



FOR IMMEDIATE RELEASE

11 October 2021

CAIRN ENERGY PLC (“Cairn”)

Publication of Circular and notice of General Meeting: sale of UK Catcher and Kraken interests

Cairn has today published a shareholder Circular relating to the proposed sale of its interests in the UK Catcher and Kraken fields to Waldorf Production Limited (“Waldorf”), pursuant to agreements entered into by Cairn and Waldorf on 8 March 2021.

Following completion of the proposed sale, the firm consideration payable to Cairn will be US\$455 million, to be adjusted for working capital and interim period cashflows from the economic date of 1 January 2020. The interim period adjustment from 1 January 2020 to Cairn’s last reported balance sheet date of 30 June 2021 was US\$273 million. Additional, uncapped contingent consideration will be payable to Cairn when Brent exceeds US\$52/bbl on average in any of the five years 2021 to 2025. Assuming production is in line with Cairn forecasts, this contingent consideration is expected to generate approximately US\$100 million at US\$60/bbl Brent prices, US\$175 million at US\$70/bbl Brent prices, and US\$240 million at US\$80/bbl Brent prices. Detailed terms are set out in the Circular.

Under the UK Listing Rules, the proposed sale constitutes a Class 1 transaction and is therefore conditional on the approval of Cairn’s shareholders, by a simple majority of votes cast. The proposed sale also remains conditional on the satisfaction of certain, customary third-party and regulatory consents and the release of associated guarantees.

The Circular contains further details on the transaction and a notice convening a General Meeting of Cairn to be held at 50 Lothian Road, Edinburgh EH3 9BY at 9:00 a.m. (BST) on 28 October 2021 (“the General Meeting”) to consider and approve the proposed sale. Restrictions on Shareholder attendance are noted below. Shareholders are strongly encouraged to ensure that their votes are counted at the General Meeting by appointing the Chair of the General Meeting as their proxy.

The expected timetable of principal events in relation to the General Meeting is as follows:

Announcement of the Transaction	9 March 2021
Publication of this Circular (including the Notice of General Meeting) and the Form of Proxy and despatch to Shareholders	11 October 2021
Latest time and date for receipt of Forms of Proxy or electronic proxy appointments or completion and transmission of CREST Proxy Instructions	9:00 a.m. (BST) on 26 October 2021
General Meeting	9:00 a.m. (BST) on 28 October 2021
Expected date of Completion (assuming the Put Option or the Call Option is exercised)	Q4 2021

Availability of the Circular

The Circular will shortly be submitted to the FCA's National Storage Mechanism and will be available for inspection on its website at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The Circular will also be available for viewing on Cairn's website later today at www.cairnenergy.com/presentations.

General Meeting

As at the Last Practicable Date, there are only limited restrictions on public gatherings in Scotland. This means that Cairn is able to facilitate the attendance of Shareholders in person at the General Meeting, although face coverings will be required to be worn indoors in line with current Scottish restrictions. Although attendance in person at the General Meeting is possible, in order to minimise public health risks, refreshments will not be served and Directors will not be available to meet with Shareholders, before or after the General Meeting.

Should Shareholders wish to attend the General Meeting in person, they are requested to pre-register by sending an email to IR.Mailbox@cairnenergy.com. Shareholders are responsible for understanding and complying with any restrictions applicable to their own journey and should bear in mind that at the time of the General Meeting these rules may differ between different parts of the UK.

Further information on the arrangements for the General Meeting are set out in Part I of the Circular.

Cairn will continue to monitor the situation and, in particular, any changes to the applicable law or guidance in force as a consequence of the COVID-19 pandemic. If circumstances change such that it is necessary to change the arrangements for the General Meeting, Cairn will communicate such change via its website and (where appropriate) through the release of an announcement to a Regulatory News Service. Shareholders are therefore encouraged to check Cairn's website and the latest Scottish and UK Government guidance before finalising travel arrangements to attend the General Meeting.

The Board remains committed to allowing Shareholders the opportunity to engage with the Board. If Shareholders have any questions for the Board in advance of the General Meeting, these can be sent by e-mail to IR.Mailbox@cairnenergy.com. The Board will endeavour to answer key themes of these questions on the Company's website as soon as practical.

The definitions referenced in this announcement have the same meaning as given in the Circular published today, unless otherwise stated.

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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 North Sea, Middle East, 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, Egypt, Mauritania and Mexico.

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