



Preliminary Results Presentation

Cairn Energy PLC

12th March 2019



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.

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A Full Cycle E&P Business

Production

Development

Exploration

Return and Invest



Platform	Production Capacity
Kraken / Catcher	(Net to Cairn 19,000 to 22,000 bopd in 2019)
Nova	(Net to Cairn ~10,000 bopd on plateau)
Senegal	(Net to Cairn up to ~40,000 bopd on plateau)

Finance

James Smith



Financial Overview

Funding Position

- Cash at 31 December 2018: \$66m
- RBL facility: \$85m drawn
- \$575m RBL maturity extended to 2025
- Norwegian tax receivable: \$33m
- Norwegian EFF: \$27m drawn
- Senegal / SNE Project Finance launched in readiness for 2019 Final Investment Decision (FID)
- Business plan fully funded without resolution of India arbitration

Financial Overview

2018 Results

- Net Production: 17,500 boepd**
- Oil and gas sales revenue: \$396m
- Average realised sales price: \$68/boe (before \$1.34/boe hedging cost)
- Average production cost: \$20.5/boe
- FY 2018 cash inflow from oil and gas production: \$229m (excluding oil sales receivables \$39m)
- Operating loss: \$182m (after Kraken impairment)
- Loss after tax : \$1.1 billion (after write down of Cairn's investments in India)

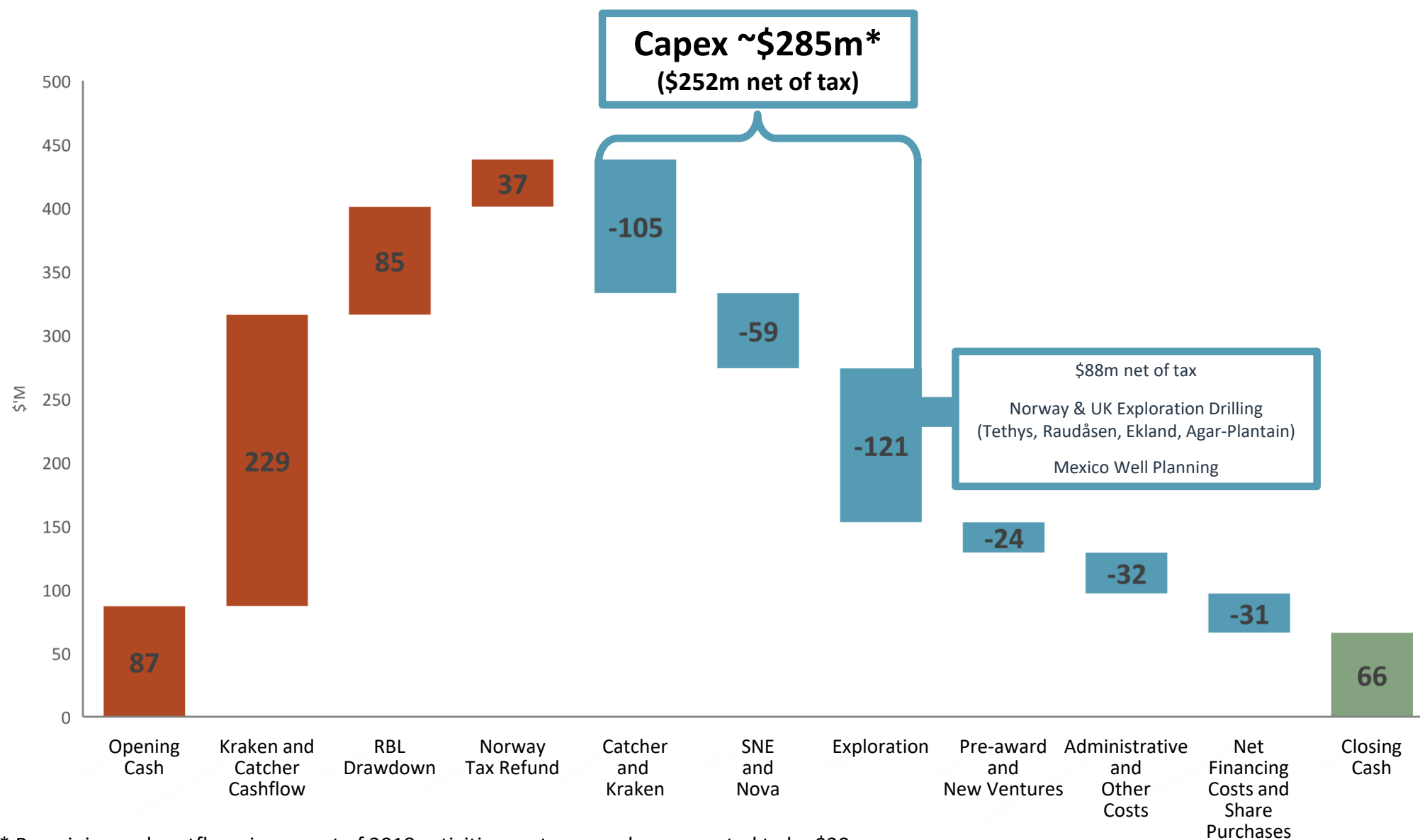
2019 Guidance

- Net Production: 19,000 to 22,000 bopd
- Average production costs: ~\$20/bbl
- Hedging strategy:
 - H1 2019 hedging: 8,050 bopd collars \$66/bbl to \$81/bbl*
 - H2 2019 hedging: 6,590 bopd collars \$69/bbl and \$85/bbl*

* Weighted average floor and ceiling prices

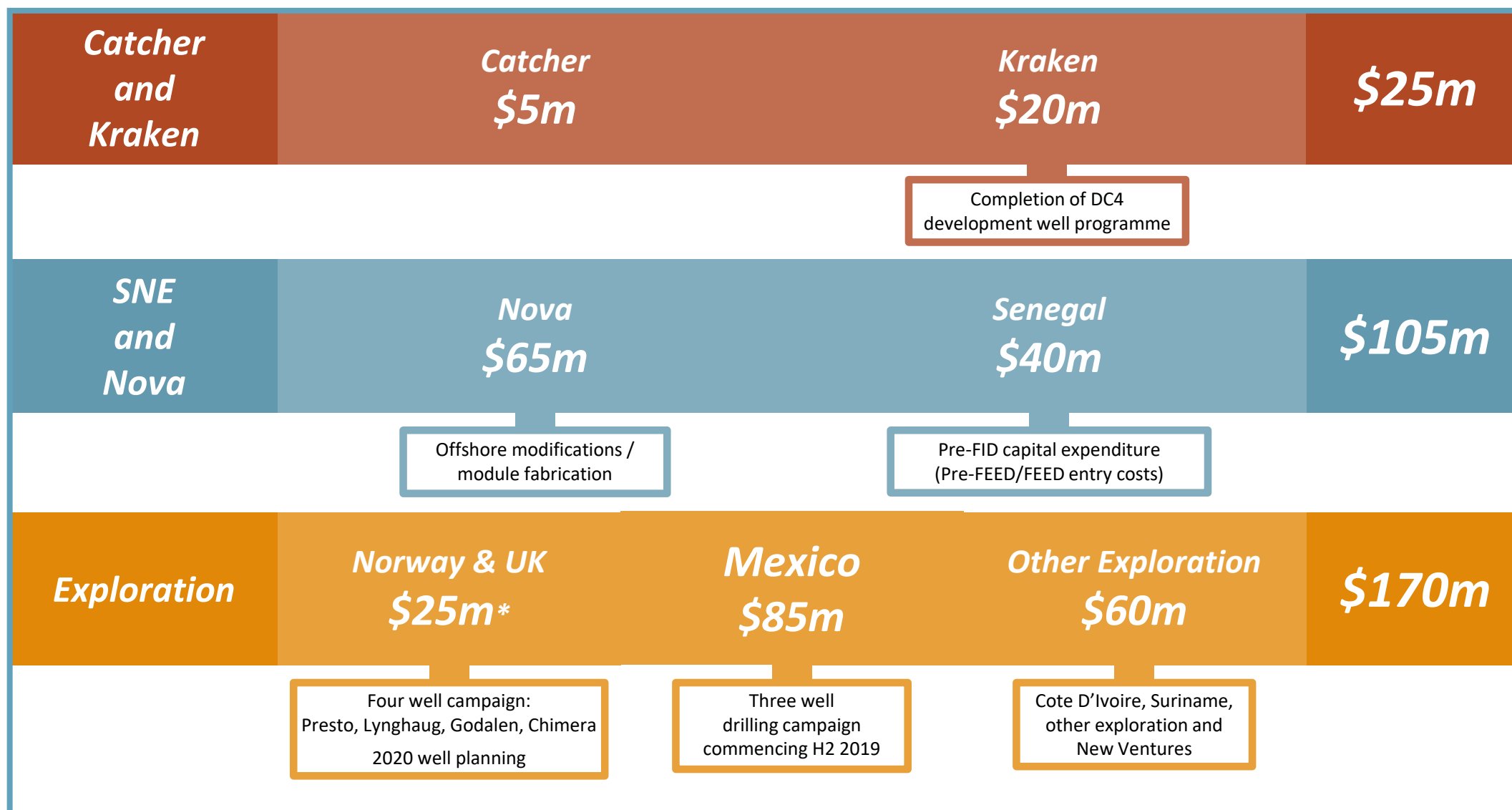
** Shown before deduction of FlowStream rights to production, currently at 4.5% Kraken volumes

FY 2018 Cashflow



* Remaining cash outflows in respect of 2018 activities post year end are expected to be \$30m

2019 Capital Expenditure Full Year Guidance



* Net of Norwegian exploration tax rebate

Delivering Long Term Sustainability

- RBL facility maturity extended to 2025, remains fully available
- Year end 2019 net debt to remain broadly stable, based on prevailing oil price and capex guidance
- Work with core lending banks and Government of Senegal on SNE Project Finance progressing well
- Continued portfolio management to optimise capital allocation

Development and Production

Paul Mayland



Current Production - UK

Catcher



- Catcher (Cairn 20% WI) averaged 43,000 boepd (gross) in 2018
- Production from Catcher Area fields currently ~66,000 bopd
- FPSO performing well, high uptime in 2019, no shut-downs planned until 2020
- Catcher satellites and infill opportunities being matured
- Small positive reserves revision at Year End 2018

Kraken



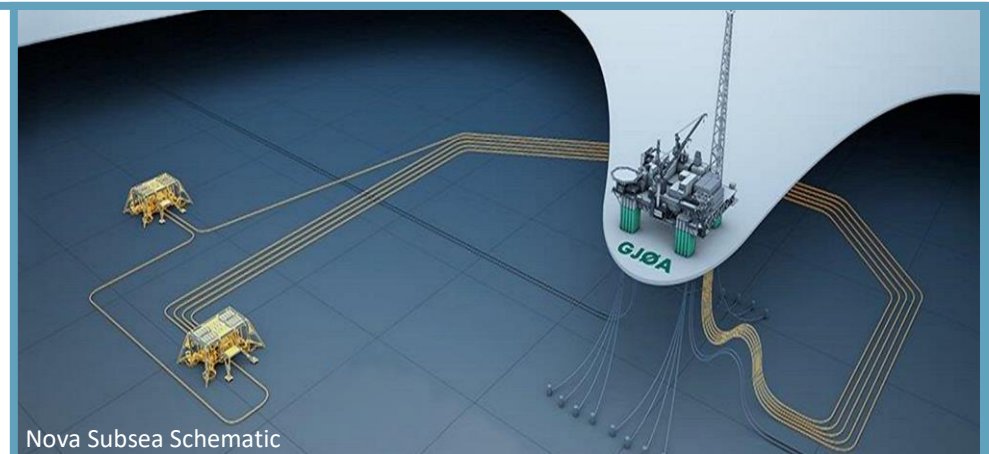
- Kraken (Cairn 29.5% WI) averaged 30,300 bopd (gross) in 2018
- FPSO performing below expectations; working with operator and contractor on improvement initiatives
- Current production similar to 2018 average; increase scheduled when DC4 wells come online Q2 2019
- Additional drilling opportunities maturing for 2020
- Main field reserves downgraded at Year End 2018

2019 Cairn net production: 19,000 – 22,000 bopd

Under Development – Nova Oil Field, Norway

- Development on schedule
- First oil targeted 2021
- Reserves 80 mmboe*
- Peak production (net to Cairn)
~10,000 bopd with associated gas
- Project capex \$1.2bn
- Two subsea templates tied back to Gjøa platform for processing and export
- Gjøa will provide lift gas and also water injection for pressure support
- Offshore modifications commence summer 2019
- Further satellite developments to Gjøa submitted to NPD, likely positive impact on Nova field life

* Cairn estimates



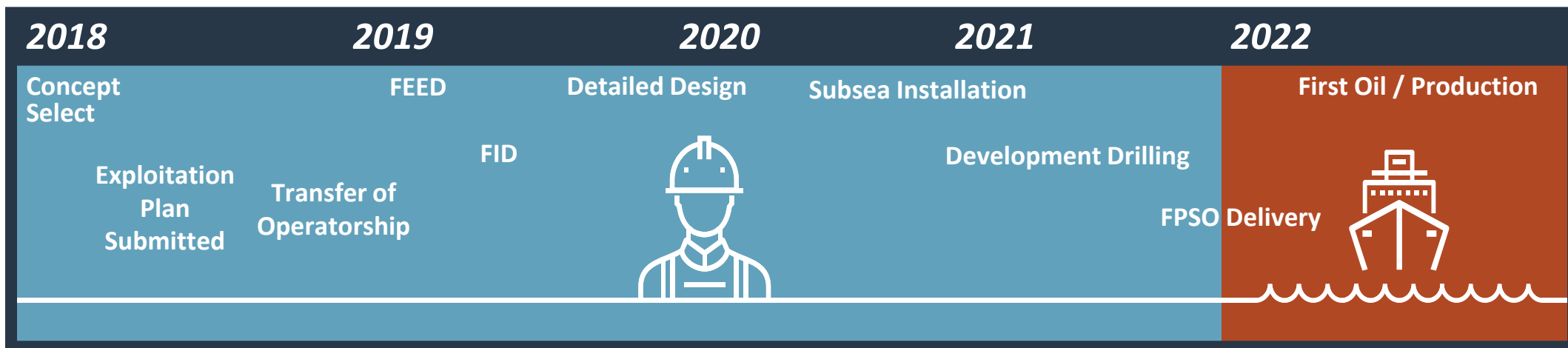
Planning for Development – SNE Oil & Gas Field, Senegal

Milestones Achieved

- Environmental and Social Impact Assessment (ESIA) approved Jan 2019
- SNE Evaluation Report and Exploitation Plan submitted to Government of Senegal, technically approved subject to FEED finalisation
- Subsea FEED awarded, Dec 2018
- FPSO FEED awarded, Feb 2019

Milestones to Deliver

- Drilling rig contracts – imminent award; drilling services under evaluation
- 2019 FID
- JV planning new high density 3D multi azimuth seismic in 2019 to improve imaging of S400 reservoirs
- FPSO Production capacity 100,000 bopd; target first oil 2022



Senegal SNE – Resources

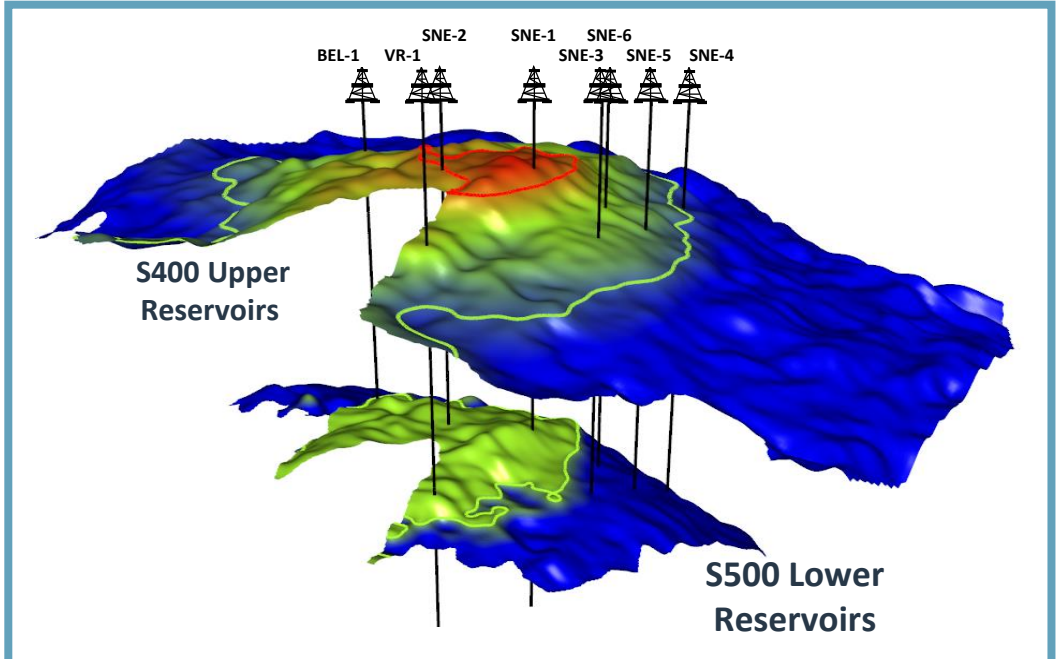
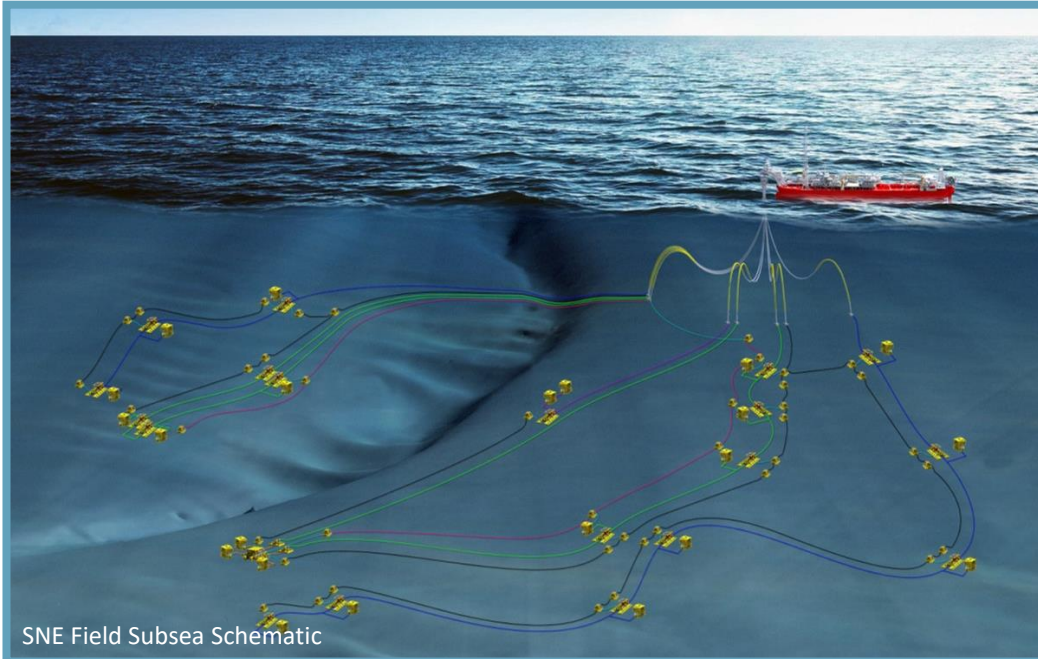
Estimated P50 STOIIIP 3.6 bn boe

**Phase 1
Resources
2C 230 mmbbls**

**Phase 1a Gas
Resources
~ 200 Bcf**

**Phase 2
~130 mmbbls**

**Phase 3
~123 mmbbls**



* Resource numbers within primary reservoirs as per Exploitation Plan

2019 Active Drilling Schedule

Mexico
Operated:
Maersk Developer



Norway
Operated:
Transocean
Arctic



UK
Operated:
Stena Don



Norway
Non Operated:
Transocean
Spitsbergen



Exploration

Eric Hathon



Our Activity

2019

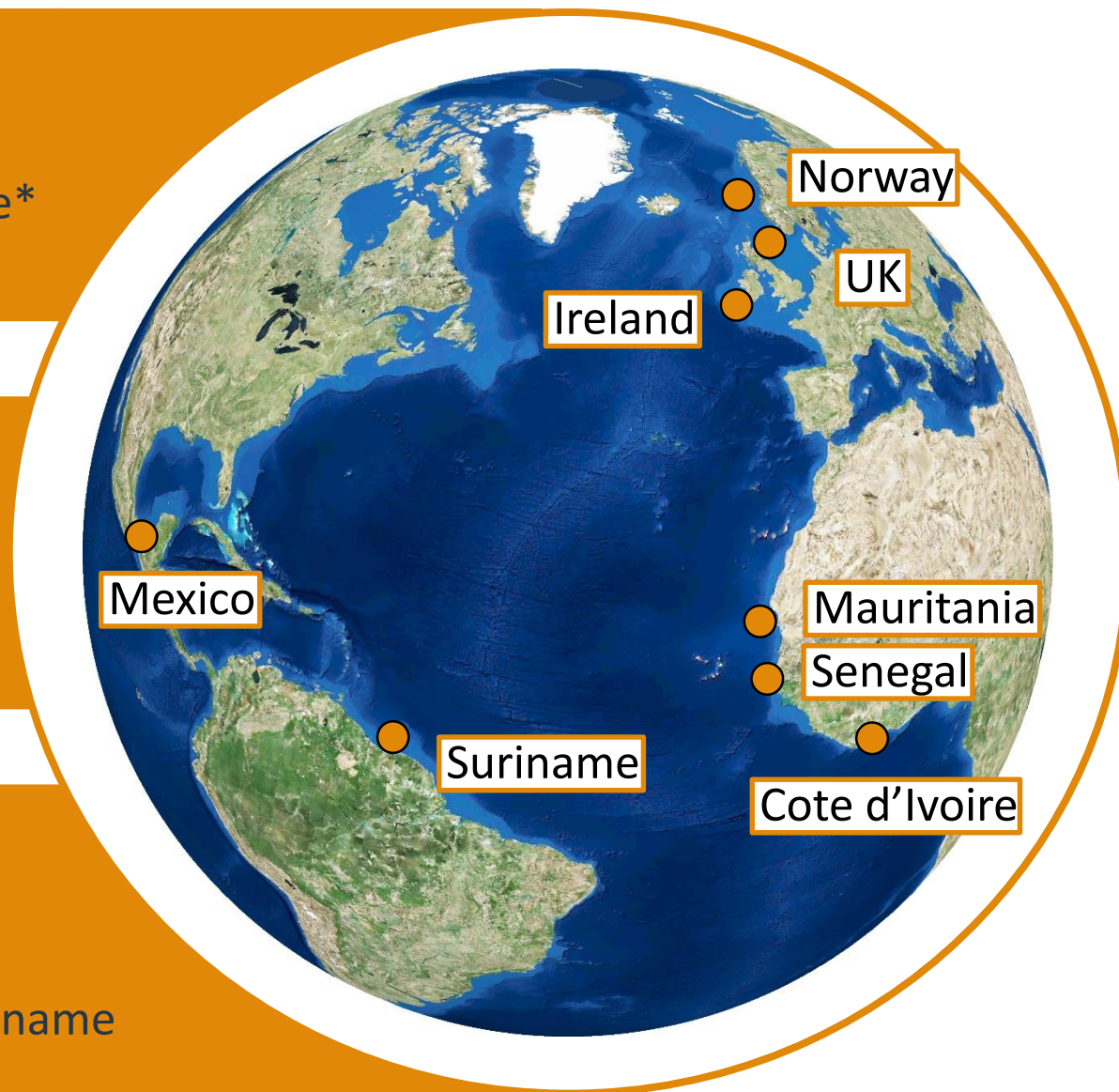
- 7 Wells, 5 Operated
- Targeting total gross volume ~1 bn boe*
- Norway, UK and Mexico

2020

- Potential multi-well programme
- Wells in Mexico, Norway and UK

2021 Onwards

- Future Exploration Opportunities
- Ireland, Mauritania, Cote d'Ivoire, Suriname



* Cairn estimates

Norway UK Drilling Programme 2019

➤ PL885 Presto

- Equinor Operated well Q1 2019
- Cairn 30% WI
- Targeting 160 mmboe*
- Total depth: ~3000 m MD
- Water depth: 230 m
- Well duration ~30 days

➤ PL758 Lynghaug

- Cairn Operated well Q2 2019
- Cairn 50% WI
- Targeting 70 mmboe*
- Total depth: ~1800 m MD
- Water depth: 390 m
- Well duration ~30 days

➤ PL842 Godalen

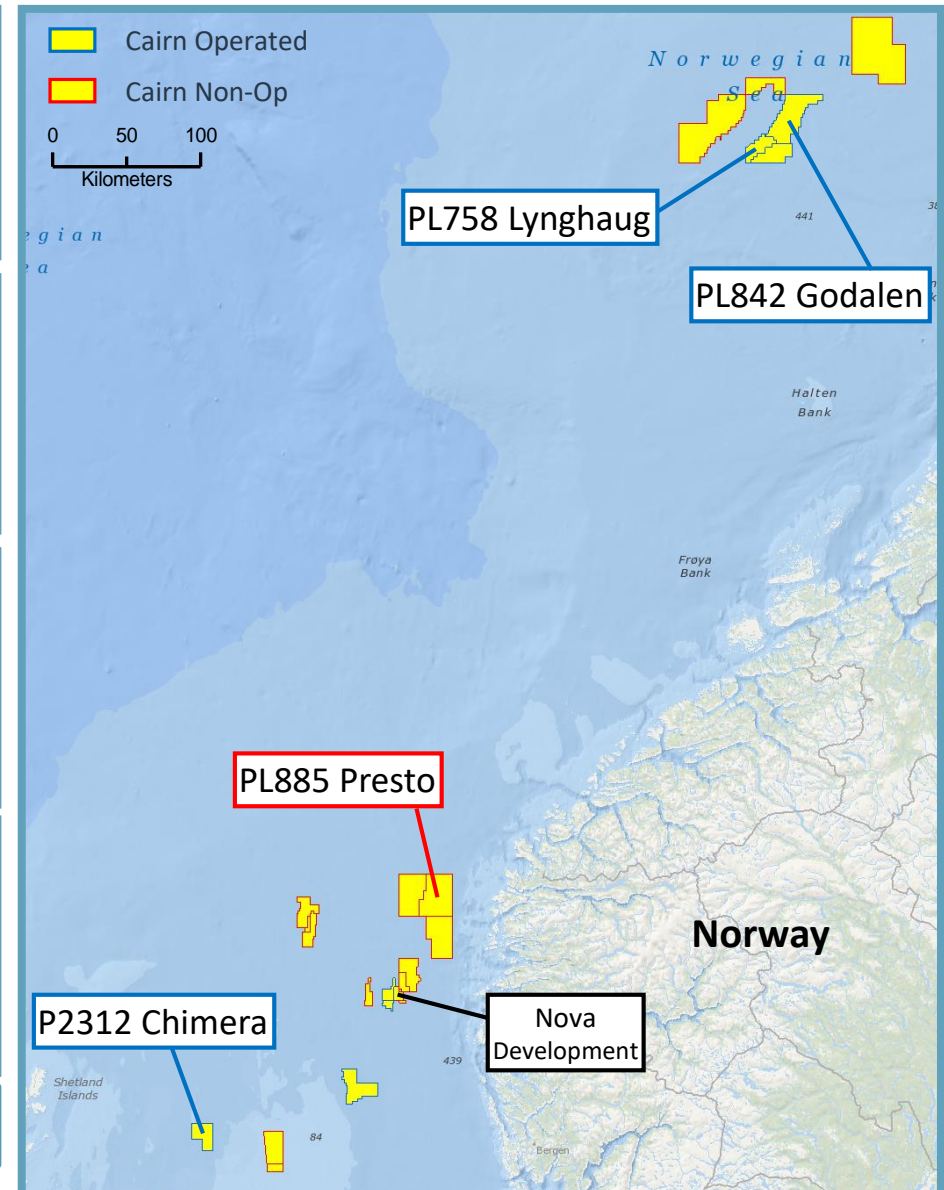
- Cairn Operated well Q3 2019
- Cairn 40% WI
- Targeting 90 mmboe*
- Total depth: ~1700 m MD
- Water depth: 380 m
- Well duration ~30 days

➤ P2312 Chimera

- Cairn Operated well Q3 2019
- Cairn 60% WI
- Targeting 160 mmboe*
- Total depth: ~1830 m MD
- Water depth: 135 m
- Well duration ~30 day

All opportunities are close to existing infrastructure

* Cairn estimates



Four Well Exploration Programme Commences in Mexico

- Three blocks, two operated and one non-operated
- Targeting Gross mean ~500 mmboe* in 2019 wells

➤ Sureste Basin

- Block 9 – Operator with 65% WI
 - 2 well commitment
- Block 7 – Non Operated (ENI Op.) with 30% WI
 - 2 well commitment

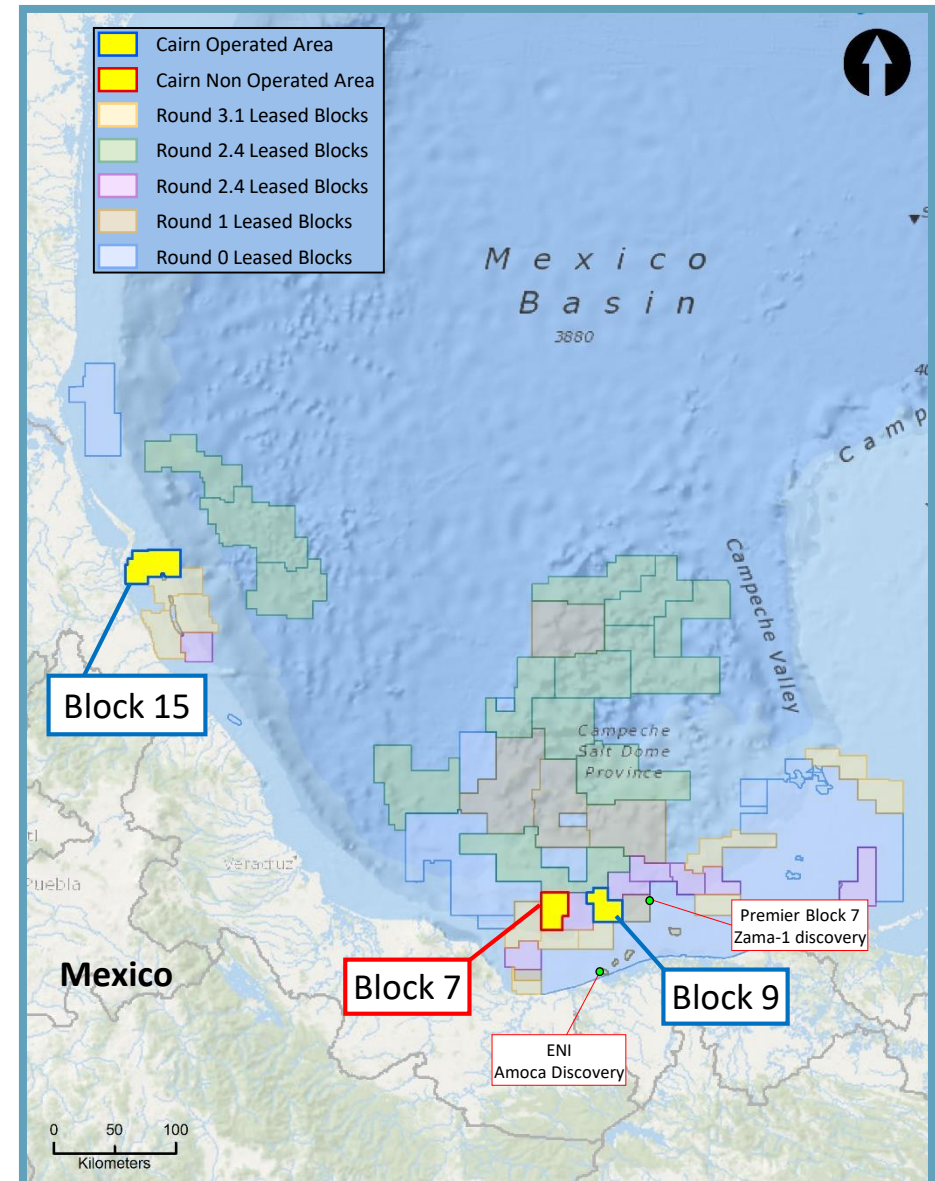
➤ Tampico-Misantla Basin

- Block 15 – Operator with 50% WI
 - No well or seismic acquisition commitment

➤ In 2019 Cairn will participate in 3 wells:

- Two in Block 9 and one in Block 7
- Will target all recognised Neogene play levels

* Cairn estimates



Mexico Block 9, Sureste Basin – Alom Prospect

➤ Joint Venture:

- Cairn 65% (Operator)
- Citla Energy 35%

➤ Well Objectives:

- Stacked shallow marine sands
- Total depth: ~3000 m MD
- Water depth: ~140 m

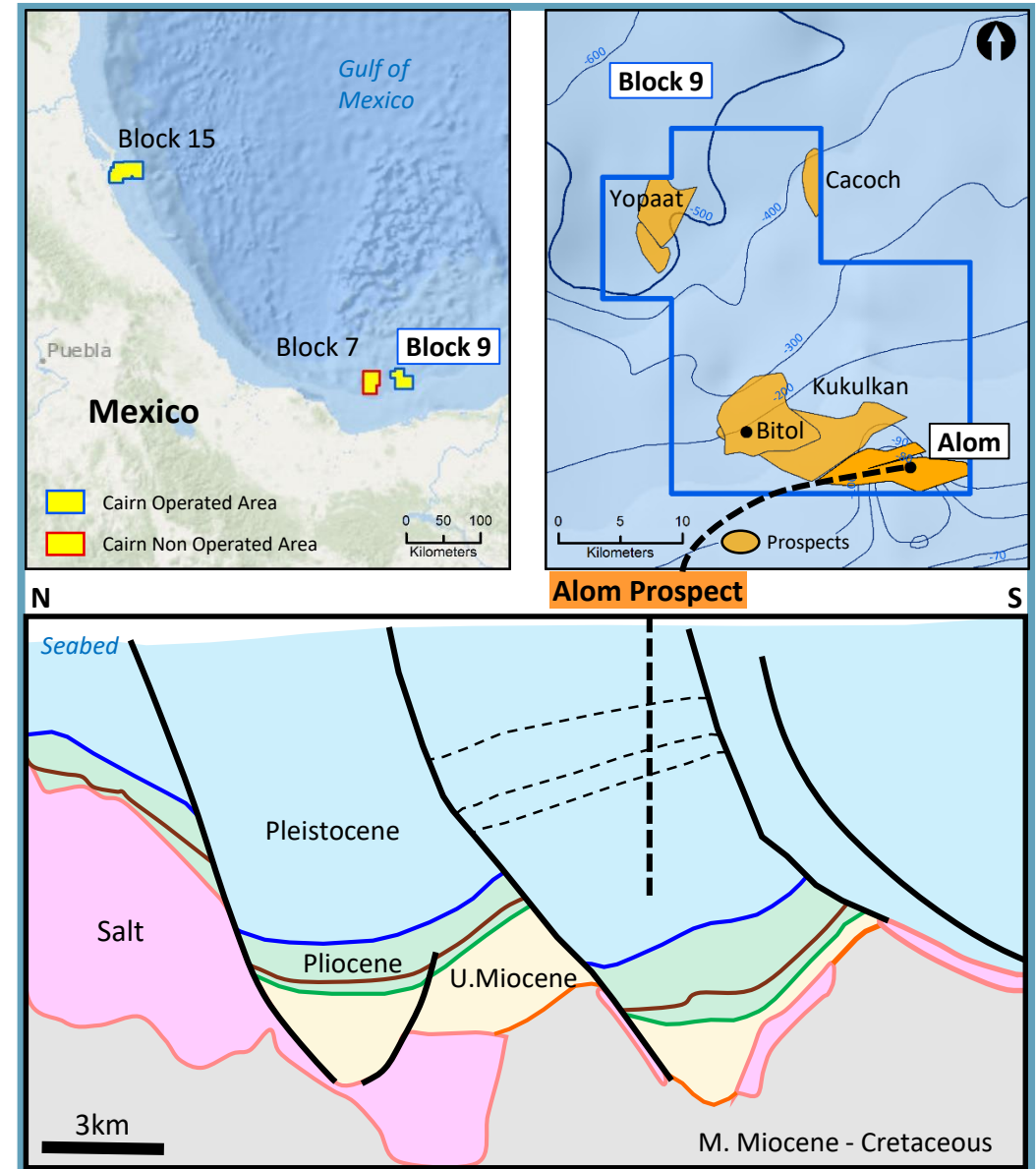
➤ Gross mean 140 mmboe*, Net 90 mmboe*

➤ Multiple objectives, DHI-supported

➤ Well duration ~40 days

➤ Spud Q3 2019

* Cairn estimates



Mexico Block 9, Sureste Basin – Bitol Prospect

➤ Joint Venture:

- Cairn 65% (Operator)
- Citla Energy 35%

➤ Well Objectives:

- Stacked Tertiary sandstone targets
- Total depth: 5300 m MD
- Water depth: ~180 m

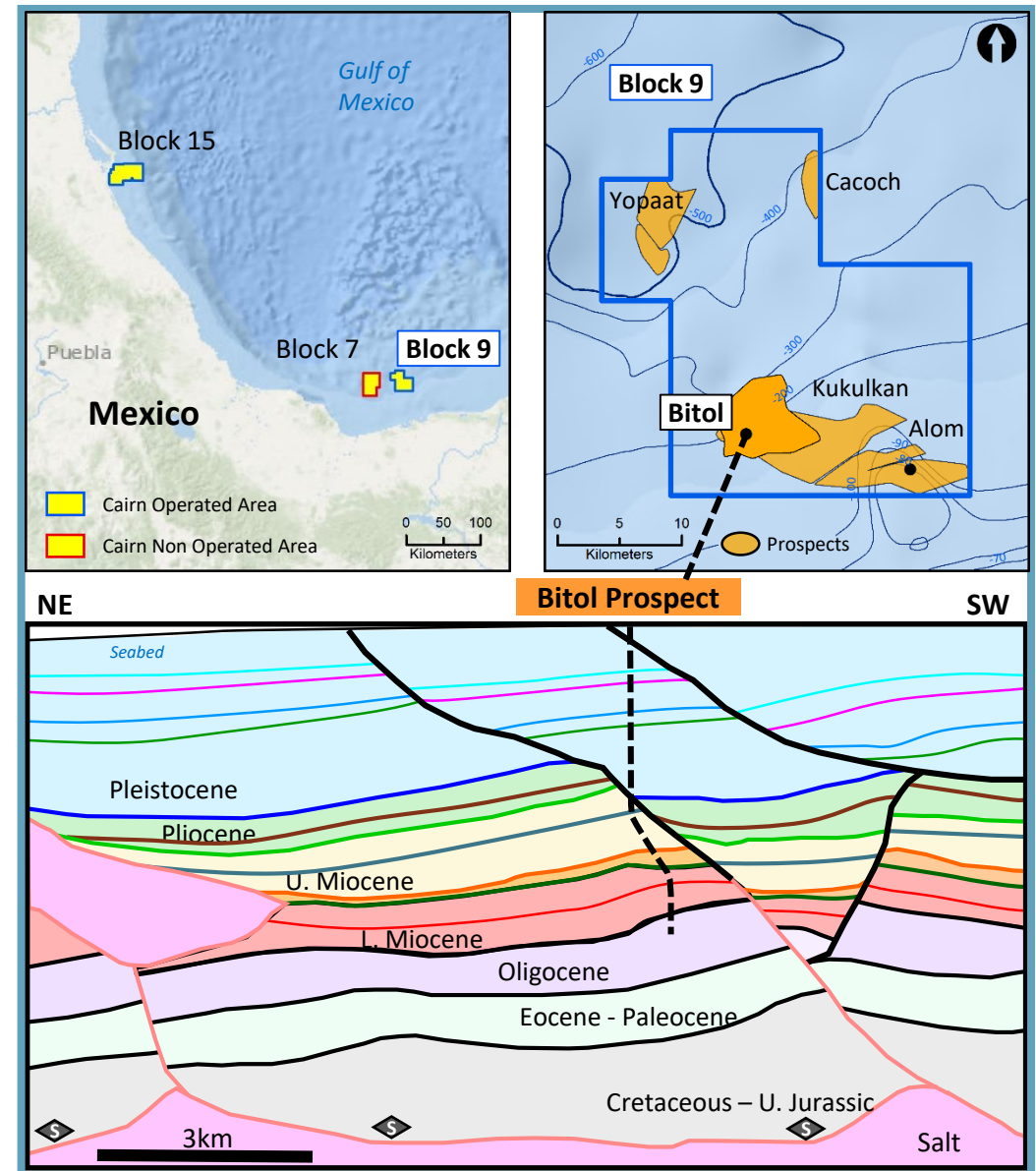
➤ Gross mean 180 mmboe*, Net 115 mmboe*

➤ Targets all key play intervals in Sureste basin

➤ Well duration ~60 days

➤ Spud Q3 2019

* Cairn estimates



Mexico Block 7, Sureste Basin

➤ Joint Venture:

- Cairn 30%
- ENI 45% (Operator)
- Citla Energy 25%

➤ Well Objectives:

- Stacked Tertiary sand targets
- Total depth: ~5000 m MD
- Water depth: 438 m

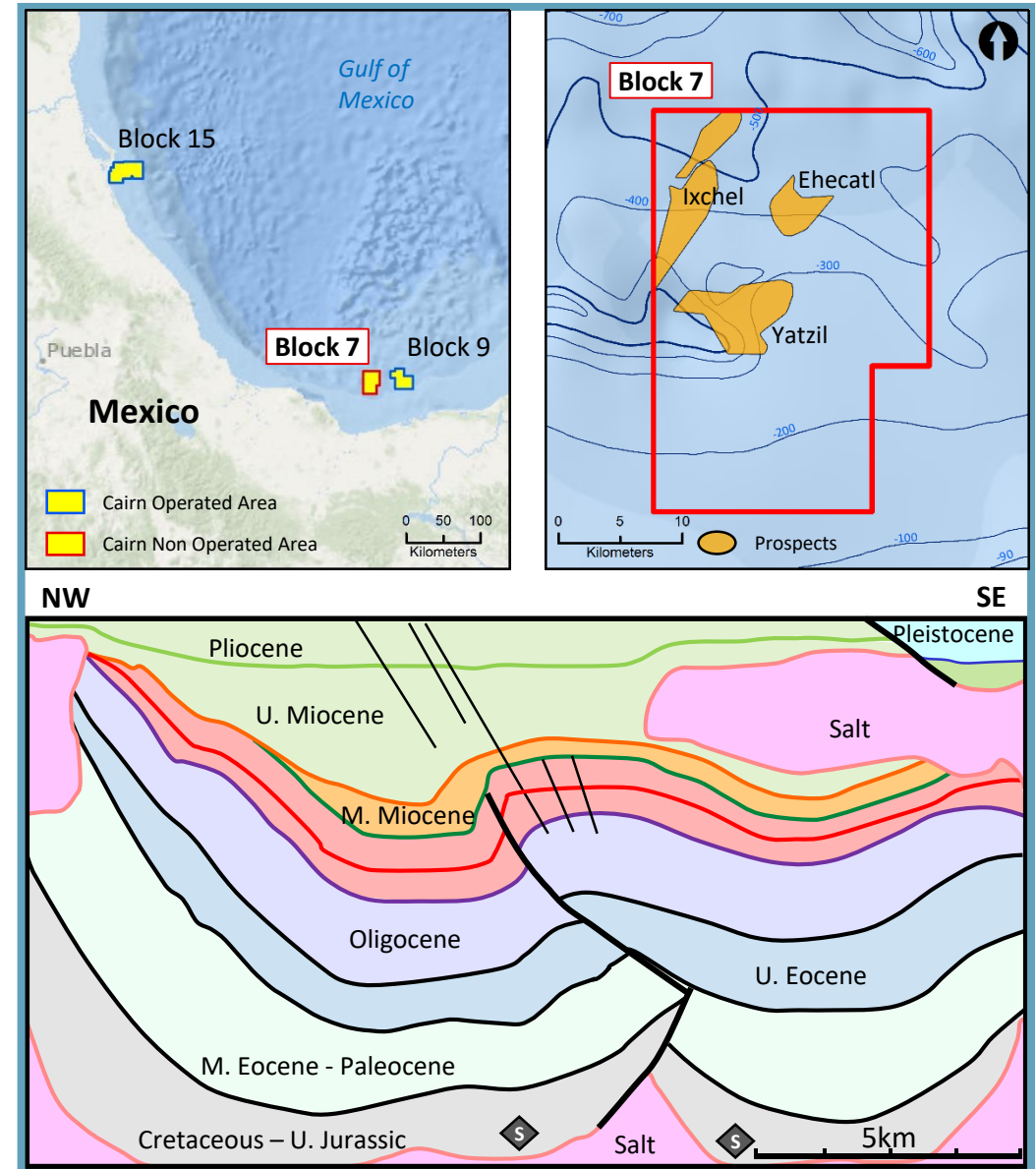
➤ Gross mean ~200 mmboe*, Net 60 mmboe*

- Targets are proven sands shallow and frontier targets deep

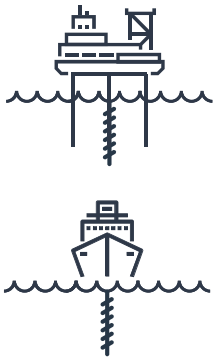
➤ Well duration ~50 - 60 days

➤ Spud Q3 2019

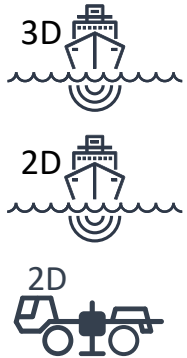
* Cairn estimates



2019-2020 Exploration Programme



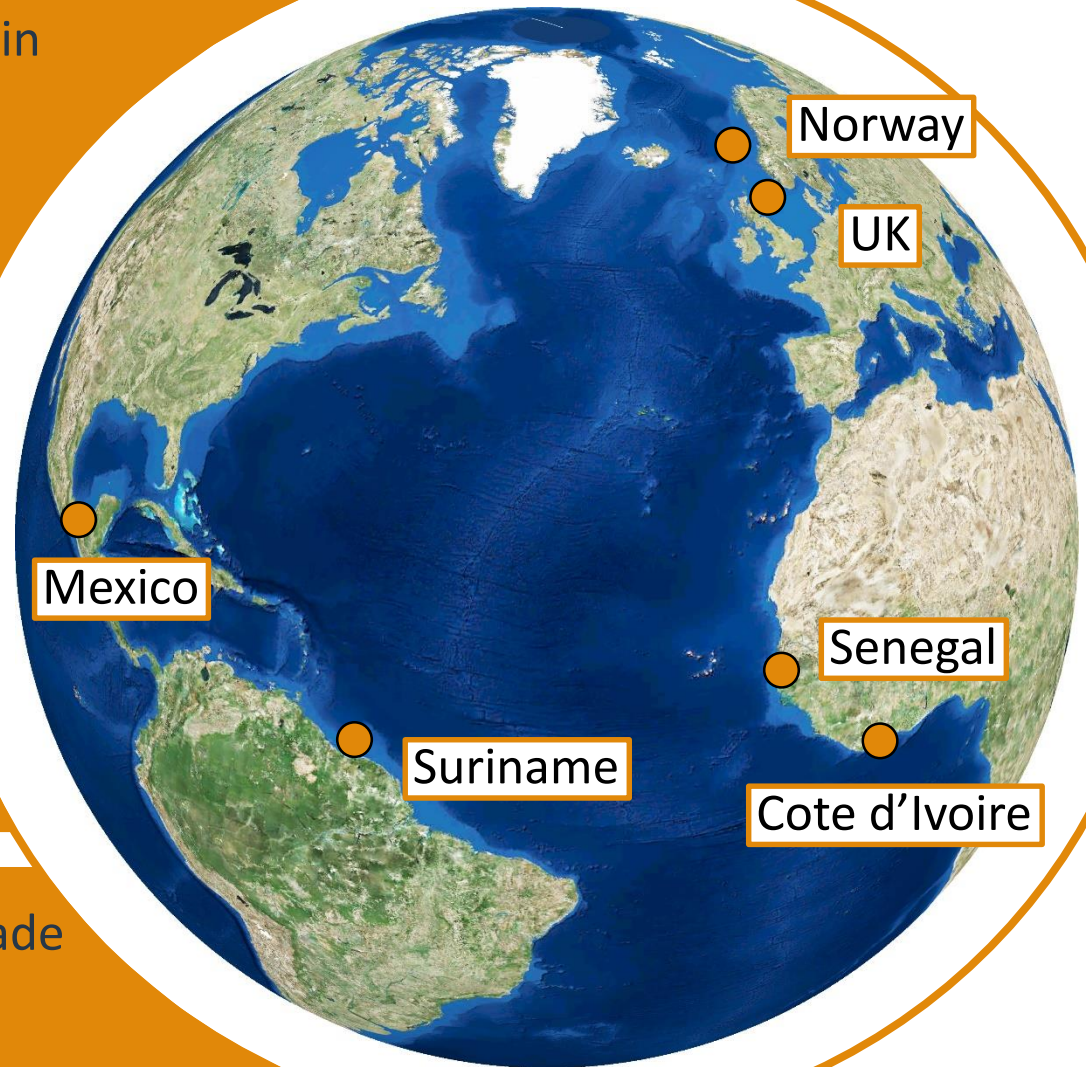
- Maturing opportunities in NW Africa, NW Europe and Latin America
- Robust drilling schedule
- Drilling up to 14 wells
 - Approximately 50% operated



- Seismic Acquisition ongoing
 - 3D Senegal
 - 2D Suriname
 - 2D Cote d'Ivoire (onshore)



- Continually working to high grade portfolio
- Active new venture team



Conclusion

Simon Thomson



Sustainable Value Creation

Deliver Exploration and Appraisal Success

Portfolio Management

Mature Developments

Deliver Operational Excellence

Sustainable Value Creation

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