



EMBARGOED FOR RELEASE AT 7AM

19 May 2017

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 19th 2017. The Company will announce half-year results on August 22, 2017.

Cairn's strategy is to deliver sustainable value growth for shareholders from a balanced portfolio of exploration, development and production assets. Our exploration focus is on acreage in frontier and emerging basins which offer the greatest value potential, funded from production assets and balance sheet strength.

In the past year, we have made excellent progress on our strategic objectives. We have created a strong platform for future growth, with active positions in various geographies providing significant acreage positions of technical and commercial value.

In Senegal, we have confirmed the scale and potential of the world class SNE field, having successfully drilled nine wells in three years. Following appraisal success in 2016 which saw us upgrade our resource estimates, we commenced the third phase of drilling in January and have drilled three successful wells this year with a further exploration well shortly commencing.

The near-term focus in Senegal is defining the scale and phasing of the overall SNE field development including the balance between the number of drilling centres, type and number of wells and the subsea infrastructure. As previously indicated, we aim to submit an Exploitation Plan to the Government of Senegal in 2018 with a Final Investment Decision within twelve months thereafter and first oil in the period 2021 to 2023.

Cairn currently anticipates providing an update on contingent resource estimates at the half year in August when the results of the latest wells will be further analysed and incorporated into the design and development plan for the SNE field.

In the UK North Sea, both the Catcher and Kraken developments remain significantly below their original budgets and both are on schedule to target first oil this year. Together they will deliver around 25,000 barrels of oil a day on plateau net to Cairn, generating significant cash flows for reinvestment.

Elsewhere, we have secured additional licences both in the North Sea and Barents Sea and farmed in to a number of interesting prospects offshore Ireland, where we plan to drill an exploration well in the Southern Porcupine basin this summer.

We are fully funded to deliver this programme, and meet all our commitments. We currently have ~US\$254 million cash on our balance sheet, while our Reserve Based Lending facility is undrawn.

International arbitration proceedings are progressing in respect of Cairn's claim under the UK-India Bilateral Investment Treaty for the restitution of c. US\$1billion of assets frozen in 2014, with a date set for the final arbitration hearing in January 2018. We expect a ruling soon thereafter and remain confident in our position.

To conclude, 2016 was a year of excellent progress, providing a strong platform for further activity in 2017. This year, we will commence production in the North Sea, progress the SNE field towards development, drill material exploration wells in Senegal and Ireland, and continue to work on new exploration and development opportunities both from the existing asset base and from new ventures.



Enquiries to:

Analysts / Investors

David Nisbet Corporate Affairs

Tel: 0131 475 3000

Media

Linda Bain, Christian Goodbody

Tel: 0131 475 3000

Cairn Energy PLC

Patrick Handley, David Litterick

Brunswick Group LLP

Tel: 0207 404 5959

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 now 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