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CAIRN ENERGY PLC

(“Cairn” or “the Company” or “the Group”)

Annual General Meeting Chief Executive’s Statement

Simon Thomson, Chief Executive of Cairn Energy PLC will make the following statement at the Company’s Annual General Meeting for shareholders in Edinburgh at noon, May 15, 2018. The Company will announce half-year results on September 11, 2018.

Cairn’s strategy is to create, add, and realise value for shareholders from a balanced portfolio of exploration, development and production assets. Over recent years, we have rebuilt our company to deliver this strategy. Cairn today offers investors a fully-funded, full-cycle portfolio with an active development pipeline and a multi-year material exploration drilling programme.

This ensured that 2017 was a very busy and successful year for Cairn and 2018 will be just as active.

In production, we achieved first oil from both the Catcher and Kraken developments in the North Sea. Both developments are ramping up to achieve full capacity production by mid-year with ~17,000 to 20,000 barrels of oil per day (bopd) expected to Cairn over this year, with production continuing to grow into 2019.

In Senegal, we successfully and safely completed our third exploration and appraisal drilling campaign. We have now fully appraised the world class SNE field and have selected our field development concept, targeting first oil between 2021 and 2023.

Tenders for the Floating Production Storage and Offloading Vessel (FPSO) and subsea infrastructure were issued in Q1 and responses are expected to be received by the end of May. We are targeting submission of the Evaluation Report to the Government of Senegal by the end of Q2. The transfer of Operatorship to Woodside will follow thereafter.

We expect to pass several key milestones in Senegal later this year. We are working hard on the phased Exploitation Plan, which we will present to the Government of Senegal in H2 with a Final Investment Decision to follow. This plan will target production of ~100,000 bopd from the field.

Meanwhile, we are excited about Nova in Norway where development planning work is ongoing and we expect to achieve first oil in 2021 with peak net production to Cairn of ~10,000 bopd. The Plan for Development and Operation (PDO) will be submitted imminently with approval expected in Q3 2018.

Turning to exploration, we are planning to drill four wells in 2019-2020 in Mexico where we have acquired new licences. These sit in very attractive acreage next to blocks where significant discoveries have recently been made and we have already identified several attractive prospects and leads.

We are also evaluating and actively examining further exploration activities to extend our portfolio, including Ireland and now Suriname, where we have been awarded a large, operated exploration block. This is particularly interesting as Suriname has a conjugate margin with Senegal where we have excellent proprietary insight and understanding.

More immediately, we have a drill-ready portfolio in the UK and Norway and this year began an extensive exploration drilling campaign over 2018 and 2019, targeting more than 1 billion barrels gross of unrisked reserves. In Q3, we expect to spud our first operated well in the region on the Ekland prospect.

All of this planned activity is fully funded. We have significant funding headroom, and we have already started to receive cash flows from Catcher and Kraken that ensure we retain our flexibility.

We remain confident in our position regarding the Indian tax dispute. International arbitration proceedings are well advanced with the final hearing of our claim under the UK-India Bilateral Investment Treaty scheduled for August in The Hague with an outcome expected in Q4 2018.

Our platform for creating value therefore remains strong.

This year marks 30 years since Cairn listed on the London Stock Exchange in 1988. Over that time, we have always sought to maximise value for our shareholders, whilst operating safely and responsibly and in partnership with the host governments where we work.

We look forward to continued delivery of our strategy to create, add and realise value for shareholders.

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NOTES TO EDITORS

Cairn is one of Europe's leading independent oil and gas exploration and development companies and is listed on the London Stock Exchange. Cairn has discovered and developed oil and gas reserves in a variety of locations around the world.

Cairn's business operations are primarily focused on frontier exploration acreage in North West Europe, North West Africa and the North Atlantic, underpinned by interests in development assets in the North Sea. Cairn has its headquarters in Edinburgh, Scotland supported by operational offices in London, Norway, Senegal and Mexico.

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