



For Immediate Release

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CAIRN ENERGY PLC (“Cairn” or “the Company”)

Cairn takes Final Investment Decision on Sangomar Field Development in Senegal

Cairn, along with its joint venture partners, Woodside and FAR, has signed a joint Final Investment Decision (FID) statement, in agreement with Petrosen and the Government of Senegal, at an official ceremony last night with the Minister of Petroleum and Energies, Monsieur Mouhamadou Cisse.

The FID on Phase 1 of the Sangomar Field Development offshore Senegal follows the receipt last week of the 25-year Exploitation Authorisation from the Government of Senegal.

Phase 1 of the development will target estimated 2P recoverable oil reserves of 231 mmbbls (gross). Over the life of the field, total recoverable oil resources are estimated to be approximately 500 mmbbls with the development also planning gas export to shore.

Woodside, as Operator of the joint venture, has completed the purchase contract for the Floating Production Storage and Offloading (FPSO) facility and issued full notices to proceed for the drilling and subsea construction and installation contracts.

The key contractors for the development are:

- MODEC, Inc, for the purchase of an FPSO with an oil processing capacity of approximately 100,000 barrels per day
- Subsea Integration Alliance (a non-incorporated alliance between Subsea 7 and OneSubsea) for the construction and installation of the integrated subsea production systems and subsea umbilicals, risers and flowlines
- Diamond Offshore for two well-based contracts for the drill rigs Ocean BlackRhino and Ocean BlackHawk

Simon Thomson Chief Executive of Cairn said;

“Cairn’s discoveries offshore Senegal from the country’s first deep water wells opened up a new basin on the Atlantic Margin. Cairn has operated three drilling programmes and successfully laid the foundation for Senegal’s first multi-phase oil and gas development. Senegal is now an attractive oil and gas province, drawing the attention of the global industry.”

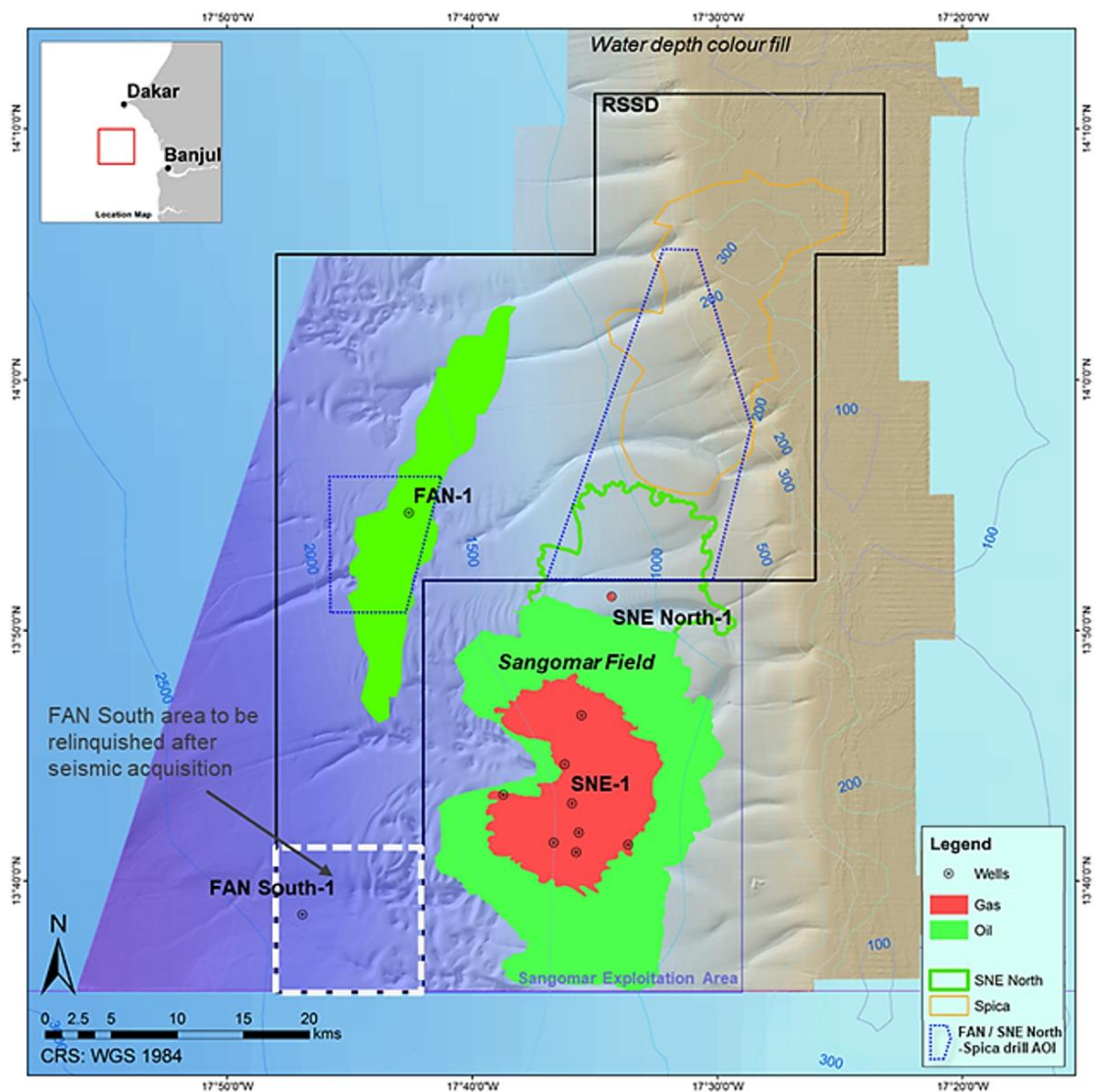
Woodside CEO Peter Coleman said¹:

“We look forward to progressing the project towards first oil in early 2023 and expect that our experience in offshore FPSO developments will support its delivery on cost and schedule.

We are grateful for the ongoing support of the Government of Senegal and will be working with all stakeholders to ensure that the country’s first oil project delivers enduring benefits to its people.”

FAR Managing Director Cath Norman said;

“This is a momentous milestone for the joint venture and the people of Senegal. We thank all of our stakeholders and look forward to the coming weeks and months before first oil in early 2023.”



¹ Woodside Petroleum Limited ASX Announcement 10 January 2020

Senegal Background

The joint venture's world class SNE oil discovery in 2014 proved Senegal's oil and gas potential and established a new hydrocarbon province.

The basin opening discoveries were the first deep water wells to be drilled offshore Senegal which has since attracted the attention and investment of the global oil industry.

In a three-phase drilling programme, the JV drilled eleven successful exploration and appraisal wells from 2014 to 2017. To date, more than US\$1 billion has been invested in Senegal with plans for more than US\$4 billion to deliver the field development plan and achieve first oil in 2023.

The Sangomar field is on target to be a project of national significance and an anchor for economic and social development in Senegal. As the first oil development for the country it is anticipated it will provide a major impetus for the national economy and local population for many years.

A sustainable oil and gas industry can deliver energy security and material revenues for the Government of Senegal as well as reduce the reliance on fuel imports.

The project will also introduce key oil and gas capability and skills as part of the joint venture's commitment to develop local suppliers and a local oil and gas workforce with the capacity to unlock Senegal's growing regional energy potential.

The Joint Venture comprises Cairn Energy with 40% working interest alongside partners; Woodside (Operator) with 35% and FAR with 15% and the Senegal National Oil Company Petrosen with 10% and the right to increase to 18% on development.

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About Cairn Energy PLC

Cairn is one of Europe's leading independent oil and gas exploration and development 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 North West Europe, West Africa and Latin America, underpinned by interests in production and 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