



HALF YEAR RESULTS PRESENTATION

Cairn Energy PLC

29th September 2020





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.



Introduction

SIMON THOMSON

Strategic Execution



Strategic Execution

SANGOMAR DEAL

- As a management team we continually assess the balance of risks within the portfolio

THE TRANSACTION

- Is a delivery of strategy, having indicated a farm down of Sangomar at or around FID
- Eliminates what would otherwise have been a significant capital allocation to a multi-year deep water project
- Strengthens strategic and financial flexibility and significantly reduces the risk profile
- Allows a significant capital return to shareholders consistent with long-term strategy
- Provides sufficient financial flexibility to consider potential additions to the portfolio

Executing Strategy Responsibly – ESG Our Approach

- Cairn's role in the energy transition is to responsibly produce hydrocarbons in support of UN Sustainable Development Goals
- Cairn will remain an oil and gas company, focused on driving down the emissions intensity of its production and activities and committed to the following;
 - Dedicating human and financial resources to achievable routes to reduce emissions
 - Identifying asset specific emissions reduction opportunities compatible with our business model
 - Invest in proof of concept industrial Carbon Capture projects to facilitate large scale deployment, to capture emissions and mitigate expected increasing cost of offsetting

Committed to Working to Key External Standards



United Nations
Global Compact





Finance

JAMES SMITH



Financial Performance

Production

- H1 production: 22,400*bopd (upper end of guidance)
- Full year production: 21,000 - 23,000*bopd

Revenue

- H1 revenues from production: \$172m
- H1 realised oil price: \$40.21/bbl plus \$7.91/bbl hedging gains
- H2 hedges over 7,100bopd with average floor price of \$60.60/bbl

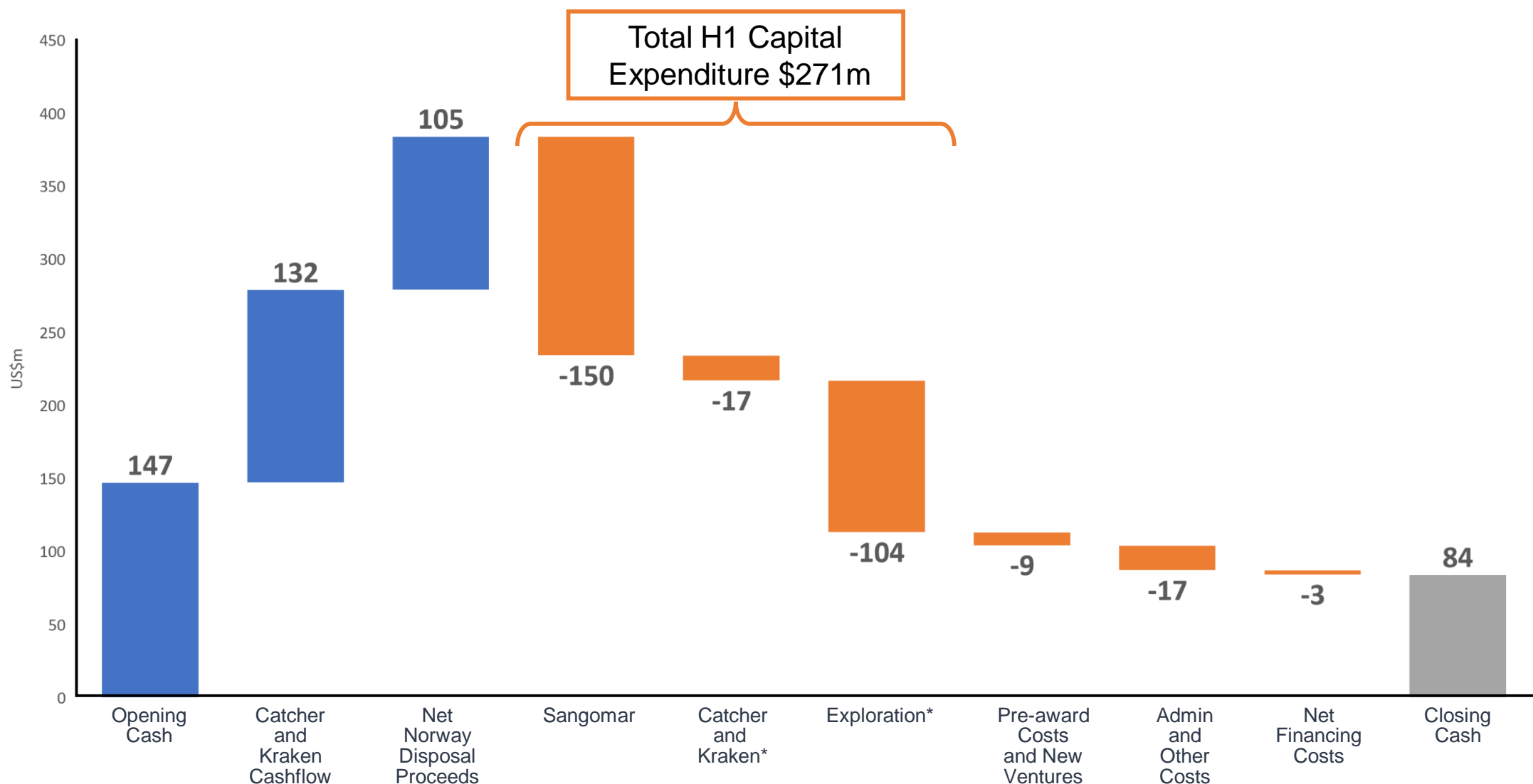
Opex

- H1 opex: \$18.3/boe underlying, less \$2/boe prior year credits
- Full year opex: targeting ~\$18/boe

Cashflow

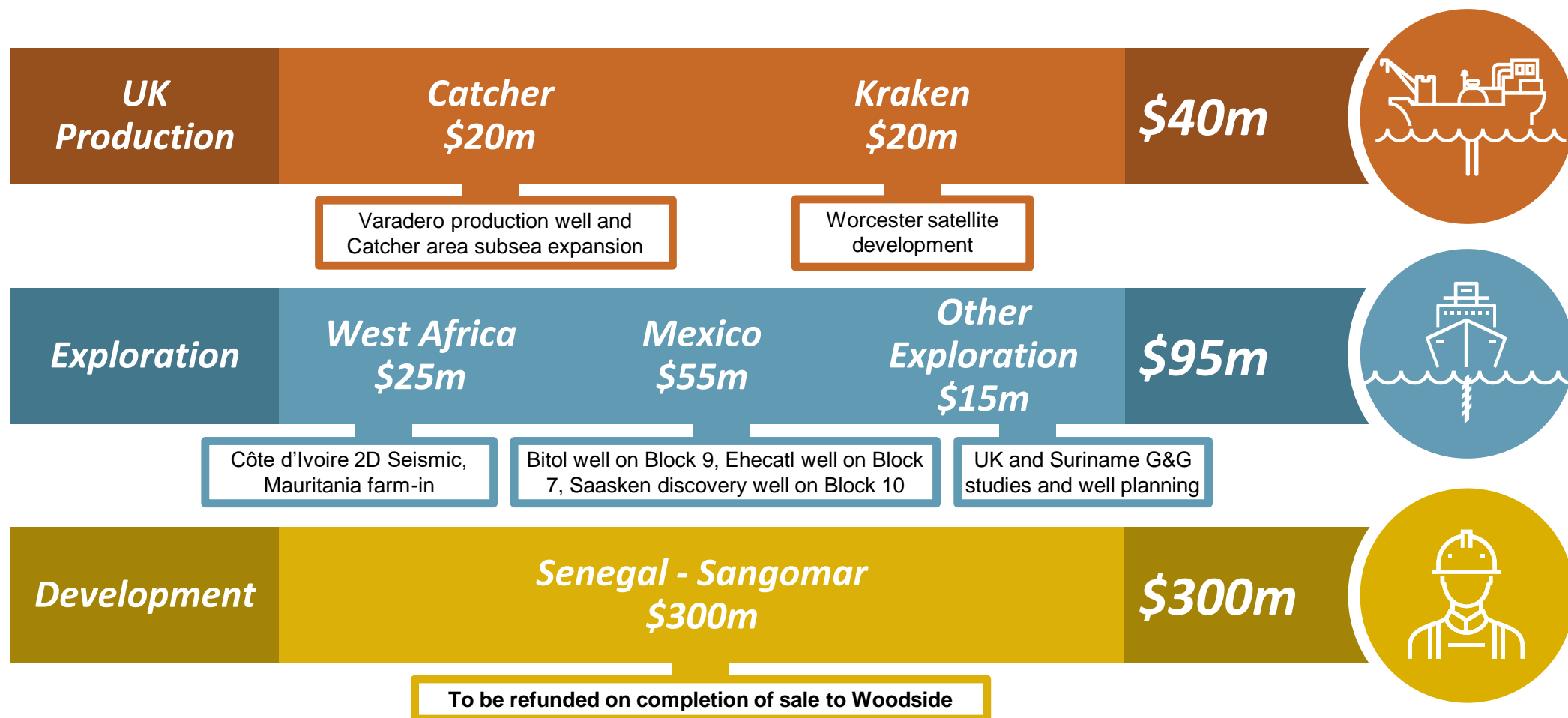
- H1 cash inflow from oil and gas production: \$132m

HY 2020 Cashflows





2020 Capital Expenditure Full Year Guidance



Forward capital programme adjusted to current market conditions

Deferred: Catcher North and Laverda satellite development, exploration wells in Mexico and UK, and 3D seismic in Suriname



Balance Sheet Strength

Maintained Net Cash in H1

- Mid year cash \$84m: no drawn debt
- Strong H1 operating cashflows supported by hedging: \$132m
- Norway disposal proceeds received in H1: \$105m

Projected Balance Sheet Strengthening in Q4

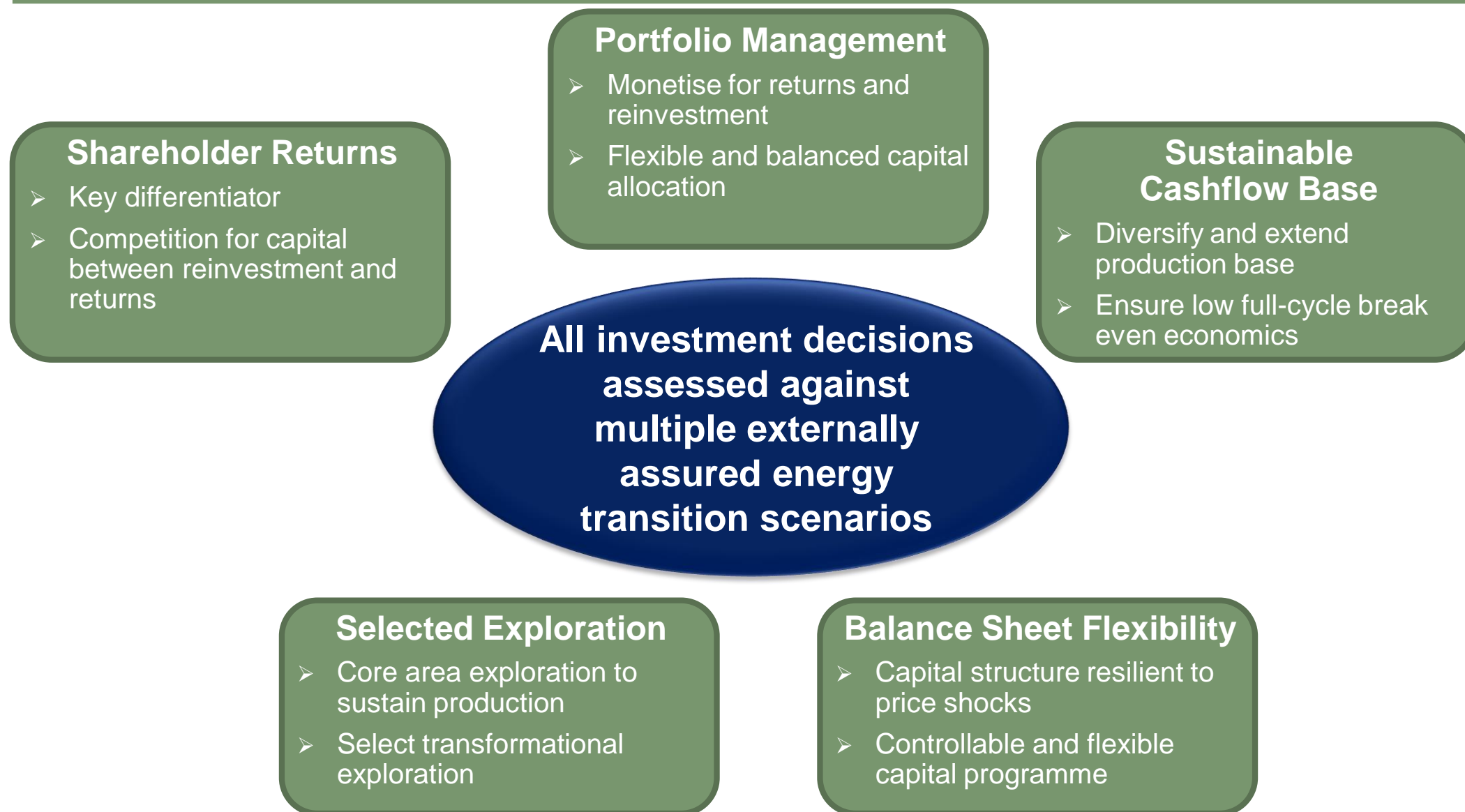
- Completion of Senegal sale: \$300m up front consideration plus reimbursement of 2020 capex (full year expected \$300m)
- Strong projected Q4 cash position enabling \$250m special dividend

Positioned for Portfolio Expansion and Further Returns

- Very limited capital commitments from existing assets
- Well positioned to fund growth and expansion of the portfolio
- Result of the Indian arbitration expected after the end of the summer



Strategic Priorities and Capital Allocation



The background of the slide is a photograph of the Armada Kraken offshore oil rig. The rig is a large, complex structure with multiple levels, red and yellow scaffolding, and large white storage tanks. It is situated on a dark blue ship with a red deck. The ship is moving through the ocean, creating a white wake. The text "ARMADA KRAKEN" is visible on the side of the ship. A semi-transparent dark grey box covers the right side of the image, containing the title and author's name.

Production & Development

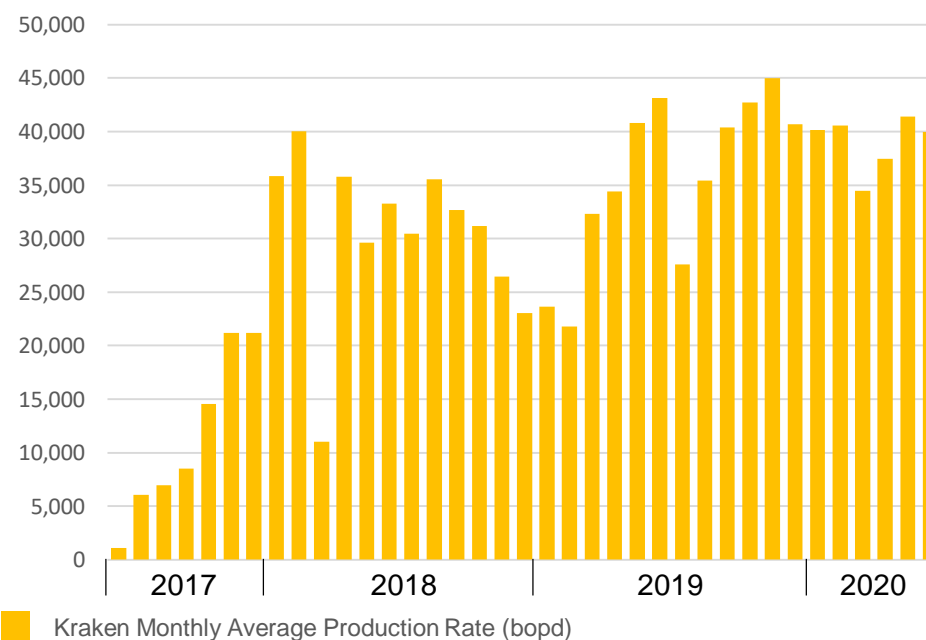
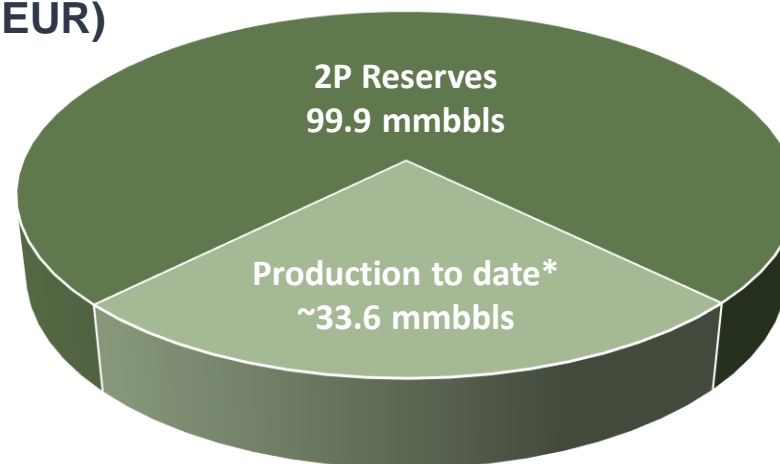
PAUL MAYLAND

Kraken



- Average production efficiency > 85% achieved with continued improvement
- Reservoir monitoring and well testing continues to maximise oil production
- 26 wells available following the Worcester drilling: 14 producers and 12 injectors
- Reserves upgrade on main field at mid-year, further potential in western flank
- Gas import remains under consideration
- Crude continues to attract strong pricing

Kraken Area Gross Estimated Ultimate Recovery (2P EUR)

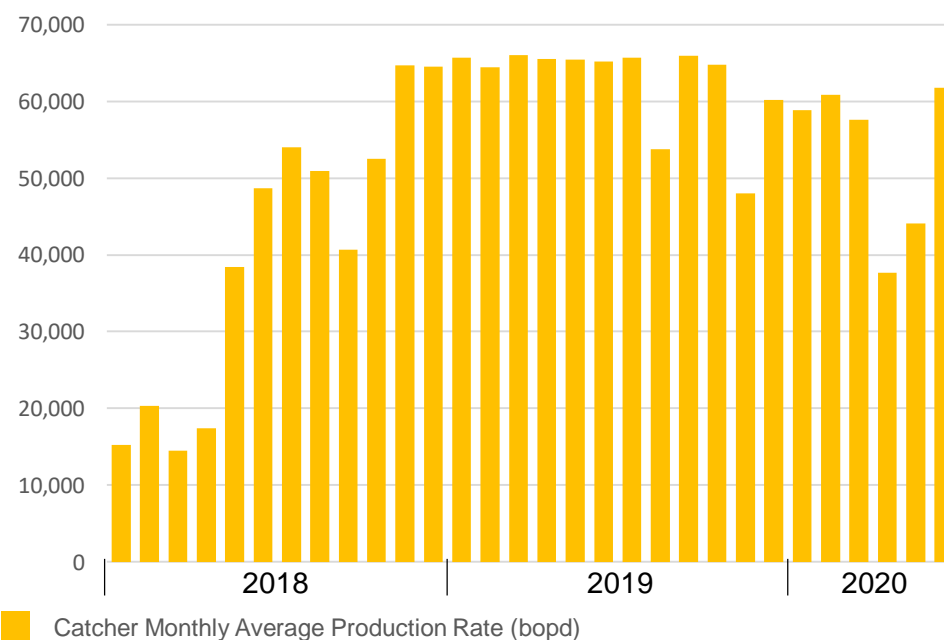
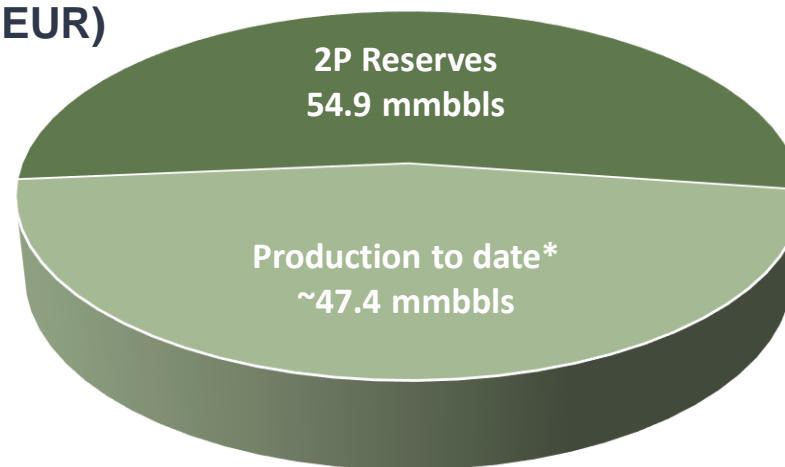


Catcher



- Plateau rate already increased and lengthened compared to Field Development Plan (FDP)
- 19 wells available, 3 fewer than original FDP
- Catcher North and Laverda wells deferred from 2020 programme
- Low emissions FPSO facility
- 4D seismic planned 2021 to help optimise future targets
- Reserves upgrades possible through improved sweep, both water and gas

Catcher Area Gross Estimated Ultimate Recovery (2P EUR)



Senegal – Delivered Sangomar FID



➤ Production & Development

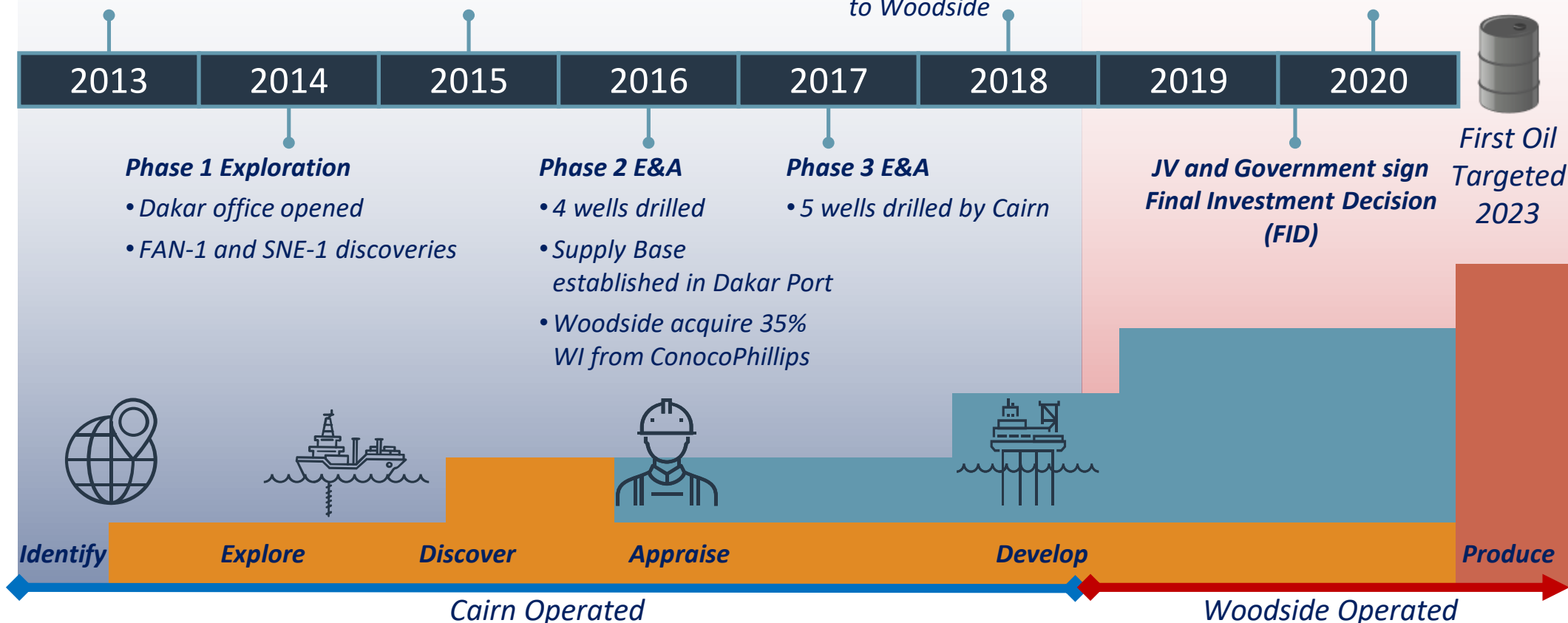


*Farm-in with FAR
for 65% operated
Farm-down 25%
to ConocoPhillips*

*JV submit 3 year
Evaluation Plan
Acquire 3D seismic*

*Evaluation Report and
Exploitation Plan submitted
Transfer of Operatorship
(for Development phase)
to Woodside*

*Cairn agree to sell
entire interest in
Sangomar*



Executing Strategy Responsibly



RESPONSIBLE GOVERNANCE

- Global energy transition identified as a principal risk

- Portfolio tested under different economic scenarios – resilient to transition impacts

- Aligned with TCFD recommendations and Carbon Disclosure Project



BEHAVING RESPONSIBLY TO SOCIETY

- Remuneration linked to GHG emissions performance through KPIs

- Compliance with and publication of all taxes and payments to governments

- Anti-Bribery and Corruption Policy and annual training

- Cairn has endorsed the World Bank Zero Routine Flaring (ZRF) by 2030 initiative



BEHAVING RESPONSIBLY TOWARDS THE ENVIRONMENT

- Cairn committed to supporting UK Government's target of reducing greenhouse gas (GHG) emissions to net zero by 2050

- Engaged with operating partners in Kraken and Catcher to ensure compliance with EUETS requirements

- Support for **NECCUS**: an alliance of industry and government to support programme to reduce carbon emissions from industrial sources in Scotland

- Pursue reductions in carbon intensity and GHG emissions throughout supply chain



BEHAVING RESPONSIBLY TO PEOPLE

- Make positive social impact and support UN sustainable development goals

- Programmes to build local capacity, participation and mobilisation of communities, including climate adaption projects

- Support for Heriot-Watt University clean energy awards

Committed to Working to Key External Standards



United Nations
Global Compact



International
Finance Corporation
WORLD BANK GROUP
Creating Markets, Creating Opportunities



A full-page background image showing a male worker in an orange high-visibility safety jacket, white hard hat, and sunglasses. He is holding a large metal crane hook. The setting is an offshore oil or gas platform deck with various structures and equipment visible in the background. A semi-transparent dark grey box is overlaid on the right side of the image, containing the title and name.

Exploration

ERIC HATHON



Flexible Exploration Portfolio

Future capital expenditure on exploration and appraisal activity now deferred

- Strict fiscal discipline
 - Senegal sale
 - Nicaragua exit
 - Norway sale
 - Ireland exit
- Resilient portfolio
 - Alignment with partners on optionality
 - Ability to defer activity while maintaining licences
- Future exploration focus
 - Clear path to commerciality; development optimisation
 - Fiscal regimes appropriate to commodity trends
 - Overall carbon footprint of all ventures
- Appropriate working interest in various opportunities
 - Côte d'Ivoire
 - Israel
 - Suriname
 - UK
 - Mexico
- Discover commercial quantities of hydrocarbons efficiently
 - Mexico exploration success with ENI

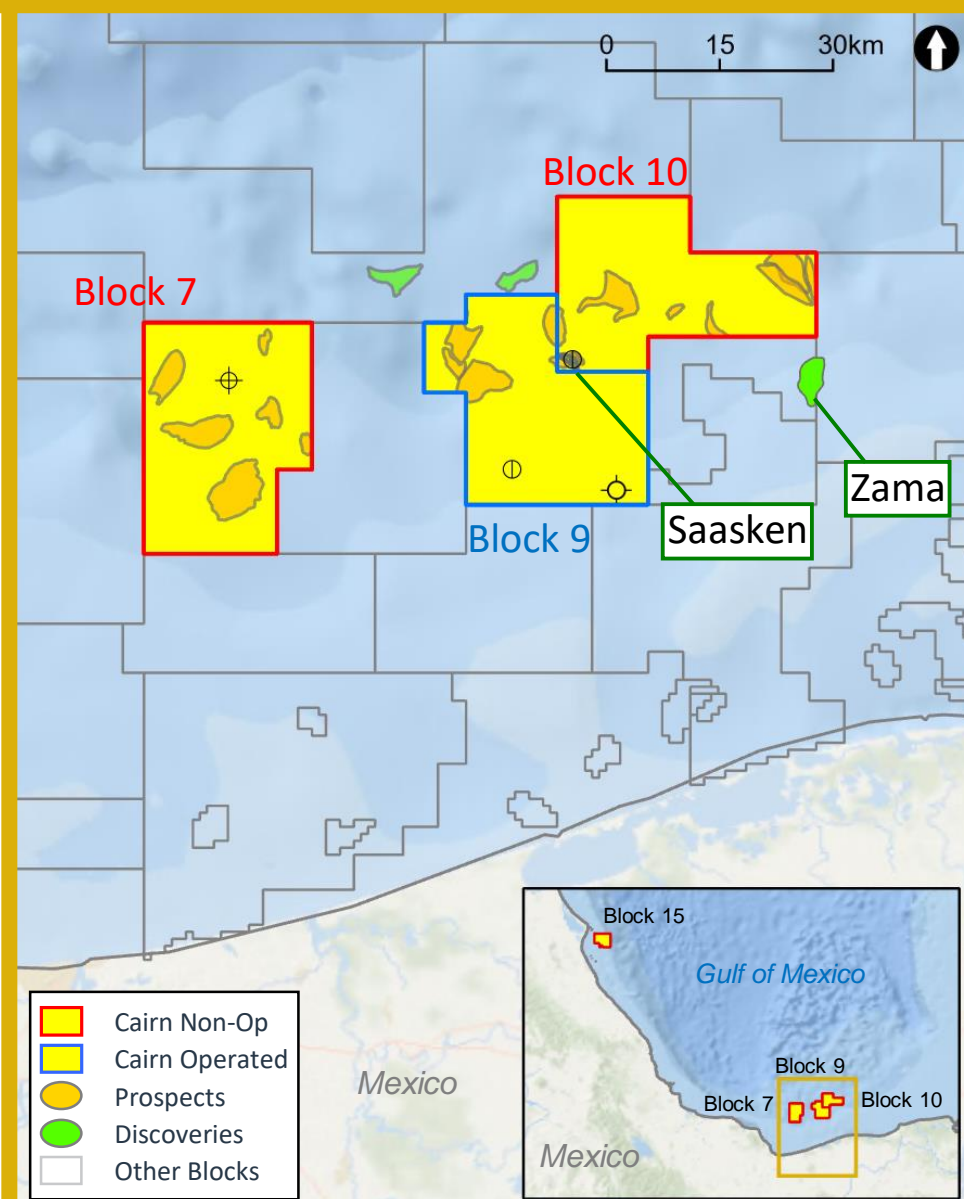


Mexico-Sureste Basin



- Block 10
 - Cairn 15%* (ENI 65% Operator, Lukoil 20%)
 - Saasken discovery in Block 10
 - 200-300 MMBOOIP (reported by Operator)
 - Appraisal well planning in progress
 - Exploration well planned H2 2021
 - Satisfy remaining exploration commitment
- Block 9
 - Cairn 50% Operator (Citla 35%, ENI 15%)
 - Exploration commitment satisfied in Block 9
 - Potential to extend current exploration phase to Q2 2023 and beyond
- Block 7
 - Cairn 30% (ENI 45% Operator, Citla 25%)
 - Drilled Ehecatl-1 well, no reservoir hydrocarbons in Cenozoic section
 - Incorporating well information and updating prospectivity

* Subject to signature of revised Production Sharing Contracts

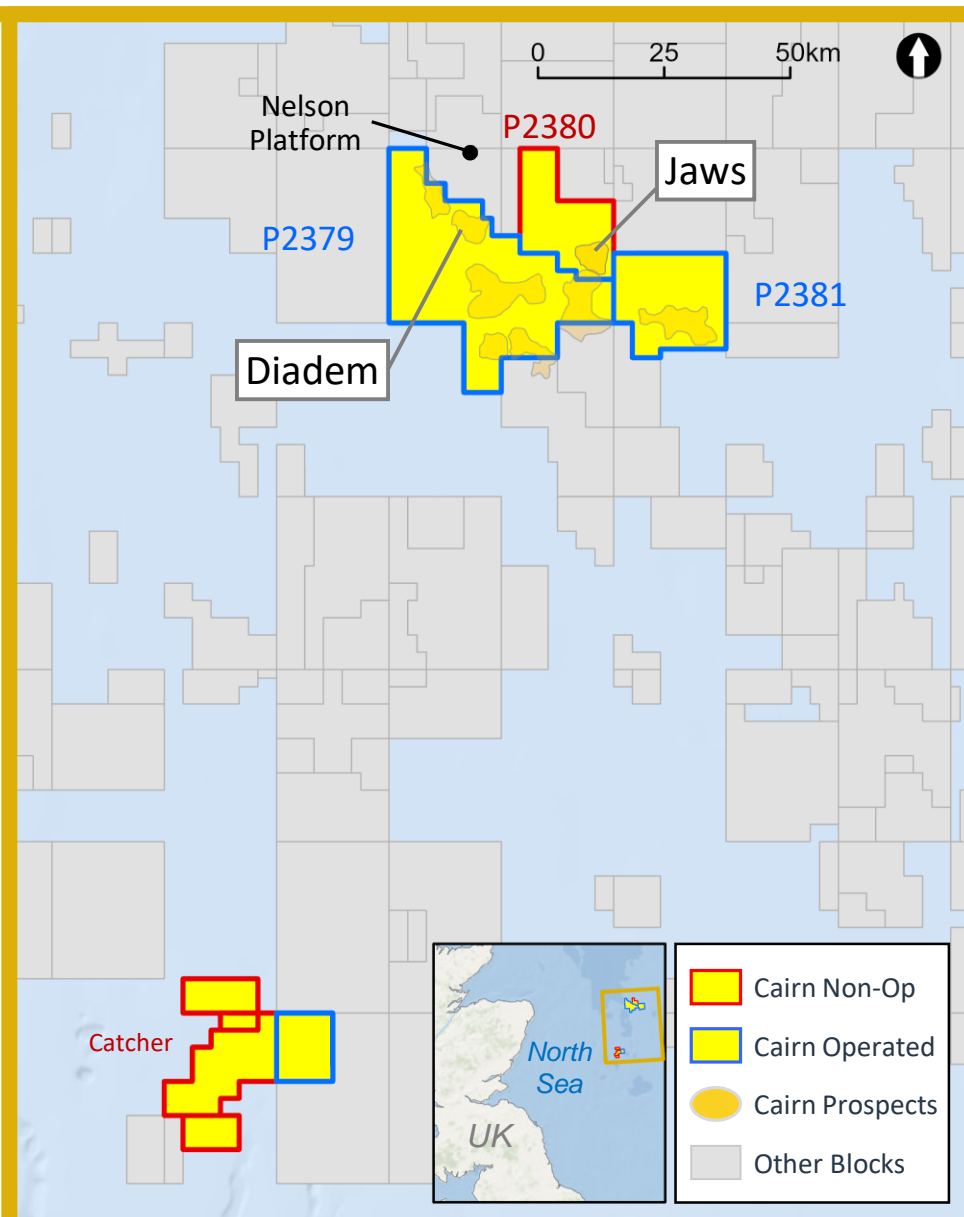


UK North Sea – South of Nelson Swap



Infrastructure-led Exploration (ILX)

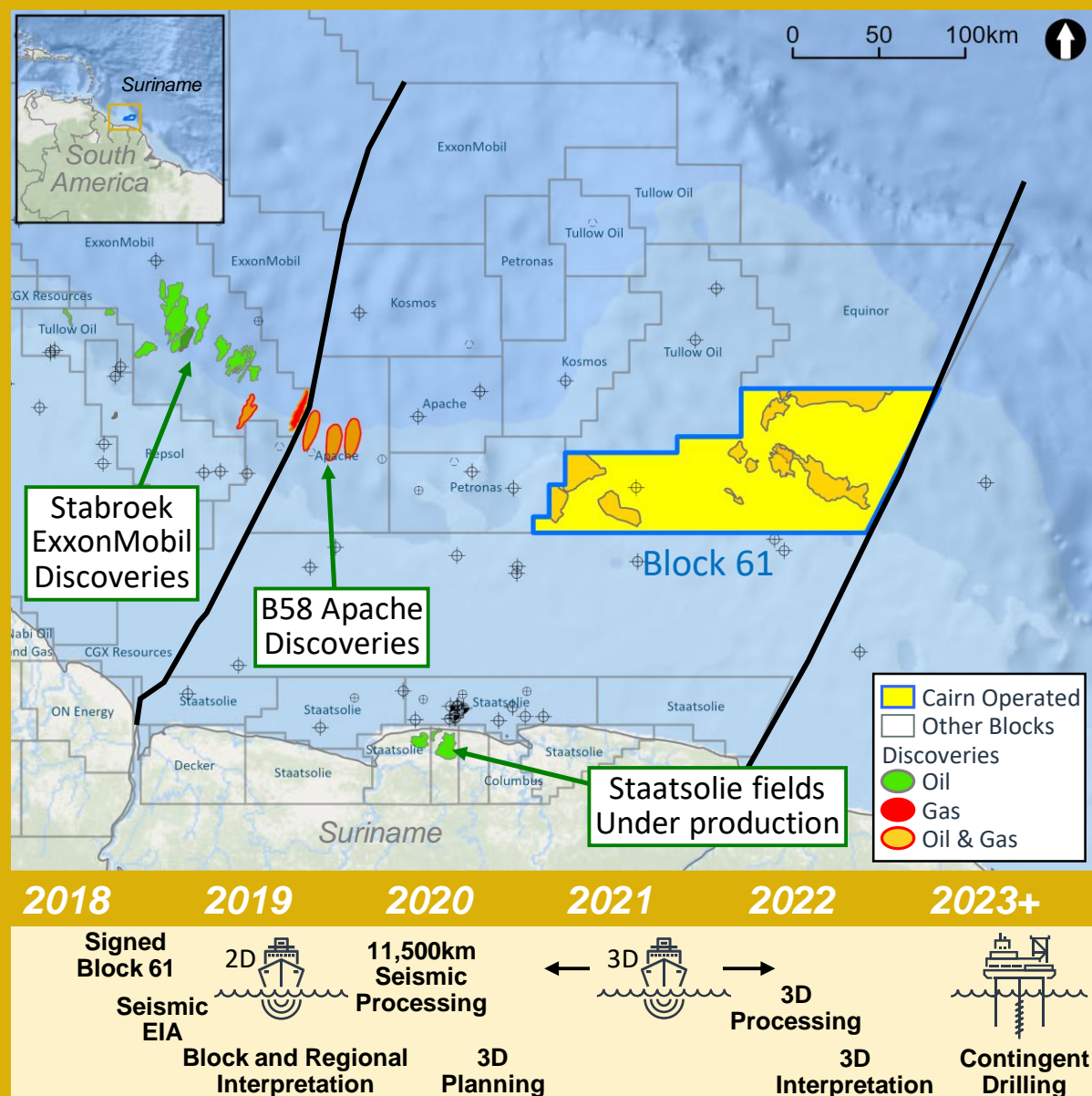
- Cross-assigned interest with Shell in vicinity of Nelson platform, 50:50
 - P2379 - Cairn 100% WI
 - P2380 - Shell 100% WI
- Jurassic Fulmar sandstone play - prolific in area
- High NPV barrels
- Potential for near term production
- Multiple follow-on prospects with success
- Collaboration with host operator:
 - Knowledgeable in play
 - Reduces cycle time to first production
- Planning for 2 wells: H1 2021/H1 2022



Suriname – Block 61



- Cairn 100%, Farm-down process underway
- Largest block at 13,080 km²
- Situated within world class Guyana-Suriname basin
 - Significant recent discoveries moving eastward from Guyana into Suriname
- Access to the proven Late Cretaceous play fairway
- Excellent quality proprietary 2D and legacy seismic data allow robust prospect maturation
- Multiple targets identified across the block in 100-800 m water depth
- Focused 3D seismic acquisition planned H1 2021
- Good regulatory and operating environment



Conclusion

SIMON THOMSON

Strategic Delivery From a Resilient Portfolio

Fiscal discipline and financial flexibility

Active portfolio management and capital allocation

Focus on generating further shareholder returns

Capital programme adjusted to current market conditions

Role in energy transition to responsibly produce hydrocarbons in support of UN Sustainable Development Goals



Q&A





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