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CAIRN ENERGY PLC

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

Cairn secures new licences in Mexico bid round

Cairn is pleased to announce it has secured interests in two licences in the Mexico offshore bid round.

The licences (one operated and one non-operated, covering ~1,100km²) are located in the Gulf of Mexico in the shallow water Sureste basin in water depths of 100-500metres and ~50km offshore:

- Block 7: ENI (45% operator), Cairn (30%), Citla (25%)
- Block 9: Cairn (65% operator), Citla (35%)

Multiple attractive prospects in a variety of play types have been identified within this highly prolific, proven hydrocarbon province which has recently opened to international oil companies. The Mexican Gulf region is significantly under-explored compared to the nearby analogous United States Gulf of Mexico.

The licences were secured by Capricorn Energy Limited a wholly owned subsidiary of Cairn Energy PLC with the Production Sharing Contracts scheduled to be signed later this year with the Government of Mexico. The contract awards are subject to the final approval of the authorities. Cairn anticipates exploration drilling to commence in the 2019-2020 period on both blocks.

Cairn Energy CEO, Simon Thomson, said:

"We are delighted with these awards which we believe provide an exciting opportunity to build a strategic portfolio over time in this highly prolific yet under-explored region.

As we build on the success of discoveries in Senegal it is important to access new acreage to provide exploration drilling opportunities in the future.

Cairn and its partners have identified and secured our favoured blocks with multiple stand-alone prospects and numerous follow-on tie-back opportunities based on 3D seismic data.

We are partnered with ENI, an experienced explorer and operator in Mexico, as well as Citla Energy, a Mexican focused, exploration company and look forward to working with our new partners and the Government of Mexico to deliver the work programme in the coming years."



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NOTES TO EDITORS

Citla Energy

Citla Energy, S.A.P.I. de C.V., is a Mexican independent exploration and production company (The International Finance Corporation (IFC) has a 30% stake in Citla). With offices in Mexico City and Houston, Texas, the company is actively participating in the opening of the Mexico oil and gas sector, where it seeks to acquire and build a portfolio of selected onshore and offshore assets, both independently and in partnership with other industry participants. For more information, visit www.citlaenergy.com.

About Cairn Energy PLC

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 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 and Senegal.

Cairn and Corporate Responsibility

- Cairn is a signatory to the UN Global Compact and our core values of respect, responsibility, relationships and our commitments towards people, the environment and society are enshrined in our Business Principles, which are available on the Cairn website at <http://www.cairnenergy.com/index.asp?pageid=282>
- Cairn became a participating company in the Extractive Industry Transparency Initiative (EITI) in September 2013. The EITI is a coalition of governments, companies and civil society, who have adopted a multi-stakeholder approach to applying the EITI global standard promoting transparency of payments in the oil, gas and mining sectors <http://eiti.org/>

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