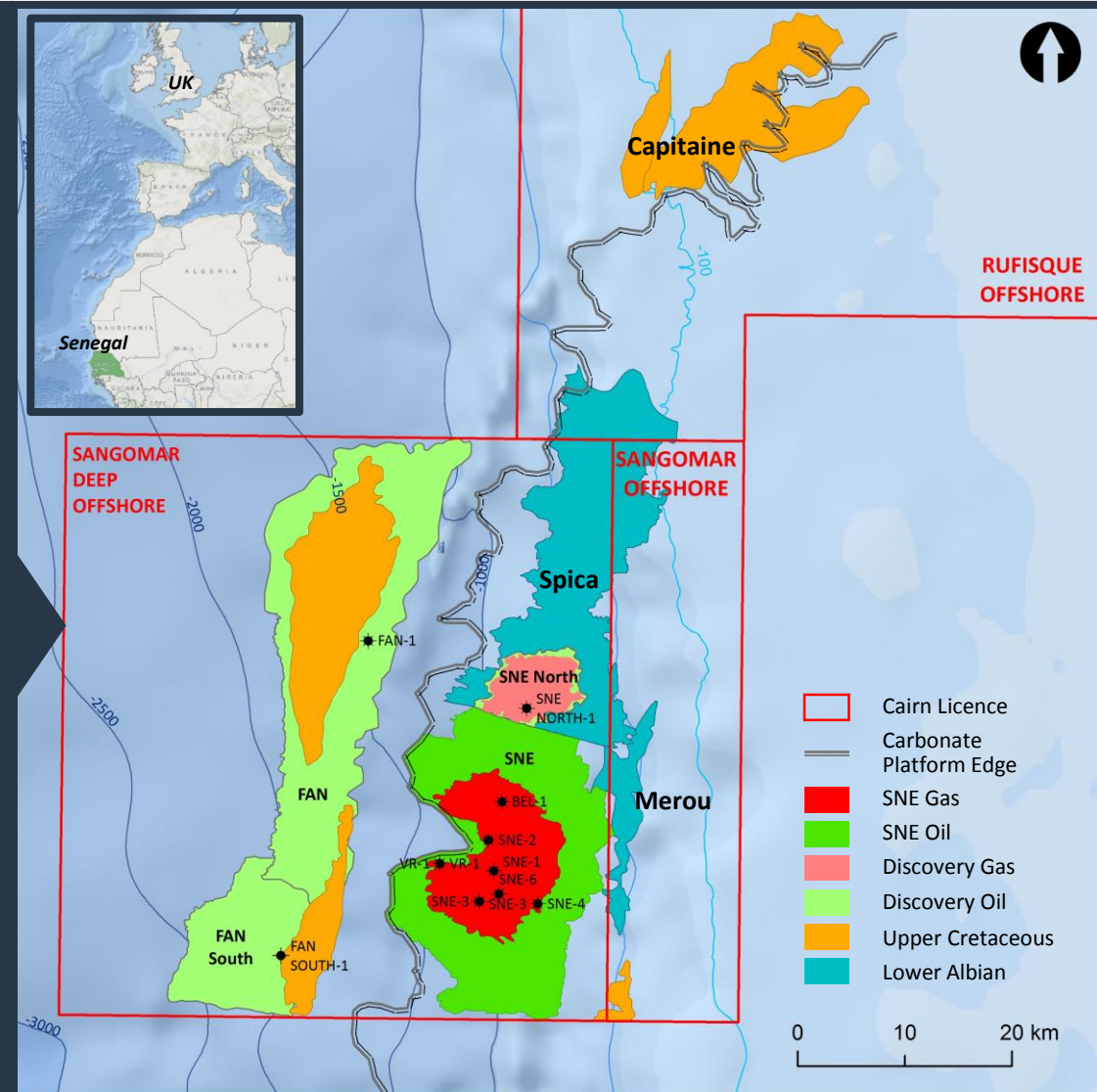
- An outstanding team
- Compelling commercial, subsurface and above ground risk
- Clear path to commerciality
- Operatorship and strategic partners



Atlantic Margin – Senegal

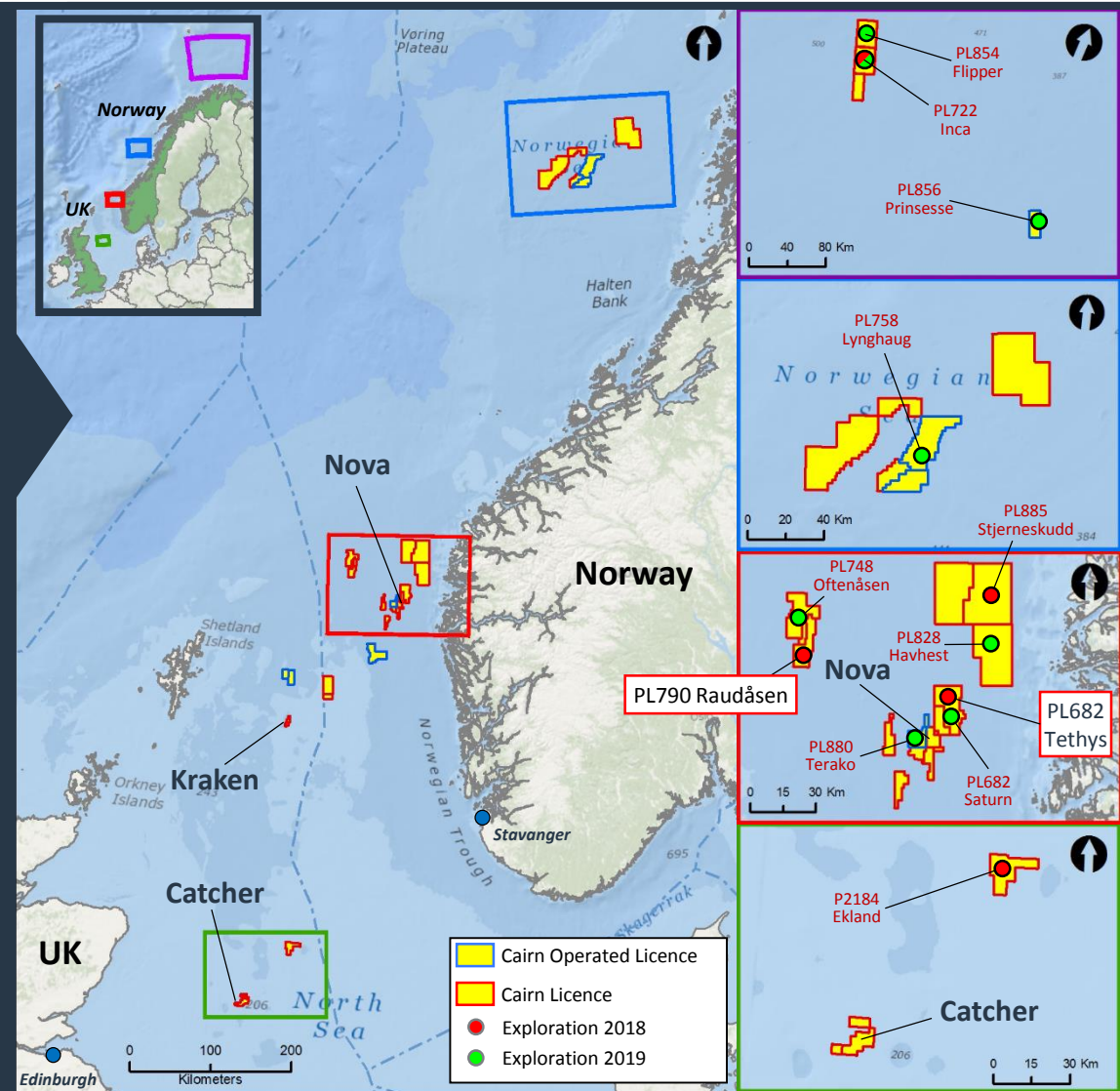
Analysis of significant well results ongoing for future activities

- FAN SOUTH-1
 - Well results integrated with FAN-1 basin discovery to assess Greater Fan Complex potential
- SNE NORTH-1
 - Encountered deeper and separate reservoir to SNE field – S400 and S500 Series reservoirs
 - Has positive implications for further hydrocarbon potential
 - Evaluation plan for Spica prospect approved by Government providing potential future target



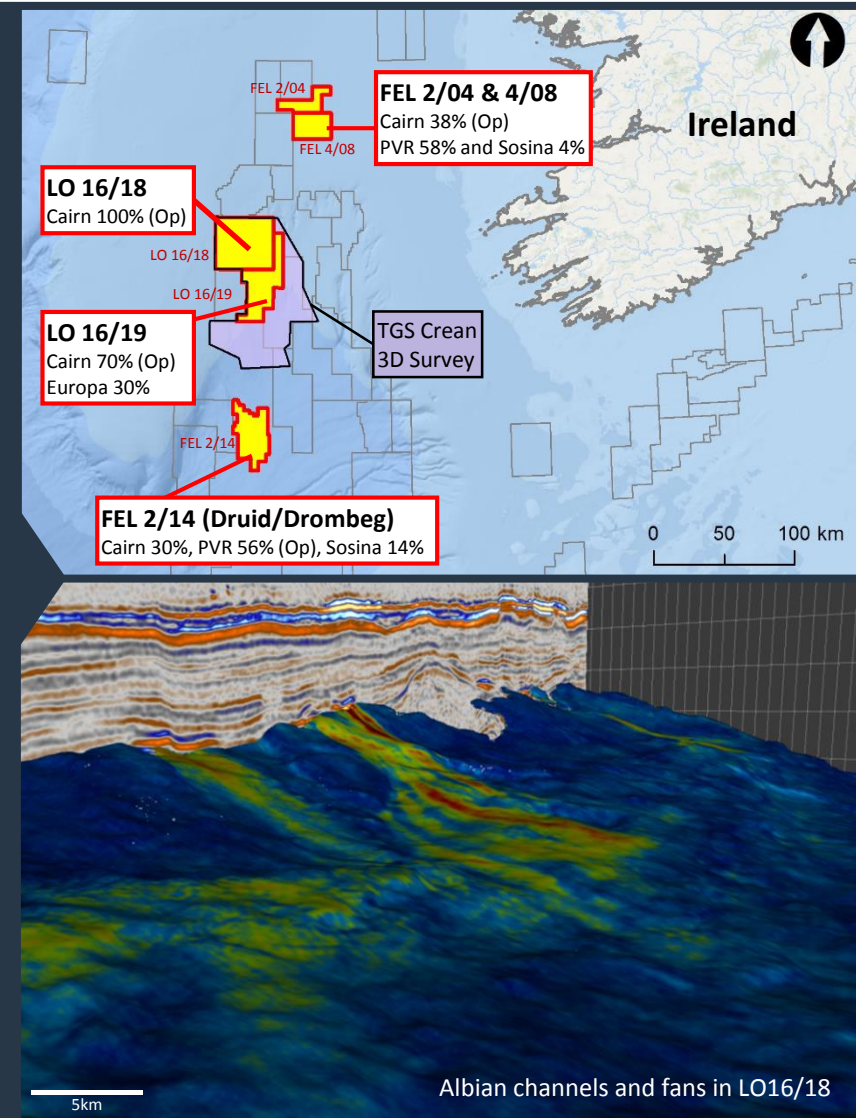
UK and Norway – Material Drilling Campaign Commenced

- Extensive portfolio across a variety of plays in UK and Norway
- Barents Sea
- Norwegian Sea
- Norwegian North Sea
- Drilling programme up to 10 wells in 2018 / 2019
- Targeting ~725 mmbobe net to Cairn unrisked resource (>1.5 billion boe gross unrisked resource)
- Post-tax cost ~\$60 MM net
- Tethys currently operating
- Raudåsen well spud Q1 2018
- 45 day well



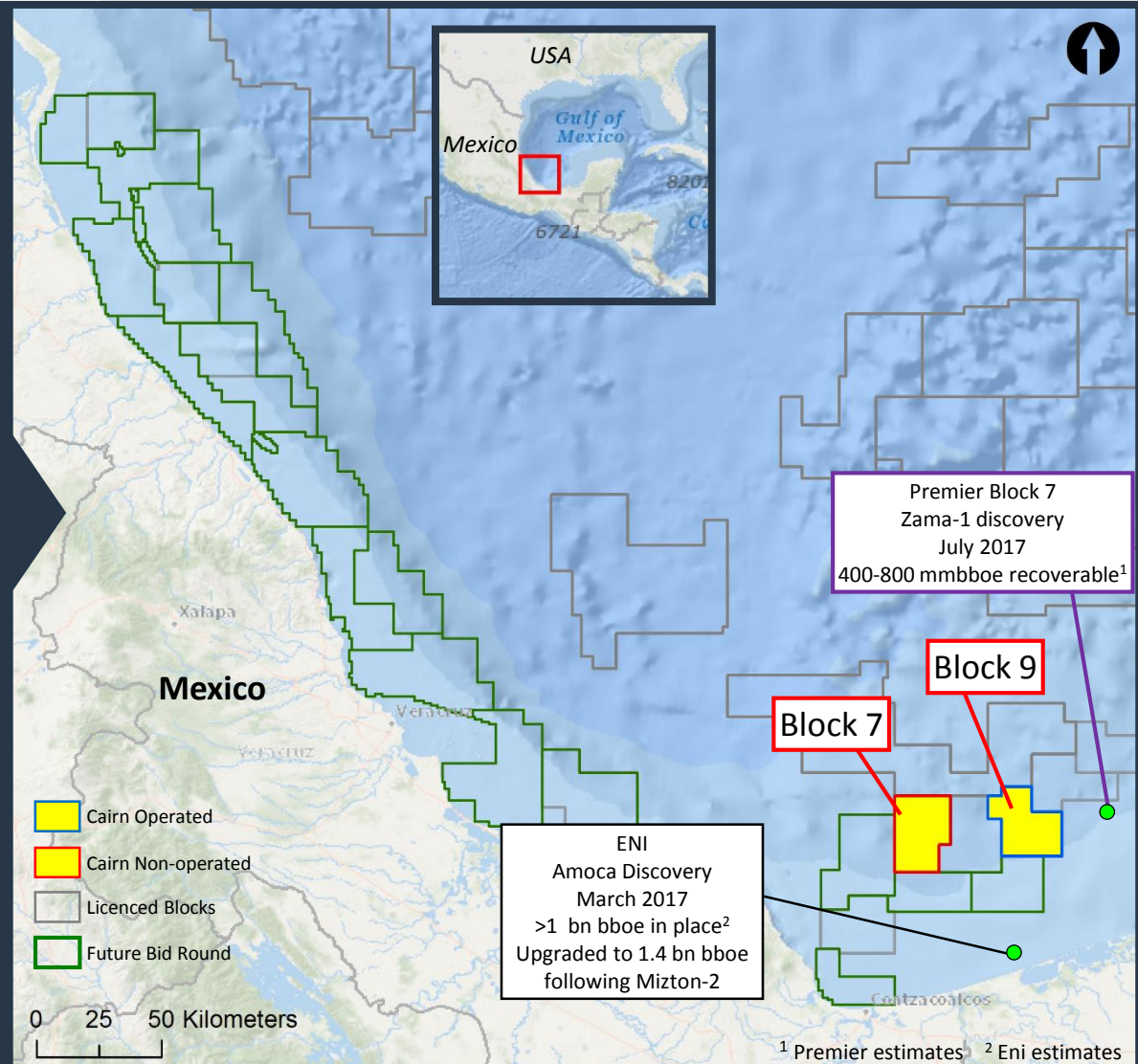
Atlantic Margin – Ireland

- Extensive acreage position in Porcupine basin
- Multiple Play Types
 - Tertiary Deepwater Fan and Channel prospects
 - Cretaceous Fan and Channel Prospects
 - Jurassic Tilted Fault Block and Truncation Trap Prospects
- Interest in >4,000 km² in 5 licences
 - LO 16/18 and LO 16/19 licences covered by new TGS multi-Client 3D
 - Encouraging initial results
 - Maturing prospectivity
 - Drilled 53/6A well (Druid/Drombeg prospect) southernmost well in Porcupine Basin
 - Good reservoir development in both intervals but water wet



Atlantic Margin – Mexico

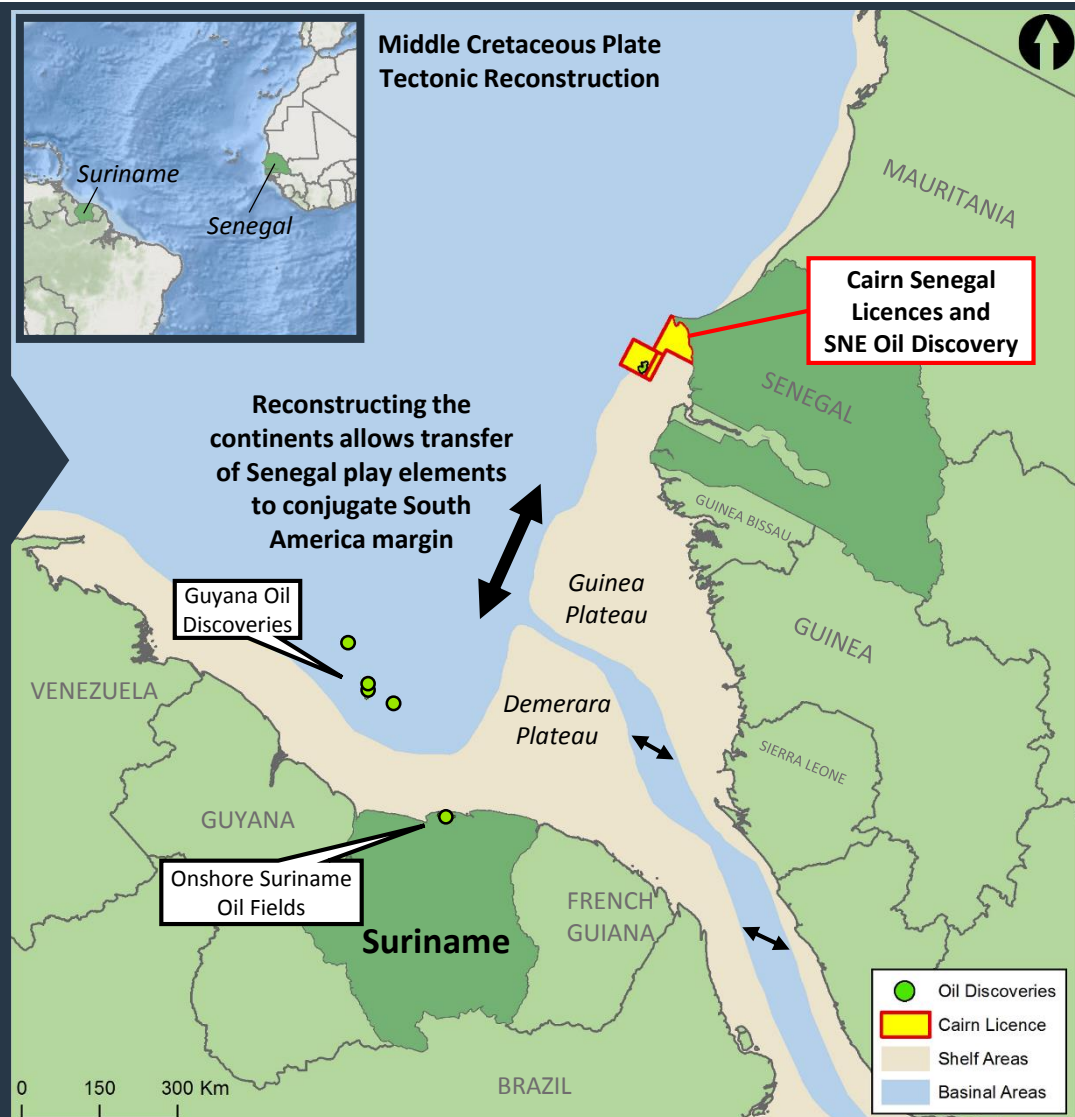
- Planning underway for 2019 / 2020 drilling campaign
- Block 7: ENI (45% operator), Cairn (30%), Citla (25%)
- Block 9: Cairn (65% operator), Citla (35%)
- Four well programme; two wells per block
- >1 billion boe gross unrisked resource across two blocks
- Multiple 3D seismic-supported prospects
- Offsetting world class oil discoveries
- Exploration Plan submitted to government
- Approval starts 4 year licence period
- Looking at future bid rounds



Atlantic Margin – Suriname

Growing acreage position in Latin America

- Awarded Block 61 (finalising production sharing contract) Q1 2018
- Cairn 100% WI, and Operatorship
- Demerara Plateau offsetting recent Araku well in Block 54 demonstrates presence of hydrocarbons
- Potential future drilling opportunity
- 13,000 km² licence area
- Adds ability to farm down or swap into new areas



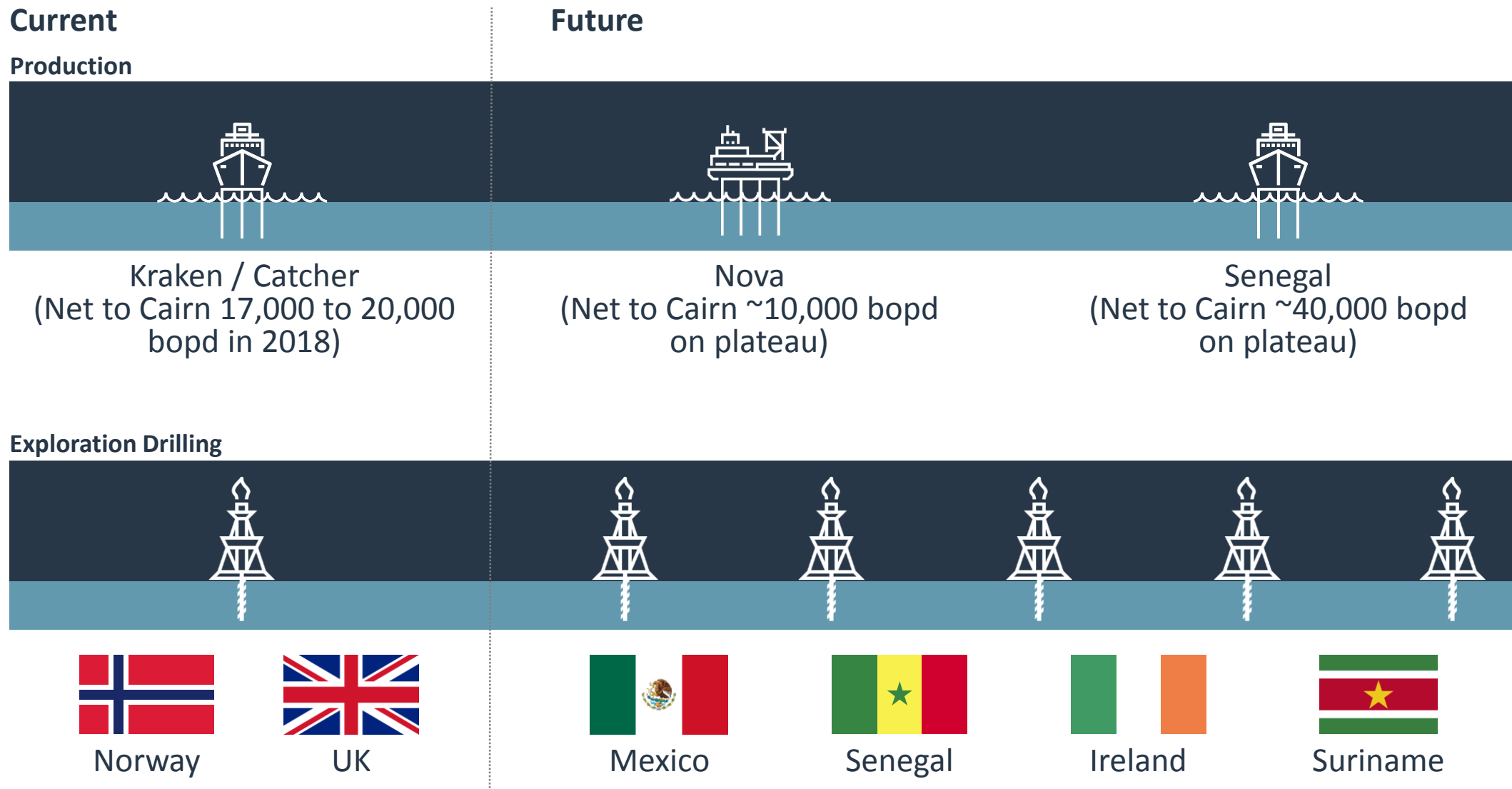
Conclusion

Simon Thomson



Conclusion

Active Programme Across Balanced Business



Sustainable Value Creation

Consistent Strategic Delivery

- Preliminary Results March 2013
 - Capital base re-gearred to exploration success
 - Access to future cash flow to fund exploration programme
 - Appropriate equity interests in operated, frontier exploration

Full Cycle E&P Business

Production

Development

Exploration Exposure

Funding Flexibility

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