



FOR IMMEDIATE RELEASE

11 May 2021

CAIRN ENERGY PLC ("Cairn")

Annual General Meeting Chief Executive's Statement

Simon Thomson, Chief Executive of Cairn Energy PLC, will make the following statement to the Company's Annual General Meeting for Shareholders at noon, 11 May 2021. As a result of the current COVID-19 pandemic and the legislative measures and associated guidance introduced by the Scottish and UK governments in response, for the safety of our Shareholders, our employees, our advisers and the general public, the General Meeting will be held as a closed meeting. A video recording of the statement can be accessed at www.cairnenergy.com/investors/shareholder-information/agm/ from noon today. The Company will announce half-year results on September 7, 2021.

This has been a year of transformation for Cairn. In delivering our strategy, our priority has been on keeping our colleagues safe throughout a period where the world remains impacted by COVID-19. This remains our focus.

Despite the challenges the pandemic has presented, we have significantly enhanced the portfolio through proactive management, most recently with the proposed acquisition of Shell's assets in Egypt's Western Desert. Following the sale of our interests in Senegal, we also returned two hundred and fifty million dollars to shareholders, whilst strongly positioning Cairn's business for the future.

This progress has been delivered through Cairn's proven and tested strategy. We manage our portfolio to optimise capital allocation and retain flexibility, enabling us to return cash to shareholders and invest in the sustainability and growth of our cash-flow generating producing asset base. In turn, this funds exploration, which continues to provide the potential for transformational value, as well as shorter-cycle opportunities supporting future cash-flows. When we target resources, we ensure these are hydrocarbons that can have a competitive role in a changing global energy mix.

We always execute our strategy responsibly. As we develop our business, we will continue our alignment and contribution to the UN Sustainable Development Goals; we will ensure our portfolio remains resilient and relevant against the backdrop of the energy transition; and, we will meet the expectations of our host governments and communities. Cairn is committed to playing its part, and

during this year, we will set out our roadmap to ensure we meet our net zero commitments at or before 2050.

We are now positioned to deliver Cairn's next stage of growth, with an important first building block being the proposed acquisition of Shell's Western Desert Assets in Egypt. This expands and diversifies our producing base with low-cost, sustainable gas-weighted production close to growing markets, and adds significant development and exploration growth potential. We are tremendously excited about the potential of these assets.

Together with our joint venture partner, Cheiron, we are actively engaged with Shell on transition arrangements. We continue to expect the acquisition to be completed in the second half of 2021 and we very much look forward to delivering the significant value these assets offer.

Divestment of our interests in our Catcher and Kraken producing assets in the UK North Sea comes at the right point in the cycle and allows us to retain exposure to oil price and reservoir performance upside, whilst further supporting our ability to pursue our strategic goals. We anticipate the sale to Waldorf Production to complete in the second half of 2021 with production from these assets expected within our annual guidance for 2021 of 16,000-19,000 barrels of oil per day.

Our exploration portfolio provides us with short-cycle, high-return opportunities and attractive frontier positions. This year, we are participating with our joint venture partners in near-term wells in Mexico and the UK North Sea. In Egypt, we have tremendous short-cycle, low-cost exploration potential in a proven hydrocarbon basin, with gross unrisks resources of around eight hundred million barrels in our operated licences alone. And since our last reporting date, we have further enhanced our frontier positions, with an exploration licence granted to Cairn for acreage that includes a material opportunity offshore Mauritania. This, alongside our existing acreage in Suriname, means we are invested in attractive areas with transformational value potential and flexibility around the capital programme.

Underpinning our production, development and exploration activity is a robust balance sheet, enabling our flexibility to fund the right choices, at the right time, and allowing us to further enhance the portfolio as Cairn continues to pursue sustainable growth.

Before I update you on India, may we convey our deep feelings of sympathy and concern for the current and developing health situation in the country. We earnestly hope that India will see relief from the pandemic soon.

In December last year the tribunal established to rule on our claim against the Government of India found in Cairn's favour and awarded us damages of \$1.2bn plus interest and costs. This ruling is binding and enforceable under international treaty law. Whilst India has sought to challenge the basis of the award through set-aside proceedings in the Dutch courts, we remain confident of our position and

continue constructive engagement with the Government of India whilst at the same time taking all necessary actions to protect our rights to the award and access the value of it as early as possible.

Cairn is strongly positioned for the future.

We have significant value to deliver from our exciting proposed acquisition in Egypt – an important first leg in a new phase of growth for our business.

We have exploration positions offering short-cycle, high-return success, alongside transformational potential.

Finally, we have the balance sheet strength, financial flexibility and capital discipline to deliver value growth for shareholders from a responsible, sustainable and transparent business.

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About Cairn Energy PLC

Cairn is one of Europe's leading independent energy companies and has been listed on the London Stock Exchange for 30 years. Cairn has explored, discovered, developed and produced oil and gas in a variety of locations throughout the world as an operator and partner in all stages of the oil and gas lifecycle.

Cairn's exploration activities have a geographical focus in the UK North Sea, West Africa and Latin America, underpinned by interests in production and development assets. Cairn has its headquarters in Edinburgh, Scotland supported by operational offices in London and Mexico.

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