

12 May 2015

ASX Announcement & Media Release

Senegal presentation released by Cairn Energy

The Operator of the Senegal JV, Cairn Energy PLC has released the attached presentation from the Capital Markets Day in London on 11 May 2015. FAR looks forward to our AGM in Melbourne this Friday and follow up presentations in Perth, Sydney and the Gold Coast which will be focussed on the Company and our world class asset offshore Senegal.



Capital Markets Day

Senegal - Building on Success

May 2015

*Delivering value from
discovery and development*



Disclaimer

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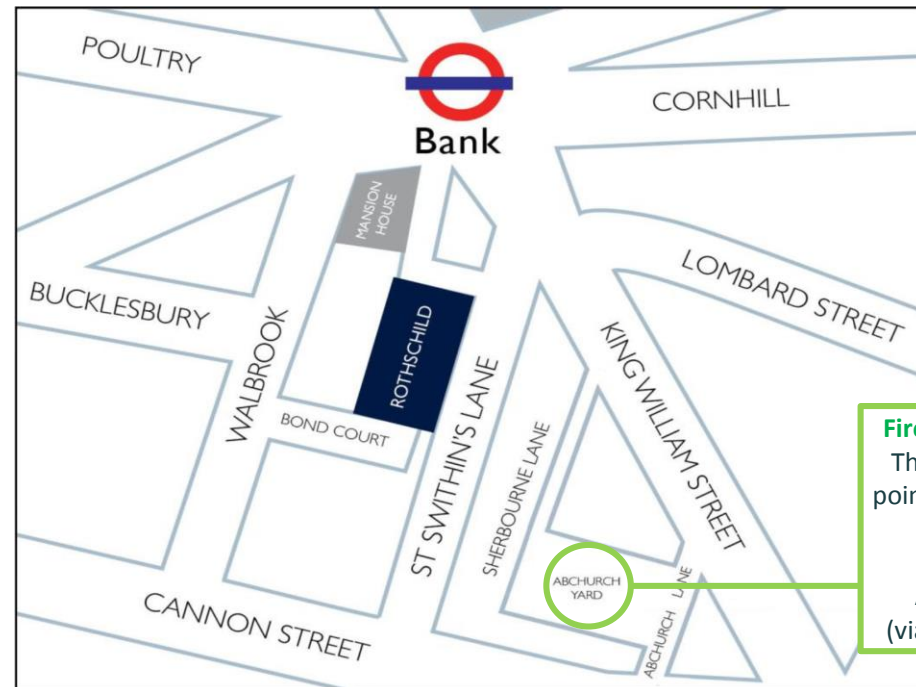
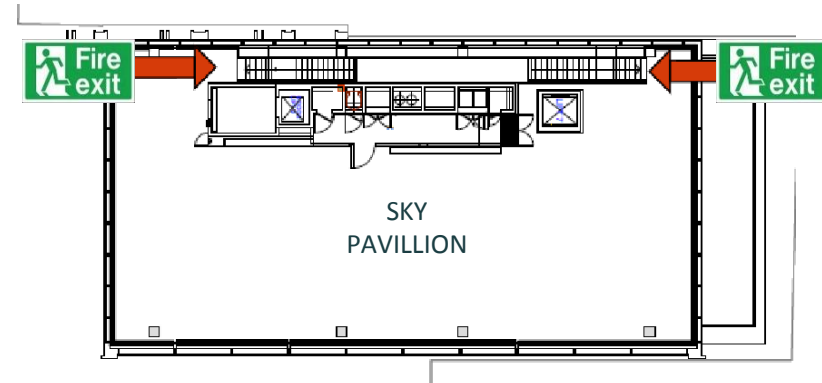


Fire Safety and Evacuation



Rothschild operates a phased evacuation system. The following announcements will sound via the public address system:

- **Stand by message** – stay on your floor and await further instruction
- **Evacuation message** – exit the building immediately via your nearest emergency exit



Fire Assembly Point
This is the meeting point after evacuating the building

Abchurch Yard
(via Abchurch Lane)

Strategy

Simon Thomson



Delivering value from discovery and development

Strategy



Balanced Business Model

- Mature basin exploration and development
- Frontier and emerging basin exploration

Fully Funded

- Core development assets through to free cash flow
- Value-add exploration and appraisal

Senegal Value

- World class new basin play
- Up to six wells commencing Q4 2015
- Selected 7th generation dual activity drillship
- Full block potential of gross mean risked resource of > 1 bn bbls
- Rapid appraisal of SNE-1 discovery

Consistent Strategic Delivery for more than 20 Years



- Experienced and successful exploration, appraisal and development operator
- Operations conducted onshore and offshore, shallow and deepwater, benign and harsh weather environments
- Focus on highest HSE standards and sustainable development practices
- Model corporate citizen with demonstrable, successful record of community investment

- Successful track record of adding value to Joint Venture partnerships
- Delivered a series of flagship developments from exploration successes in South Asia
- Focus on monetisation of success

- In excess of US\$4.5 billion (bn) returned to shareholders over last decade
- Commitment to continued delivery of value from discovery and development

Agenda



Strategy	CEO Simon Thomson
Exploration	Exploration Director - Richard Heaton
Senegal	Regional Director, Africa - Rob Jones
Discoveries and Appraisal	Senegal Exploration Manager - Martin Dashwood
Development	Senegal Exploitation Manager - Chris Burnside
Operations	COO – Paul Mayland
Adding Value	Exploration Director - Richard Heaton
Economics and Funding	CFO - James Smith
Conclusion	CEO Simon Thomson

Exploration

Richard Heaton



Delivering value from discovery and development

Exploration

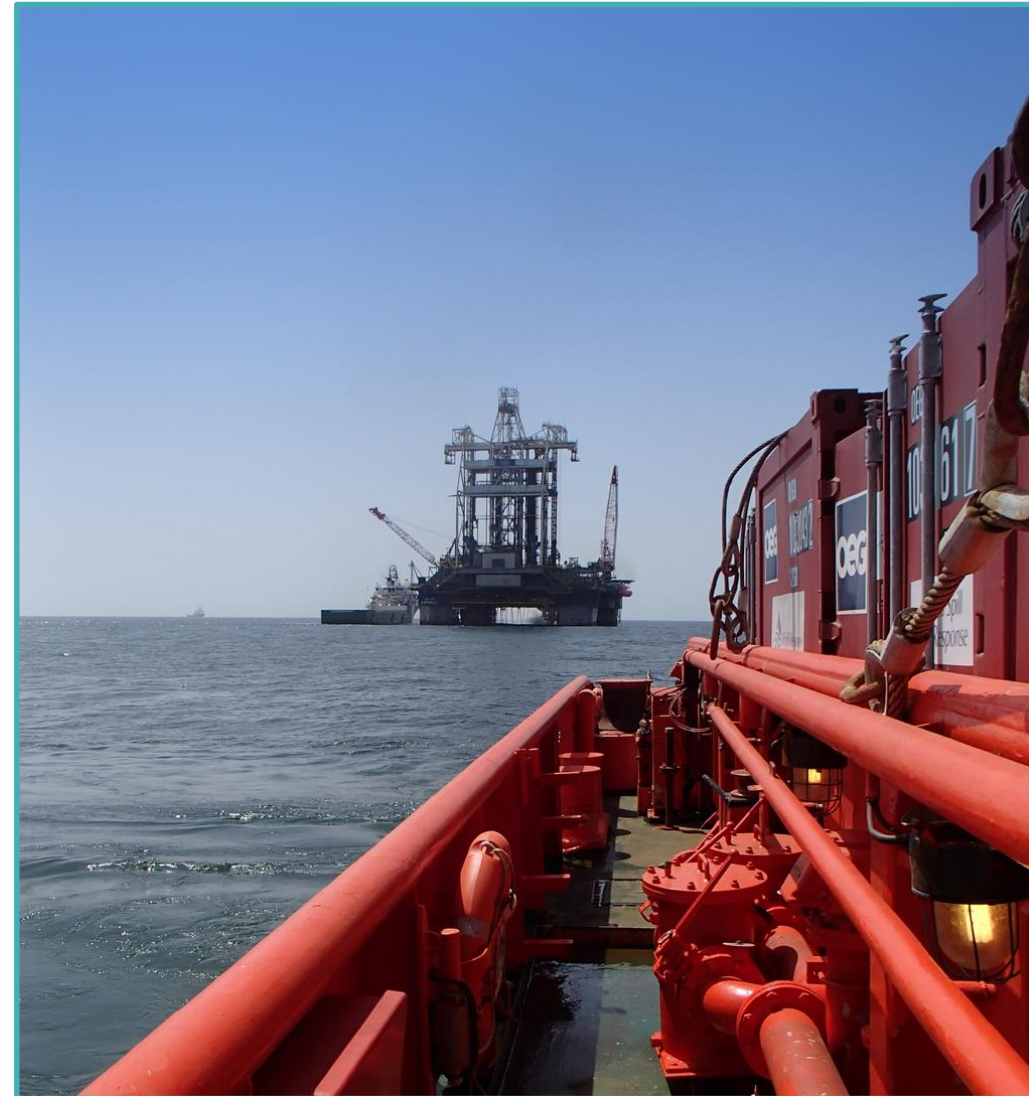
Creating Growth Through Exploration



Significant acreage positions with technical and commercial value

Range of opportunities with appropriate spectrum of risk

- Material discoveries and prospectivity in North Atlantic margin plays
- Mature and emerging basins in UK and Norway
- Low cost, long lead prospect generation



Exploration Atlantic Margin – Geological Focus

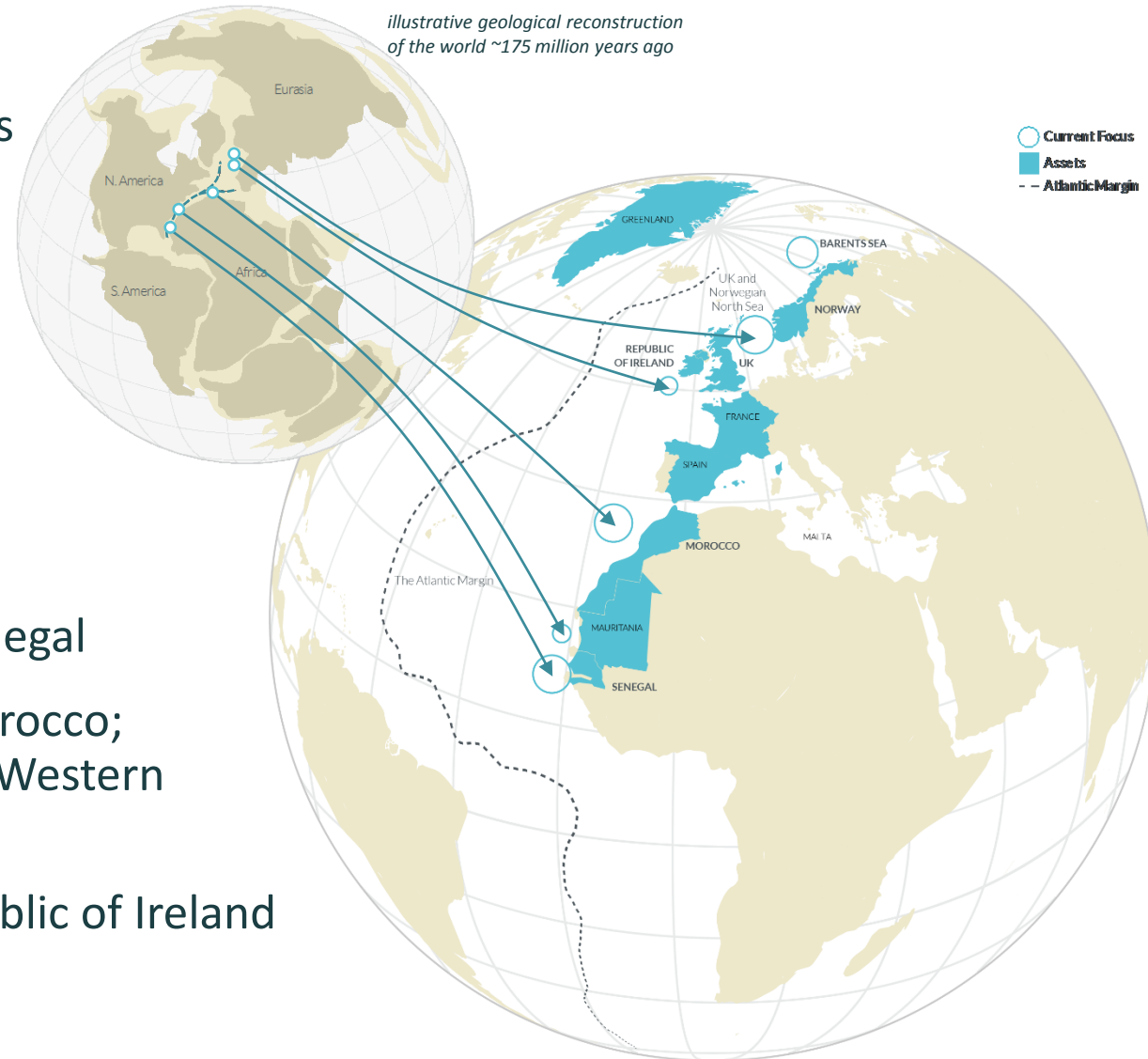


Countries

- Senegal one licence, three blocks
- Morocco
- Mauritania
- Republic of Ireland
- Greenland

Recent Activity

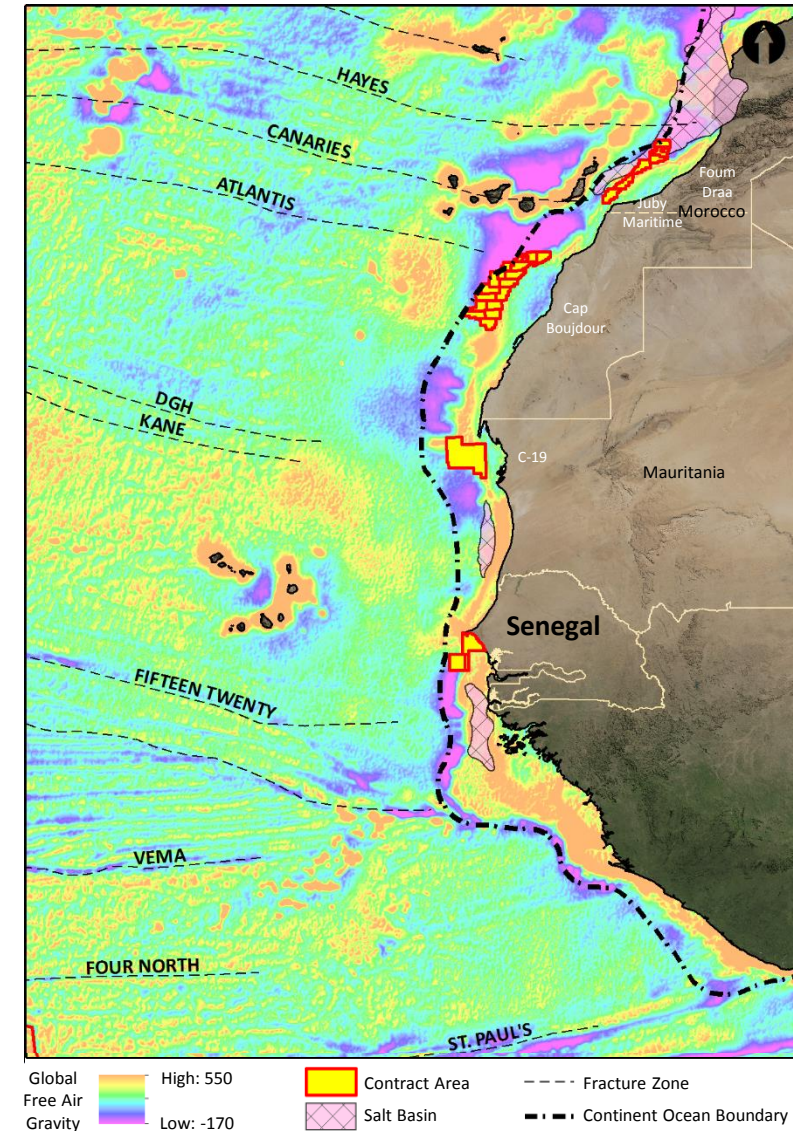
- Two operated wells offshore Senegal
- Two operated wells offshore Morocco;
one non operated well offshore Western Sahara
- 3D seismic survey offshore Republic of Ireland



Exploration Regional Setting



- Exploration strategy focused on multiple play types formed from break-up of supercontinent Pangaea
- Provides underexplored mature hydrocarbon basins of Mesozoic and Tertiary age with common geologic themes
- Experience in passive margin and rift basin exploration with operational capability in frontier areas
- Deepwater areas adjacent to shelf acreage where a number of wells were drilled in 1960s and 1970s
- Wells encountered petroleum, demonstrating potential for working hydrocarbon system, but without confirming any commercially viable discoveries
- Utilising modern 3D seismic data and drilling capability, Cairn's recent programme and success in Senegal has opened up a new and emerging hydrocarbon basin

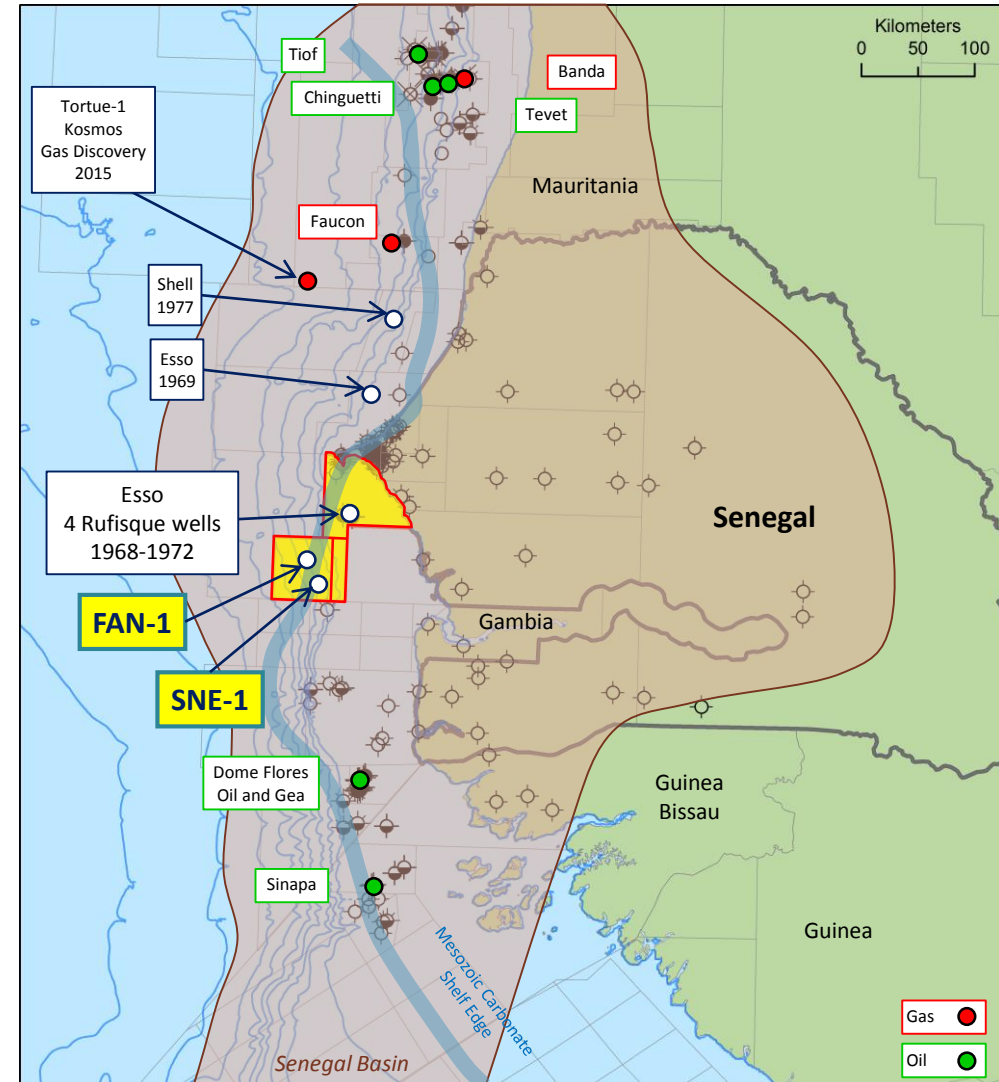


Exploration

Senegal Focus of Interest



- Previous offshore wells demonstrated oil on the shelf (Esso 1968-1972, Rufisque dome)
- Deep Sea Drilling Project wells further offshore (1970s) indicated Cretaceous source rocks – seen extensively on West African margin
- No wells previously in deepwater
- Cairn basin modelling suggested good chance of a mature source kitchen

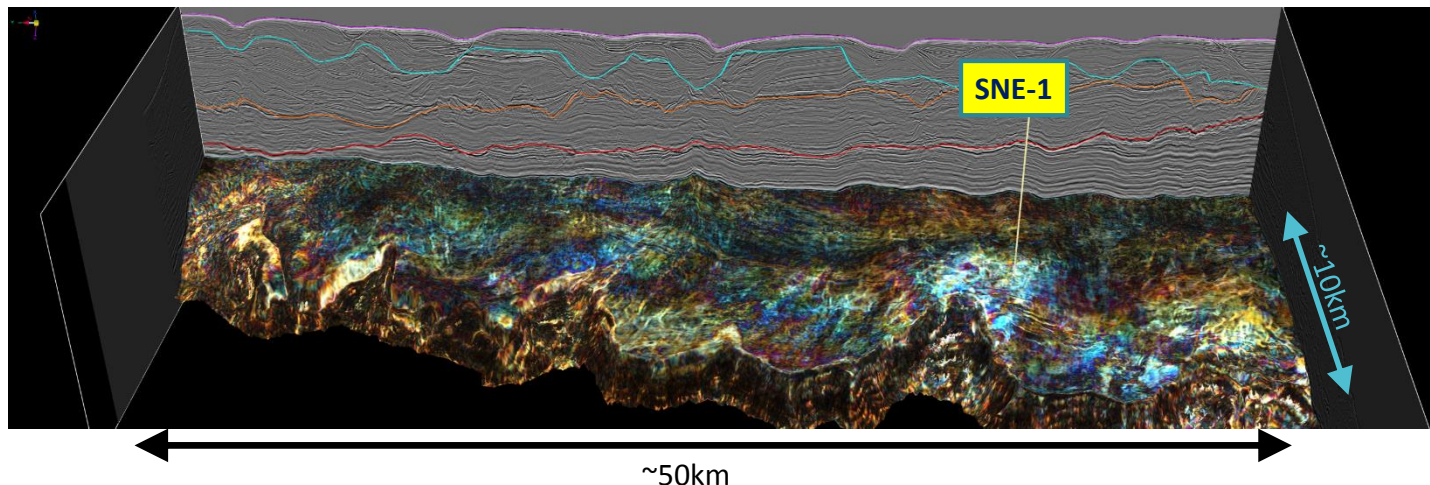


Exploration Basin Opening Discoveries



- Proven hydrocarbon system in new Atlantic Margin basin
- Forward programme submitted to Government of Senegal last week:
 - Appraisal and exploration drilling - 3 firm wells with potentially 3 or more wells
 - Coring and testing
 - Further 3D seismic
- Full block potential of gross mean risked resource of > 1 bn bbls
 - SNE-1 - building a resource base towards development ~330 mmbbls 2C with initial projected production 50,000 – 100,000 bopd
 - Sum of gross mean risked prospect resources ~380mmbbls
 - Sum of gross mean risked lead resources ~350mmbbls
- Similar features to SNE-1 can be seen along trend

*Detailed seismic
interpretation:
spectral decomposition*



Senegal

Rob Jones



Senegal

Doing Business in Senegal



Third year of investment with strong relationships at all levels of Government

Government

- Senegal is a stable democracy with an important regional role
- President Macky Sall (a geologist and geophysicist) came to power 2012 for 7 year term
- Prime Minister Mohammed Dionne; elected national assembly of 150 MPs
- Minister of Energy and Renewables, Madame Maimouna Seck, responsible for hydrocarbons sector

Economy

- One of West Africa's most prosperous nations; US\$15 bn economy
- Economy largely agriculture (20% of GDP, 60% of working population), together with fishing and tourism
- Offshore project has the potential to align with Senegal's transformation
- Senegal has a stable outlook and Standard and Poors 'B+/B'

Senegal Regional Context

- Senegal is a key regional player; member of ECOWAS, African Union and Community of Saharan States
- World Bank, IFC, US, UK and EU Embassies all represented



Senegal

Operational Infrastructure Dakar



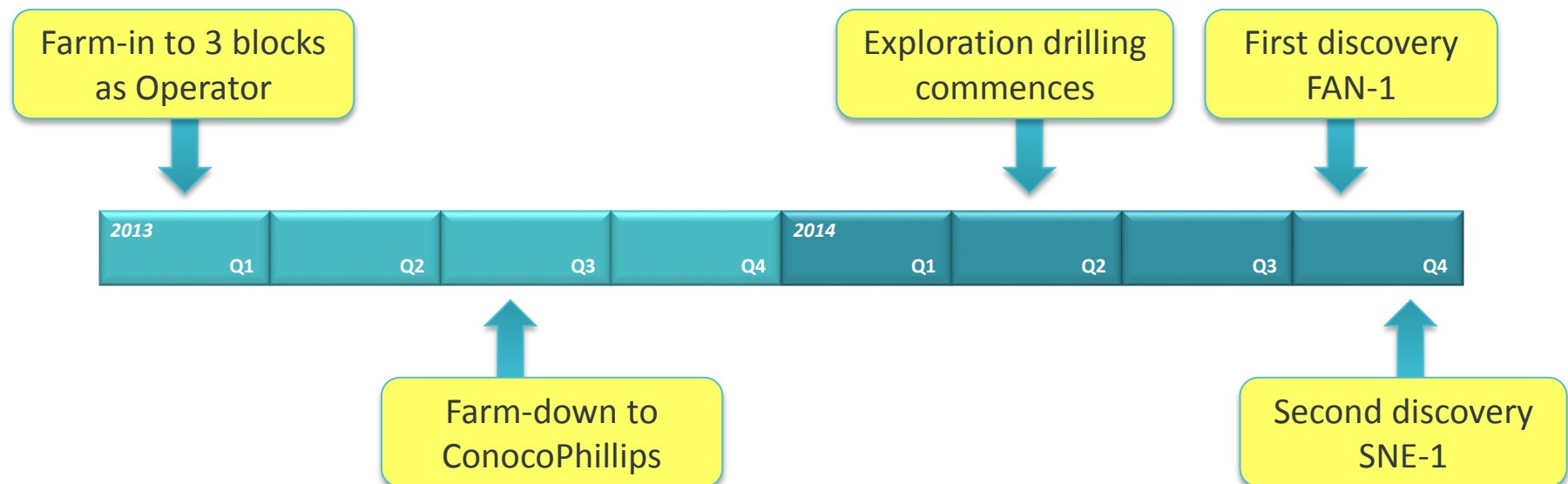
- Excellent transport hub
 - International, national airports
 - Heliport
- One of the biggest ports in West Africa
- Key Government offices
 - PETROSEN
 - Senegal Parliament
 - Palais Presidential
 - Ministry of Energy
 - DEEC (Direction de l'Environnement et des Établissements Classés)
 - HASSMAR (Haute Autorité Chargée de la Coordination de la Sécurité Maritime et de la Protection de l'Environnement Marin)
- International embassies and institutions



Senegal Joint Venture Partnership



- Strong and active international Joint Venture (JV):
Cairn (Operator) 40%, ConocoPhillips 35%, FAR 15% and PETROSEN 10%
- Focus on highest HSE and security standards
- ConocoPhillips has extensive depth of knowledge and expertise
- FAR has participated in Senegal for almost a decade
- Cairn as JV Operator capable of moving at pace to deliver significant projects



Senegal

Joint Venture Partnership and Governance



- Senegal Evaluation Programme submitted to Government of Senegal
- Legal system:
 - Petroleum Code allied to PSC; The code establishes investment framework, PSC establishes terms
- PSC has robust economics with appropriate 'Frontier Exploration' fiscal terms
- High level of cooperation from Government of Senegal and support from JV partners

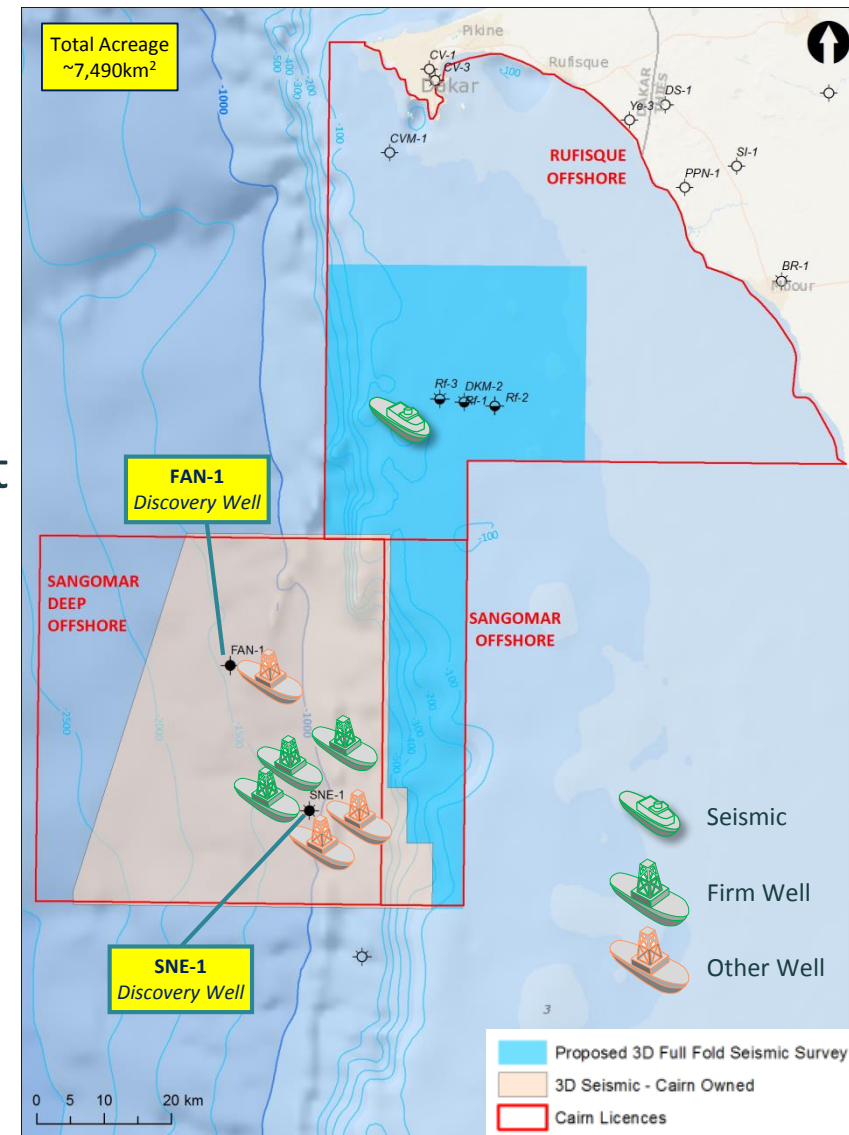


Senegal

2015 Operations



- Operations to commence Q4 2015
- 2015 work programme:
 - Three wells (two appraisal, one exploration) and 3D seismic
- Rig selected
- Environmental and Social Impact Assessment completed
- 3D on Rufisque and Sangomar
- Potentially three or more wells to be presented to JV, Q3 2015 for the 2016 work programme
 - Two Appraisal, one Exploration
- One licence, three blocks: Sangomar Deep, Sangomar and Rufisque





Senegal

From Exploration to Exploitation

Exploration

- Assume operatorship mid 2013
- Commence operations Apr 2014
- Announce discoveries Nov 2014
- Submit Evaluation Programme May 2015
- Refine prospect inventory

Evaluation (Appraisal)

- SNE discovery / appraisal
- FAN discovery / appraisal
- New discoveries
- Rufisque / Sangomar
- Further exploration drilling
- Achieve commerciality
- Prepare development plans
- Define exploitation area

Exploitation (Development)

- Integrated developments
- Multi-field multi-phase
- Ensure inter-field synergies
- Focus on early oil production
- Area extent to be determined

Senegal Evaluation Programme Objectives



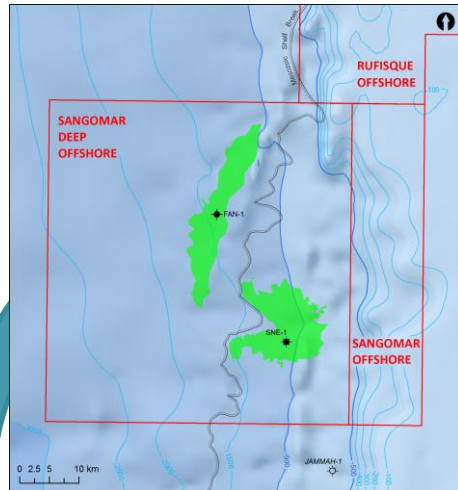
Evaluation

- Gather sufficient data to produce an “Integrated Exploitation Plan”
- Determine the geological and petrophysical characteristics of the fields
- Estimated size and delineation of the field(s)
- Establish reservoir productivity
- Estimates of reserves enabling preliminary economic evaluation and the field(s) exploitation
- Estimates of recoverable reserves and forecast production
- The work necessary to exploit the discoveries / fields (well count, facilities, processing and storage)
- Implementation schedule, capital costs, and JV and Government of Senegal approval for future programmes

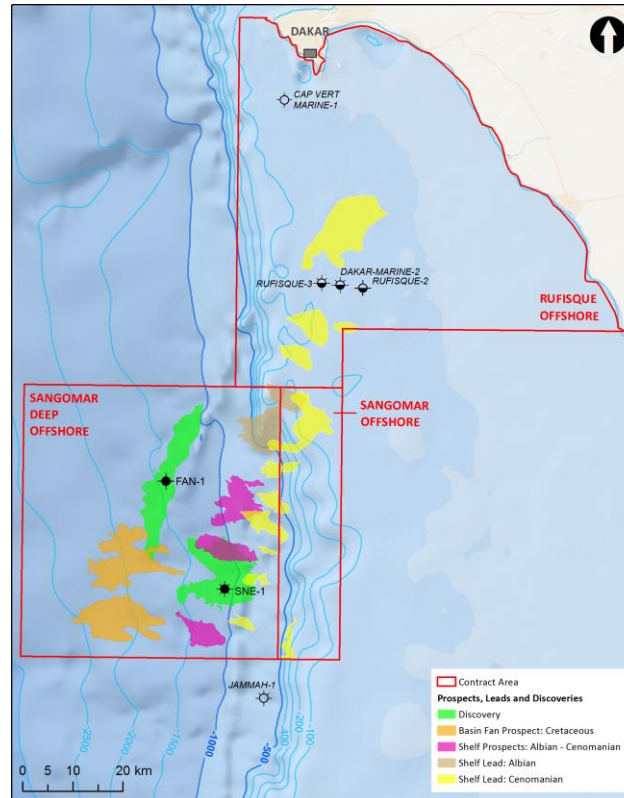
Senegal Vision Substantial Prospectivity across all Three Blocks



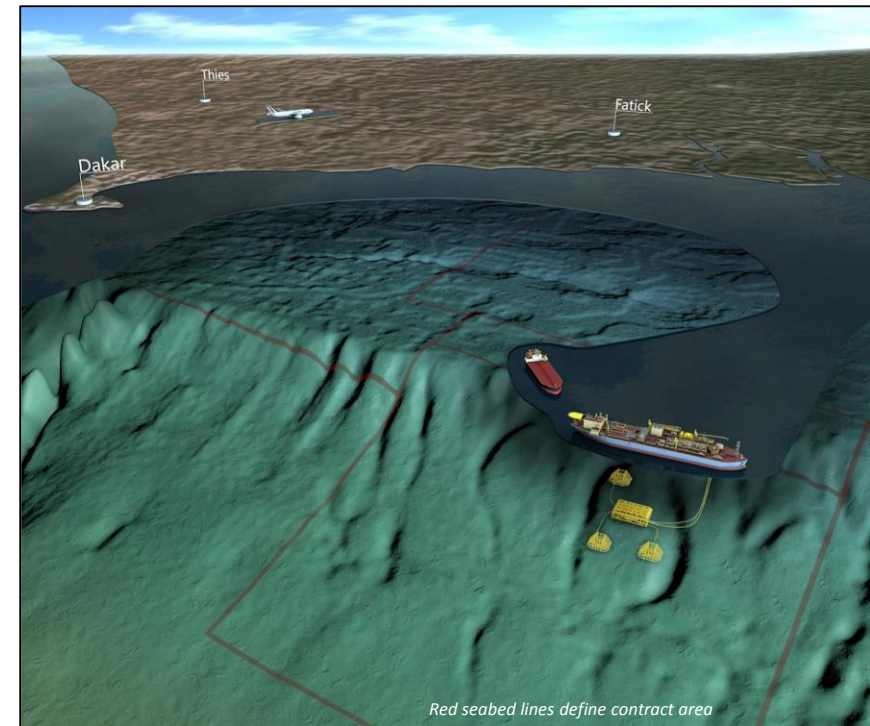
FAN-1 and SNE-1 Offer Commercial Potential, Especially In Combination With Near Field Tie-Backs



FAN-1 and SNE-1 Discoveries



Currently 5 prospects and 18 leads



Provisional Area Development "Vision"

Discovery and Appraisal

Martin Dashwood



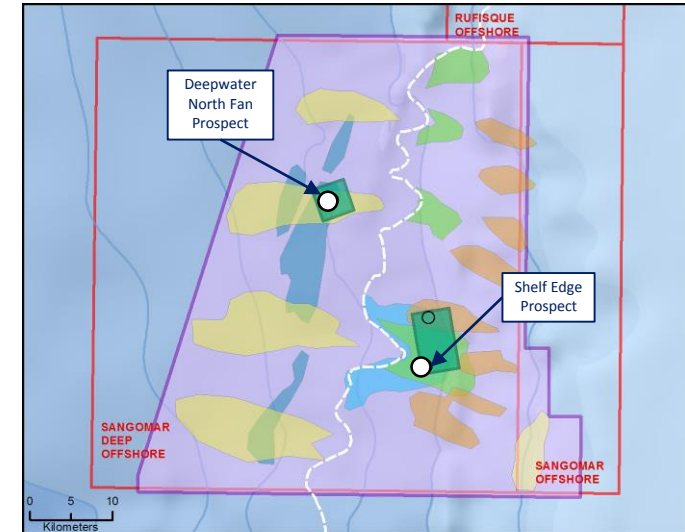
Delivering value from discovery and development

Discovery and Appraisal The Opportunity

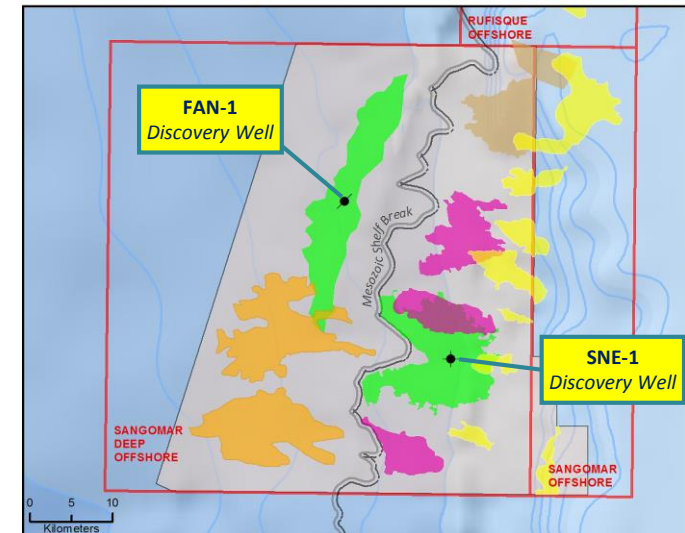


- Active petroleum system with world class source rocks proven by FAN-1 and multiple plays
- FAN-1 and SNE-1 discoveries in Albian aged sandstones
- Initial belief: 7-8 play types
- Drilled two largest features: two wells covered as many play types as possible
- SNE-1 results beyond expectation – volumes more than double pre-drill estimates
- FAN-1 source rocks better than expected, reservoir quality under assessment
- Multiple on-trend leads and prospects actively being matured to drillable status
- 3D acquisition agreed in 2015 to develop additional prospectivity to “drill ready” status within 2016

Pre Drill



Post Drill



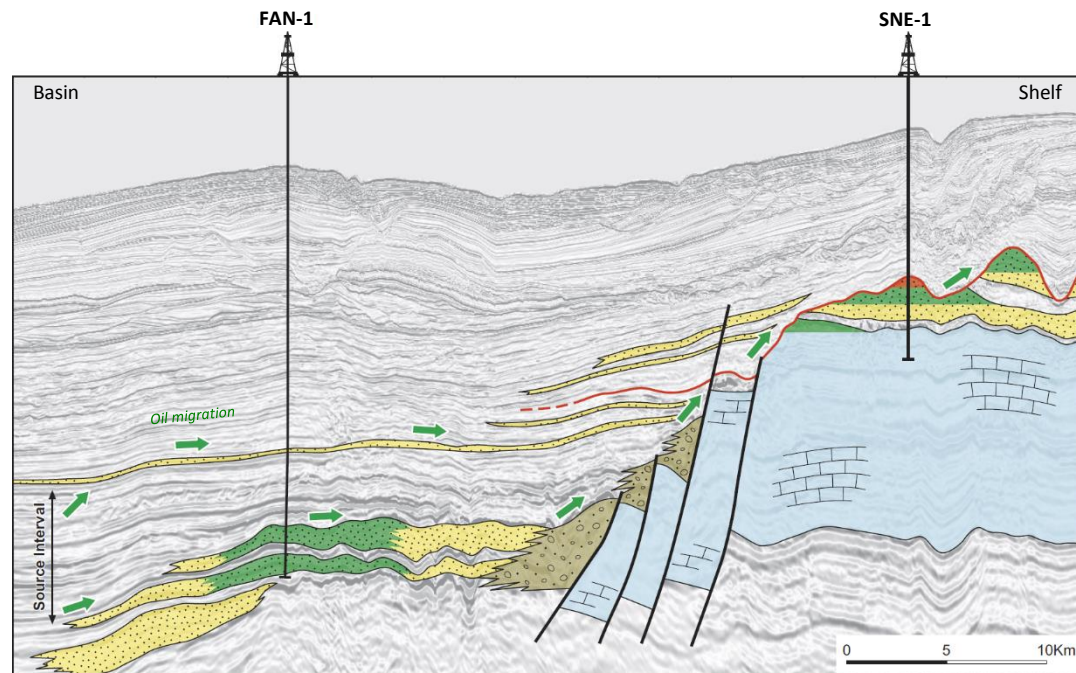
Discovery and Appraisal

Discovery Wells Drilling Schematic

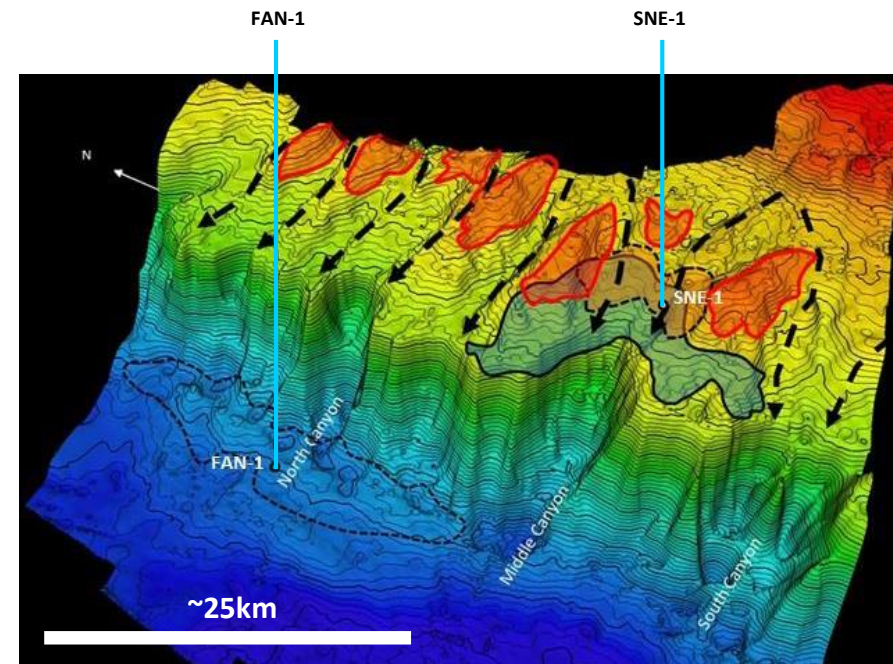


- Two wells targeted multiple plays
- FAN – multiple deepwater stacked ‘fans’ of mid-upper Cretaceous and stratigraphic traps
- SNE – Cenomanian – Albian clastics over Aptian Carbonates – predominately structural traps
- SNE on budget, on time, no overpressure and no surprises in drilling

2D Seismic schematic



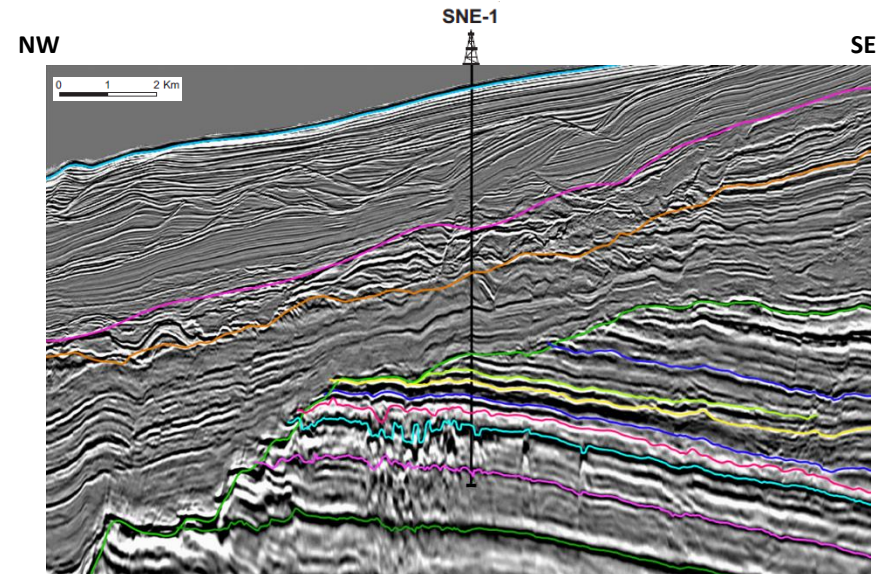
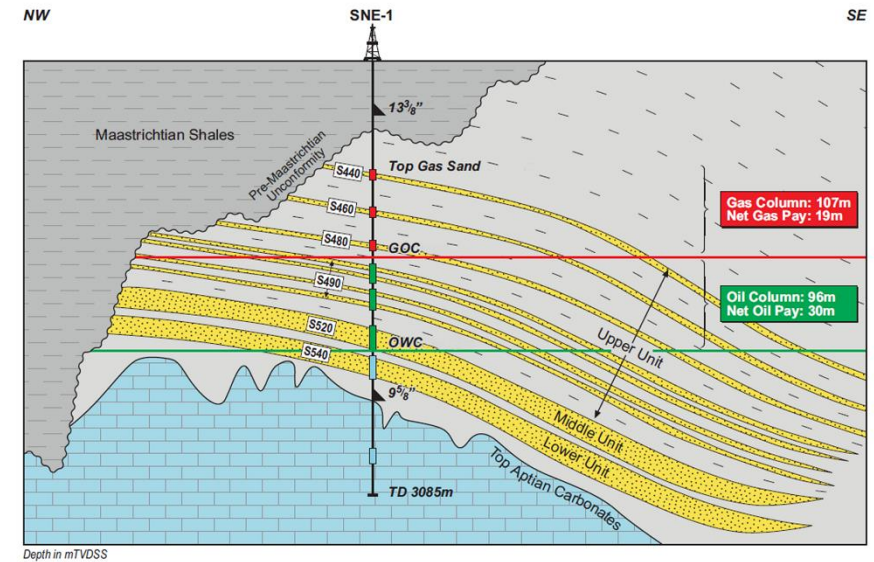
3D Seismic



Discovery and Appraisal SNE-1 Well



- Potentially the world's largest offshore oil discovery in 2014
- Water depth 1,100 metres (m)
- Oil bearing column ~100m
- Net oil bearing reservoir 30m (plus 19m gas)
- Oil recoverable:
Gross Contingent Resources
1C – 150 million barrels (mmbbls)
2C – 330 mmbbls
3C – 670 mmbbls
- Oil gravity 32° API
- Comprehensive data suite
- Resource estimates audited by ERC-Equipoise



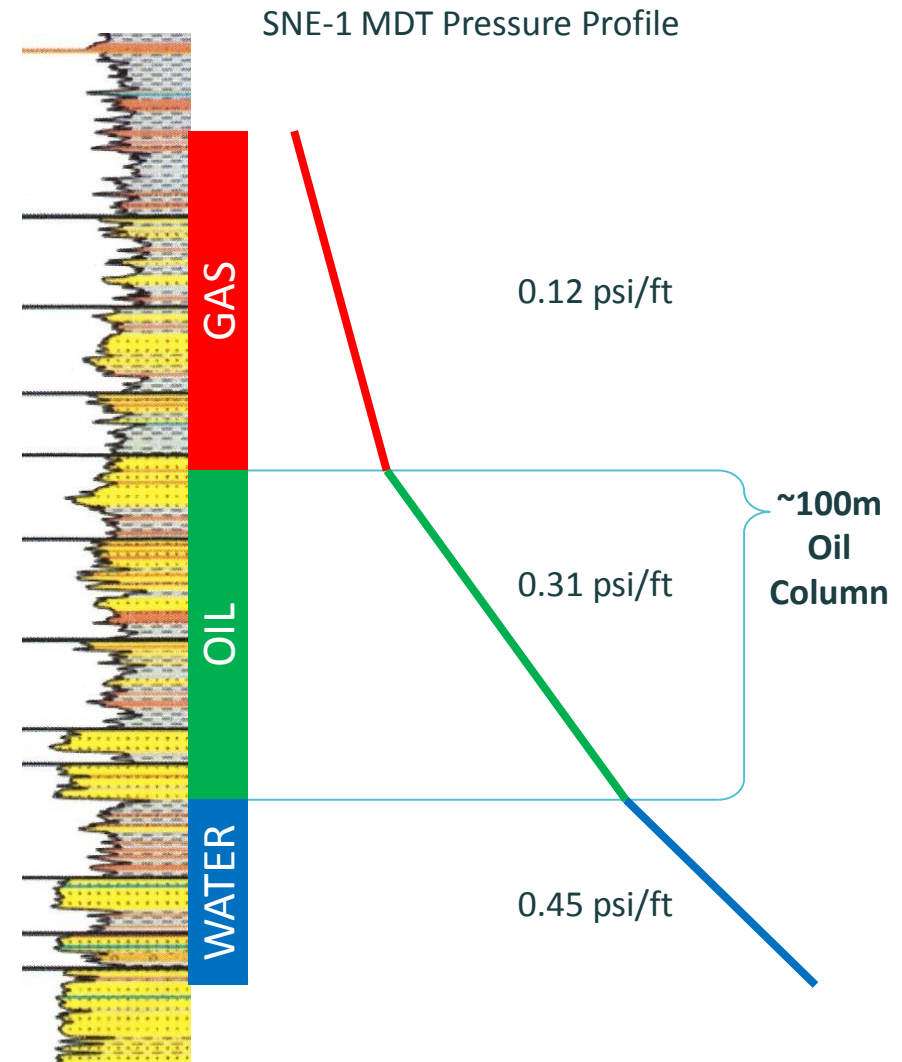


Discovery and Appraisal

SNE-1 Key Reservoir and Hydrocarbon Data

SNE-1 Shelf Well

- Gas
 - Gross 107m
 - Net Pay 19m
 - Average Porosity (PHIE) 25%
 - Average Hydrocarbon Saturation 70%
- Oil
 - Gross 96m
 - Net Pay 30m
 - Average Porosity (PHIE) 24%
 - Average Hydrocarbon Saturation 73%
- Water
 - Gross 38m
 - Average Porosity (PHIE) 22%

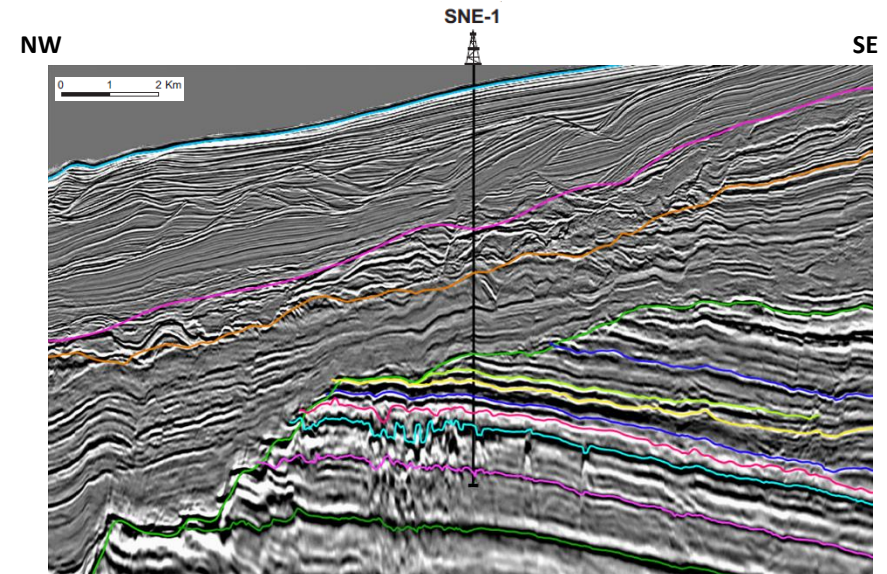
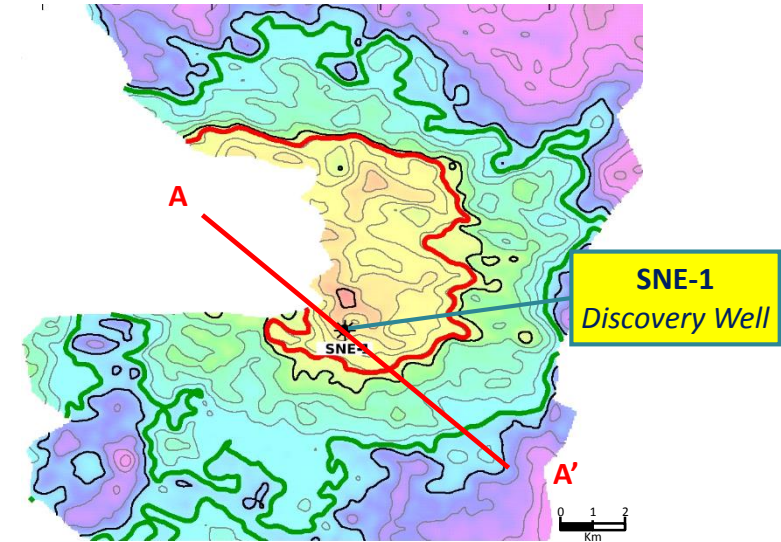


Discovery and Appraisal SNE Field Forward Programme



SNE-1 Appraisal Objectives

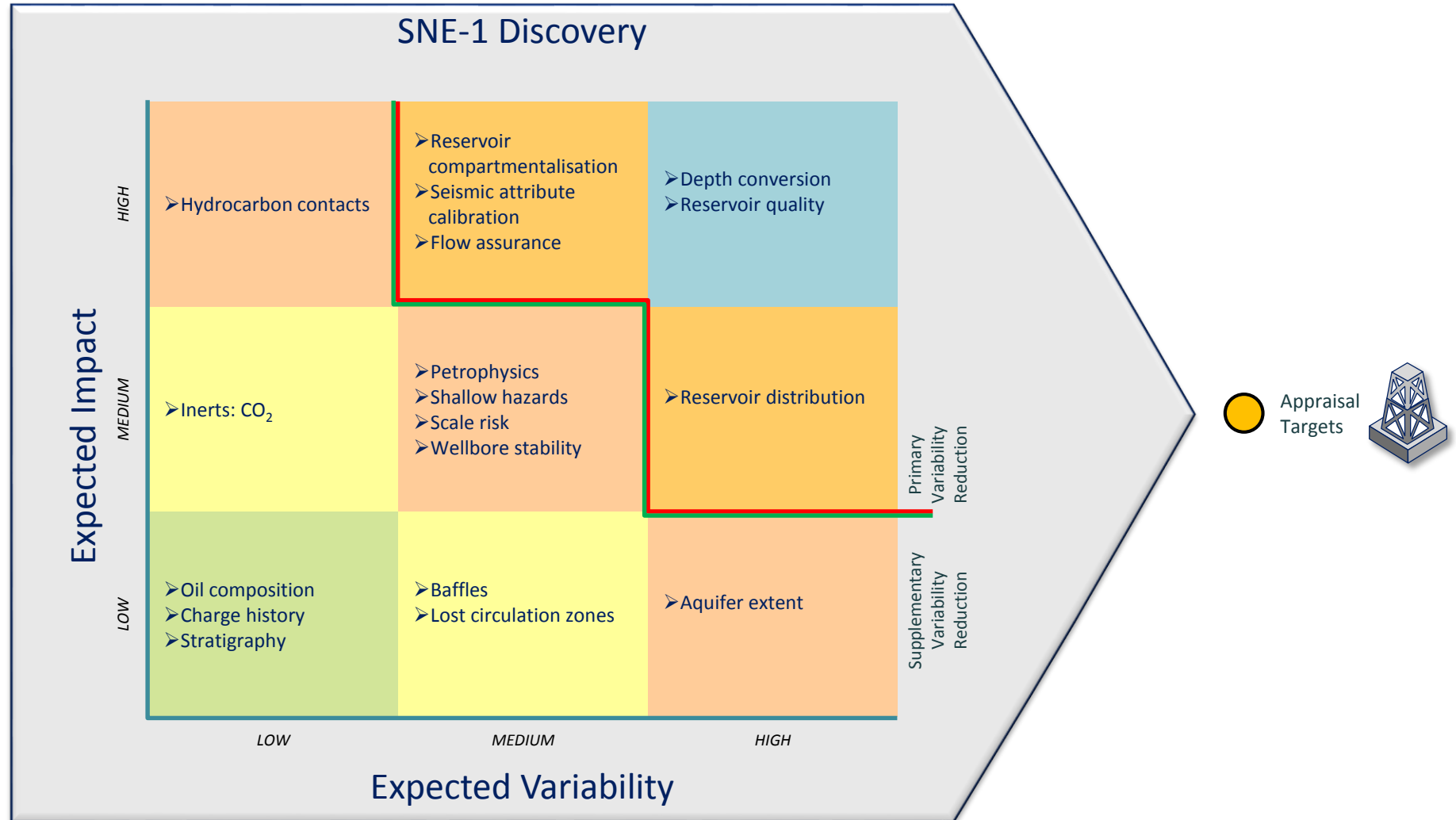
- Drilling of optimum appraisal wells
- Coring and testing of the reservoir:
 - Determine reservoir continuity and connectivity
 - Establish productivity of the reservoirs
 - Populate static and dynamic models
 - Determine commerciality and underpin exploitation plan
- Reduce uncertainty range
 - Increase 1C resource
 - Confirm and potentially increase 2C resource
 - Evaluate further oil potential
- Continue shelf area exploration



Discoveries and Appraisal

Appraisal Location Considerations

Issues to consider and rank in choosing appraisal well locations

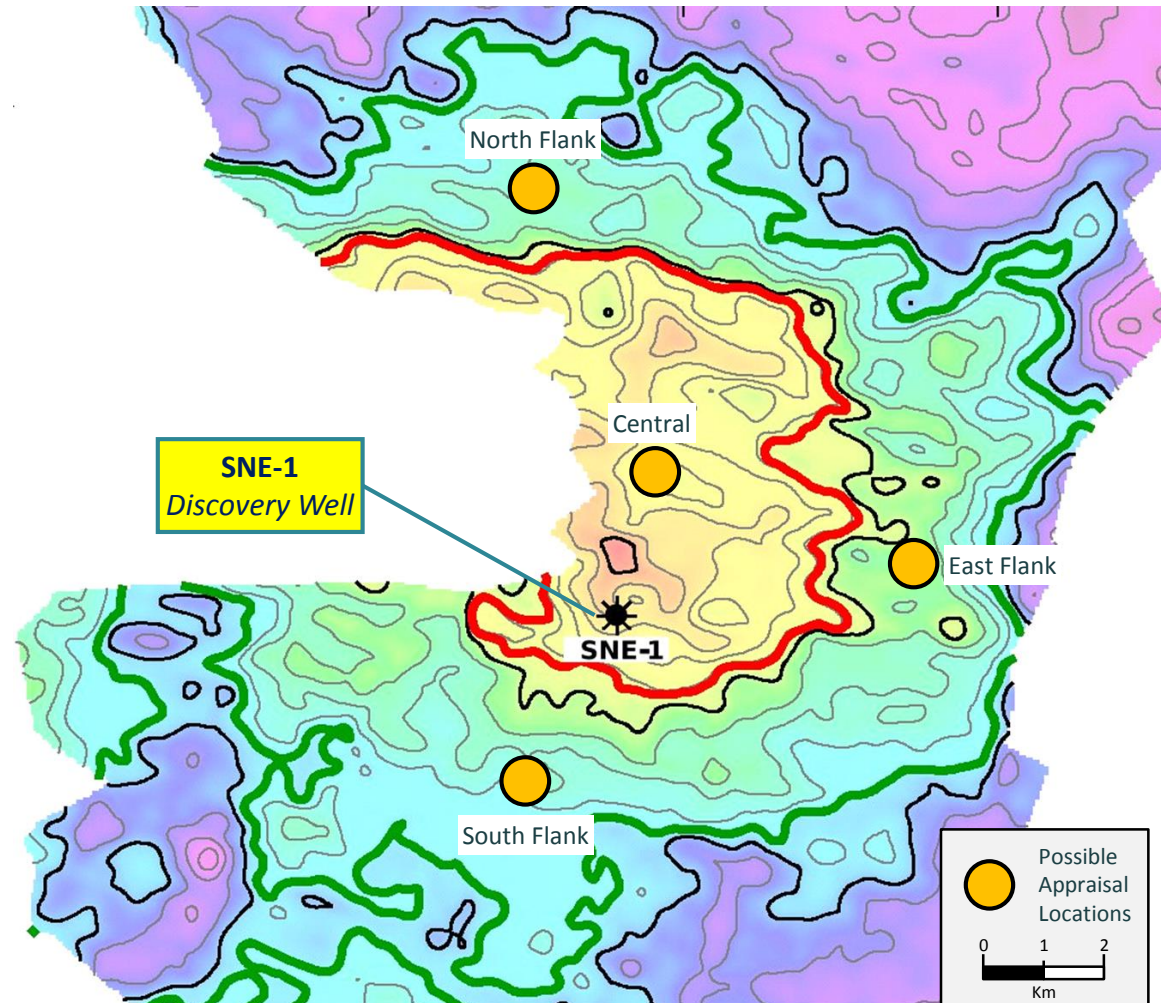




Discovery and Appraisal

SNE-1 Appraisal Target Considerations

- Central Location
 - Velocity control – depth mapping
 - DST of key reservoir zones
 - Evaluate all reservoir zones
 - Core (and/or DST)
- North Flank
 - Evaluate oil potential in upper zones
 - Core (and/or DST)
 - Confirm extent of sand bodies
- East Flank
 - Velocity control – depth mapping
 - Evaluate oil potential in all zones
 - Core
- South Flank
 - Confirm oil potential of upper zones
 - Core (and/or DST)
 - Confirm possible extension of field southwards and/or highgrade satellite prospect



Current Gross resource range recoverable (mmbbls)

1C

150

2C

330

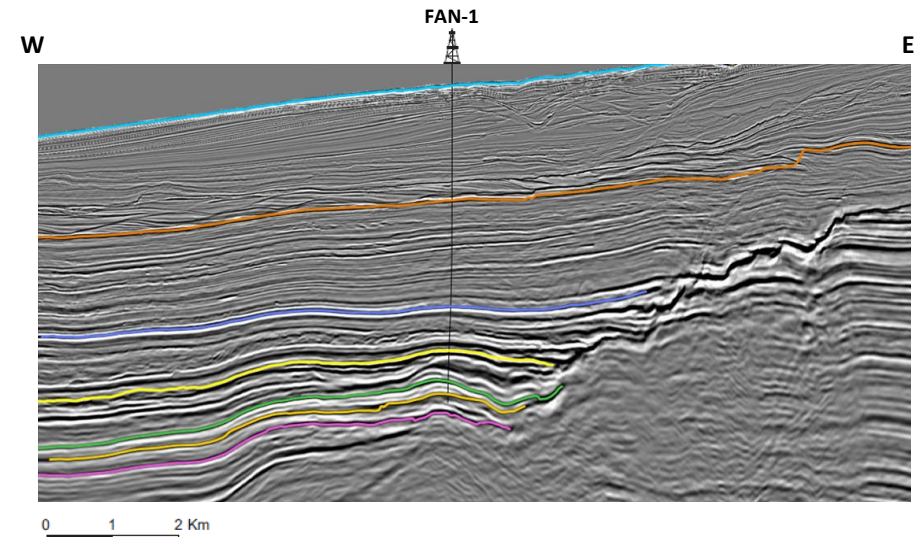
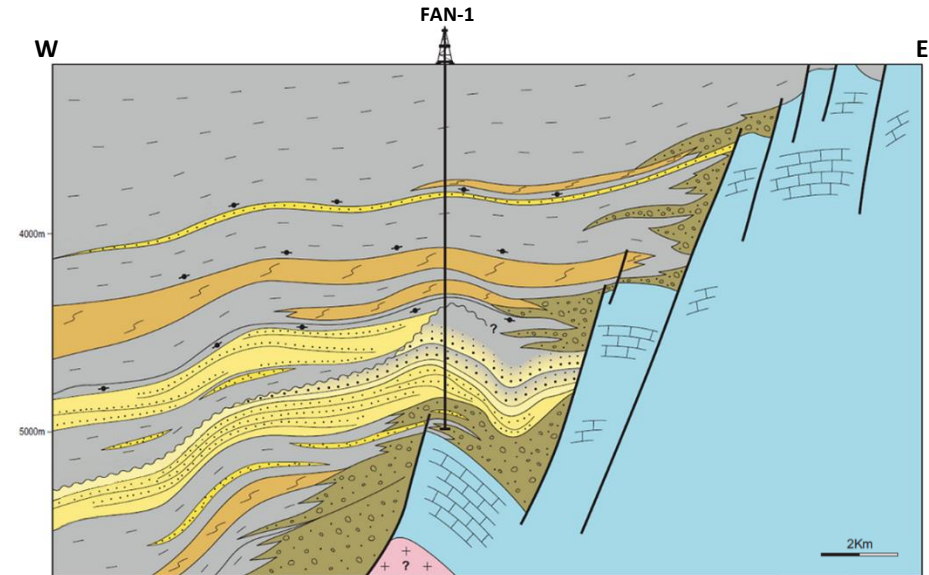
3C

670

Discovery and Appraisal FAN-1 Well



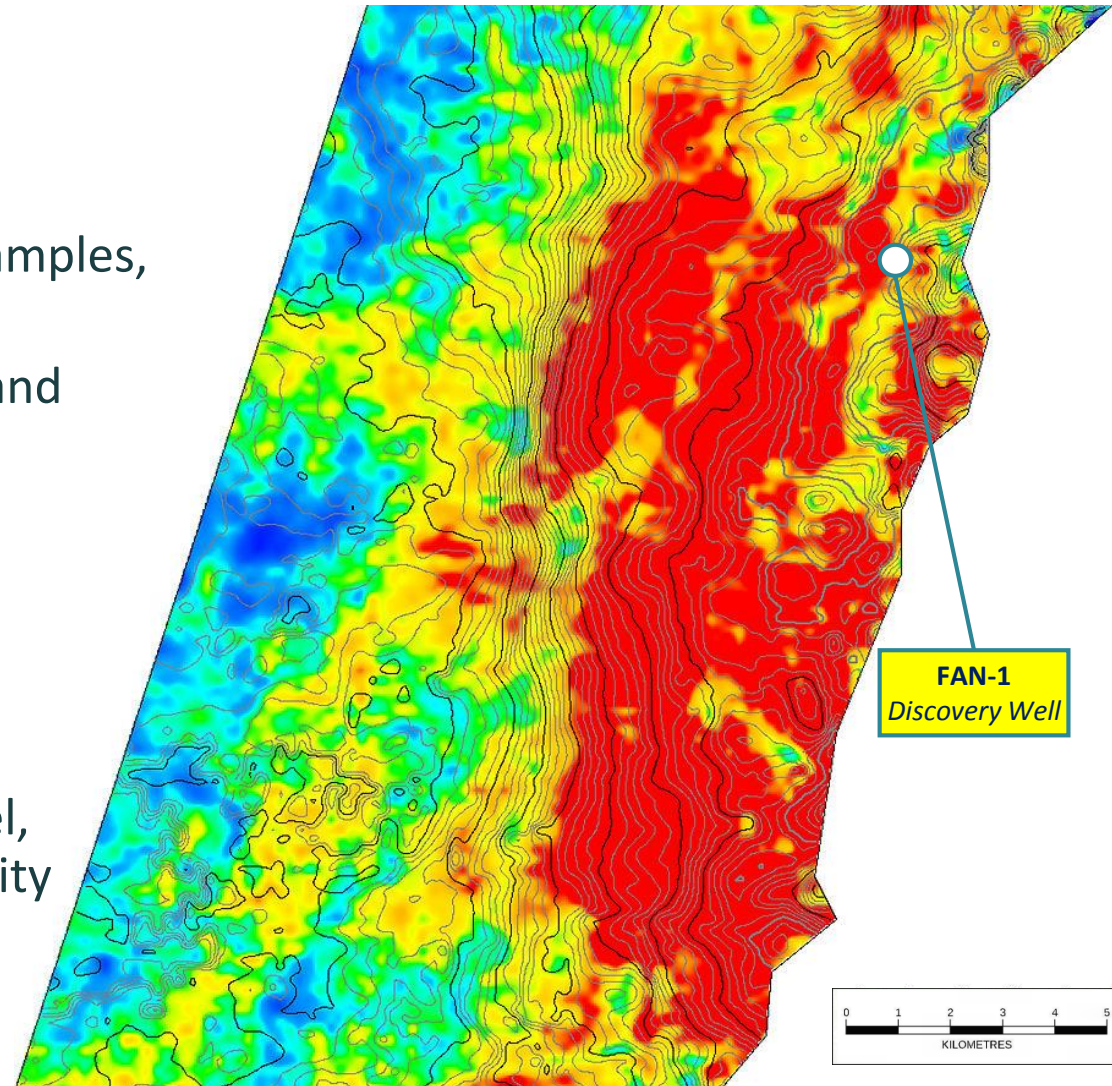
- Water depth 1,427m
- Hydrocarbon bearing interval >500m
- Multiple stacked deepwater Cretaceous fan sands
- Net oil bearing reservoirs 29m
- Gross Oil (STOIIP) in place:
 - P90 – 250 mmbbls
 - P50 – 950 mmbbls
 - P10 – 2,500 mmbbls
- Oil gravity 28-41° API



Discovery and Appraisal FAN-1 Forward Programme



- FAN Appraisal
 - Seismic reprocessing and reservoir characterisation
 - Ongoing analysis of rock and fluid samples, well log data
 - Remapping of the field boundaries and surfaces
- Evaluation Programme submitted
 - Potentially multiple wells
 - Contingent testing and coring of the reservoir
 - Aimed at confirming reservoir model, commercial volumes and deliverability



Development

Chris Burnside

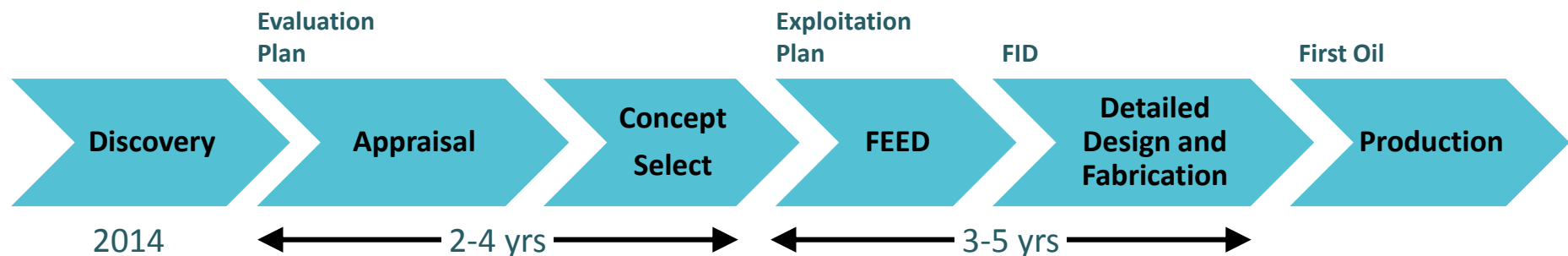


Delivering value from discovery and development

Development From Discovery to Development



- Evaluation programme aims to confirm volumes, connectivity and productivity
- Preliminary foundation development concept for SNE
 - Standalone FPSO (Floating Production Storage and Offtake vessel) with expansion capability for satellite tie-backs
 - Subsea production, gas injection and water injection wells
 - Initial SNE plateau oil rate expected 50,000 - 100,000 bopd
- Threshold economic field size (gross)
 - ≥ 200 mmbbls for foundation development project
- First oil anticipated in 2021-2023



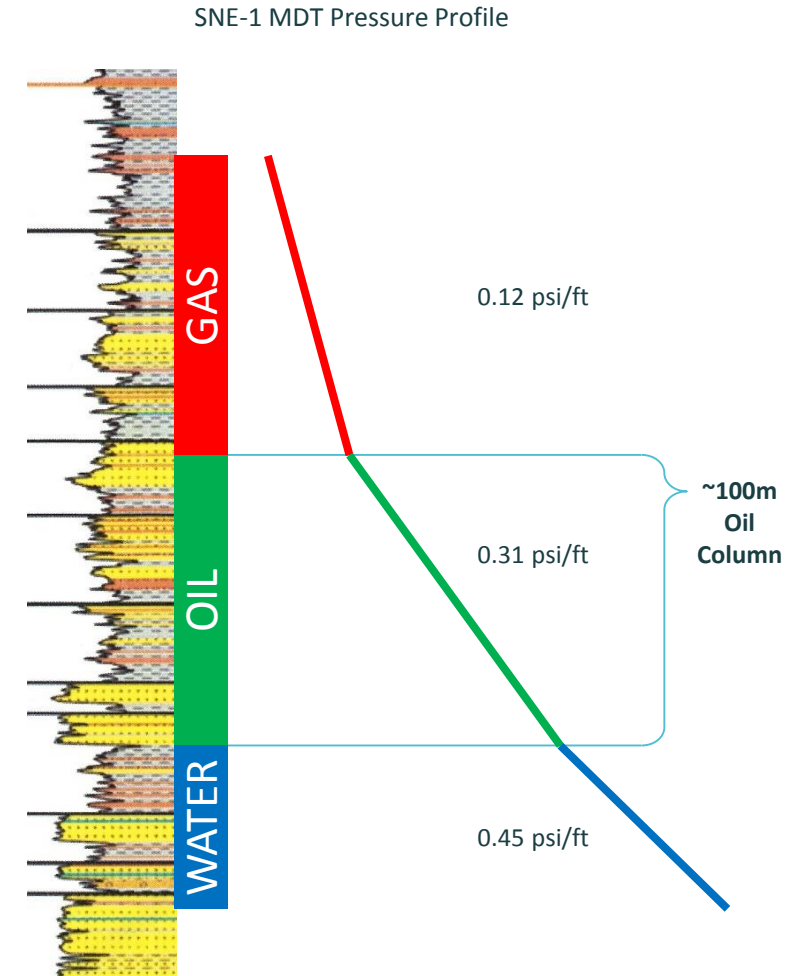
Development

Key Reservoir Influences on Development Design



Key Characteristics of SNE-1 Discovery

- Good quality, saturated oil
 - 32° API with GOR ~750 scf/stb
- ~100m oil column with textbook pressure profile
 - Vertical pressure equilibrium
 - Normally pressured (4,000 psi)
- Low relief structure with large areal extent
 - Requires significant subsea infrastructure
- Reservoir connectivity unknown
 - Focus of appraisal programme – interference testing
 - Vertical and horizontal connectivity influences development well count



Development Development Concept – Potential Foundation Project



Concept will depend on a number of factors:

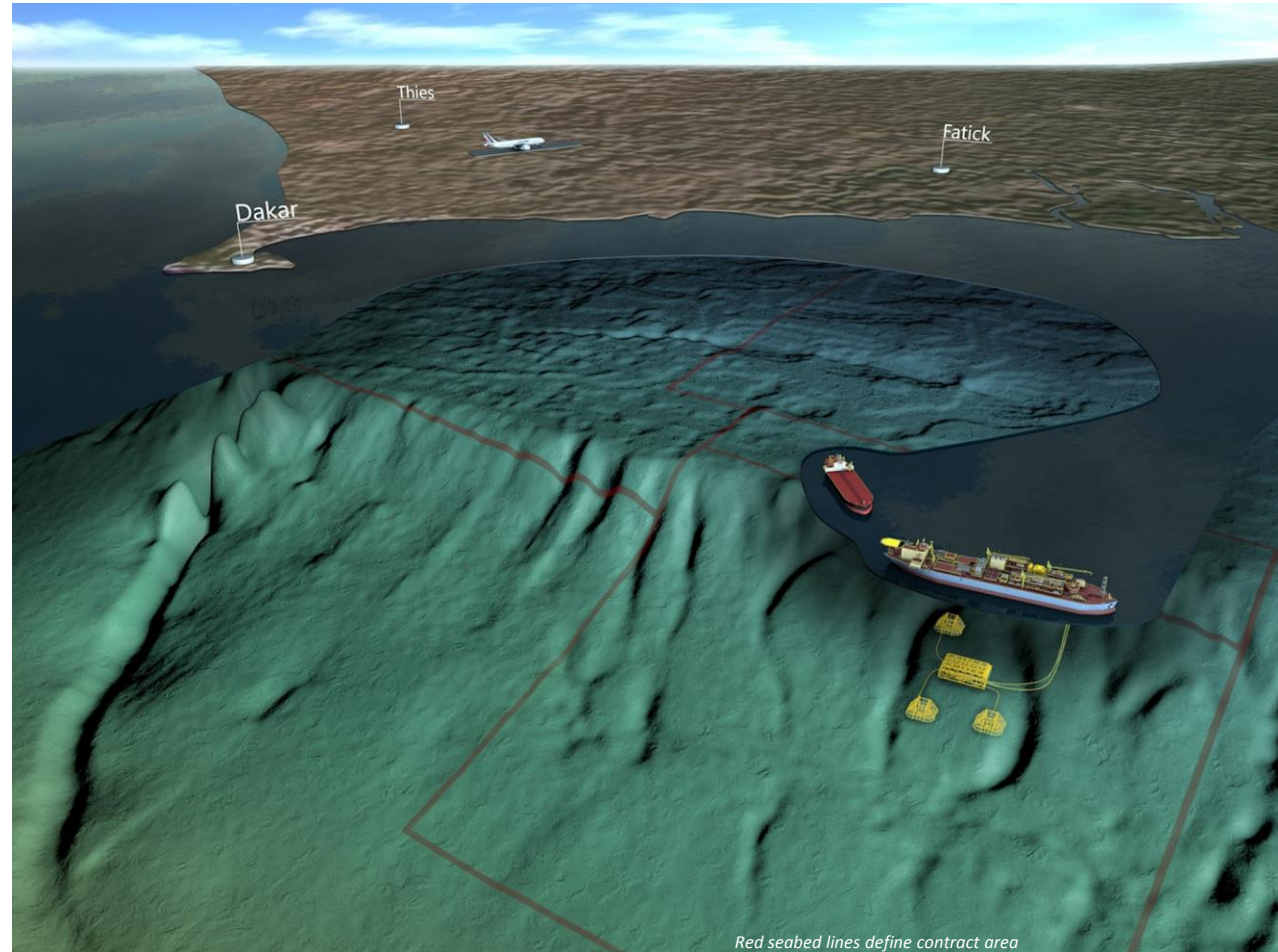
- Fluid type(s)
- Scale of resources and location
- Operating philosophy
- Reservoir management plans

SNE base case exploitation scheme

- FPSO with tanker export
- Multiple subsea drill centres as relatively shallow below mudline
- >30 production wells

Reservoir management

- Near horizontal production wells to target multiple sands for deliverability
- Seawater injection to improve sweep efficiency
- Associated gas injection into gas cap to maintain pressure

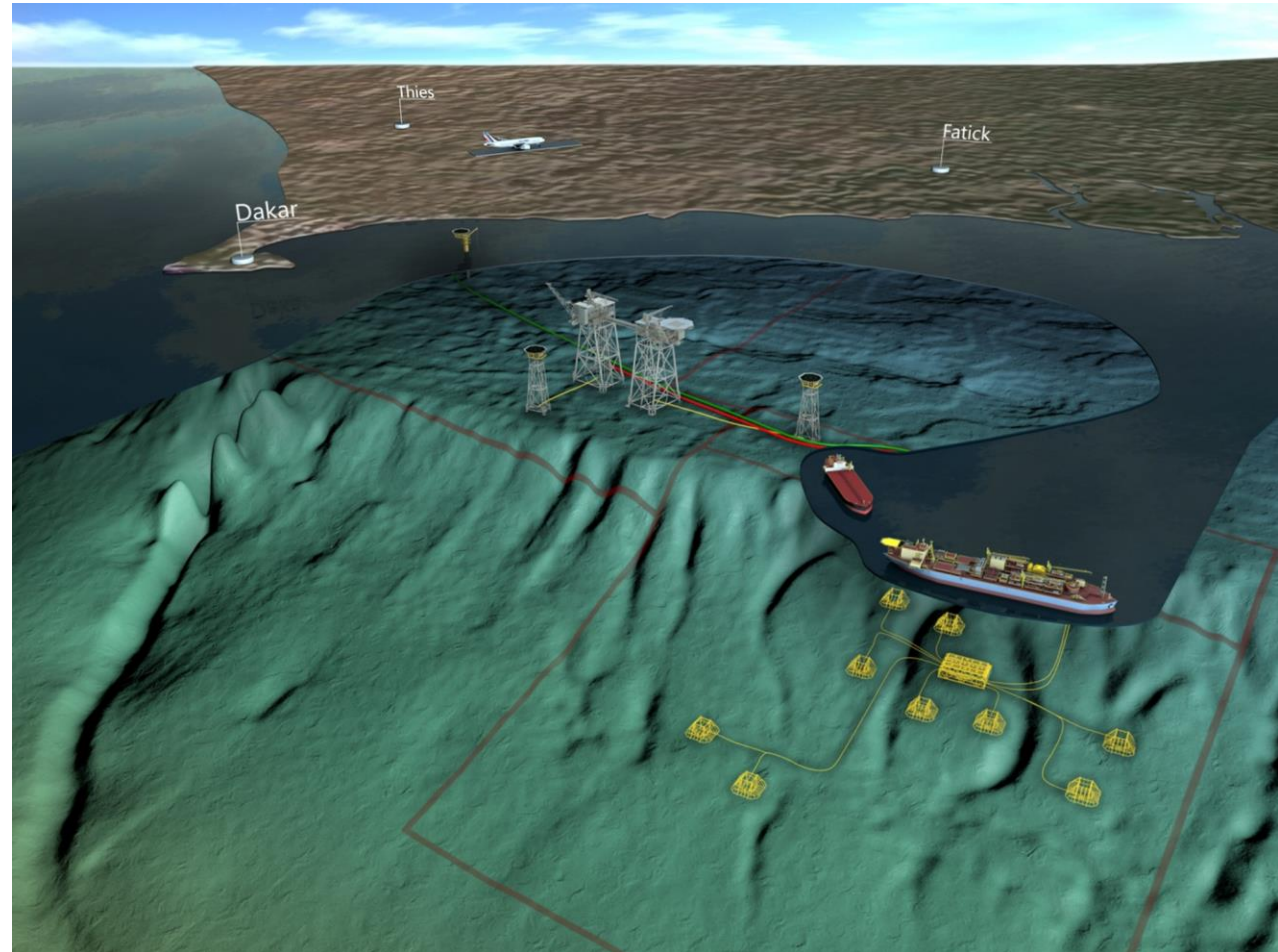


Development Development Concept – Potential Evolution



Potential Evolution Options

- FPSO may handle several deepwater fields within 30-40 km radius
- Satellite discoveries may be efficiently tied-back to extend production plateau
- Sizeable deepwater discoveries may justify additional FPSOs
- Sangomar Offshore and Rufisque Offshore discoveries would probably be more cost-effectively developed by shallow-water platforms

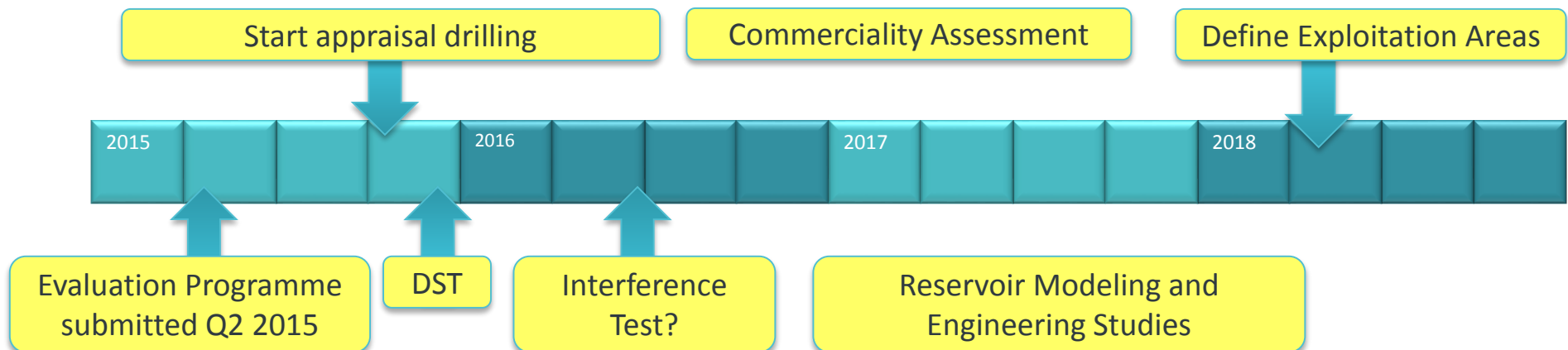




Development Front-End Loading for Development

JV Development FEL studies commencing in 2015 in parallel with appraisal drilling

- Early identification of production risks and opportunities to improve value
- Flow-assurance screening
 - Wax, asphaltenes, hydrates, scaling, corrosion and souring risks
- Reservoir modeling and process simulation
 - Optimise well design to increase recovery efficiency and recovery per well
- Facilities development feasibility
 - Refine development options and commercial thresholds



Operations

Paul Mayland



Delivering value from discovery and development

Operations Overview



- Objective is to drill the second phase of wells in Senegal safely, more efficiently and at lower cost than first phase
- Deliver the planned well objectives and meet the data requirements
- Build on lessons learnt from 2014 campaign: achieved >1 year without an LTI, onshore Dakar and no environmental spills
- Service sector has cooled since 2013 / 2014: better positioned to support projects in 2015
- Aim to deliver the 2015 / 2016 programme with Cairn / ConocoPhillips team, building on established, good JV relationship and draw on respective skills





- Numerous unsolicited offers / enquiries from drilling contractors / operators following recent dramatic fall in oil price : rates and terms significantly improved from 2013 / 2014
- Strong preference for a unit already operating with established track record; an ability to work in water depths up to 1,500m and commence operations in Q4 2015
- 7th Generation, dual activity, Ocean Rig Athena identified as best solution and lowest cost over expected programme
- Rig currently contracted to ConocoPhillips in Angola
- Drilling services will be tendered to secure current market pricing



Operations JV Capability



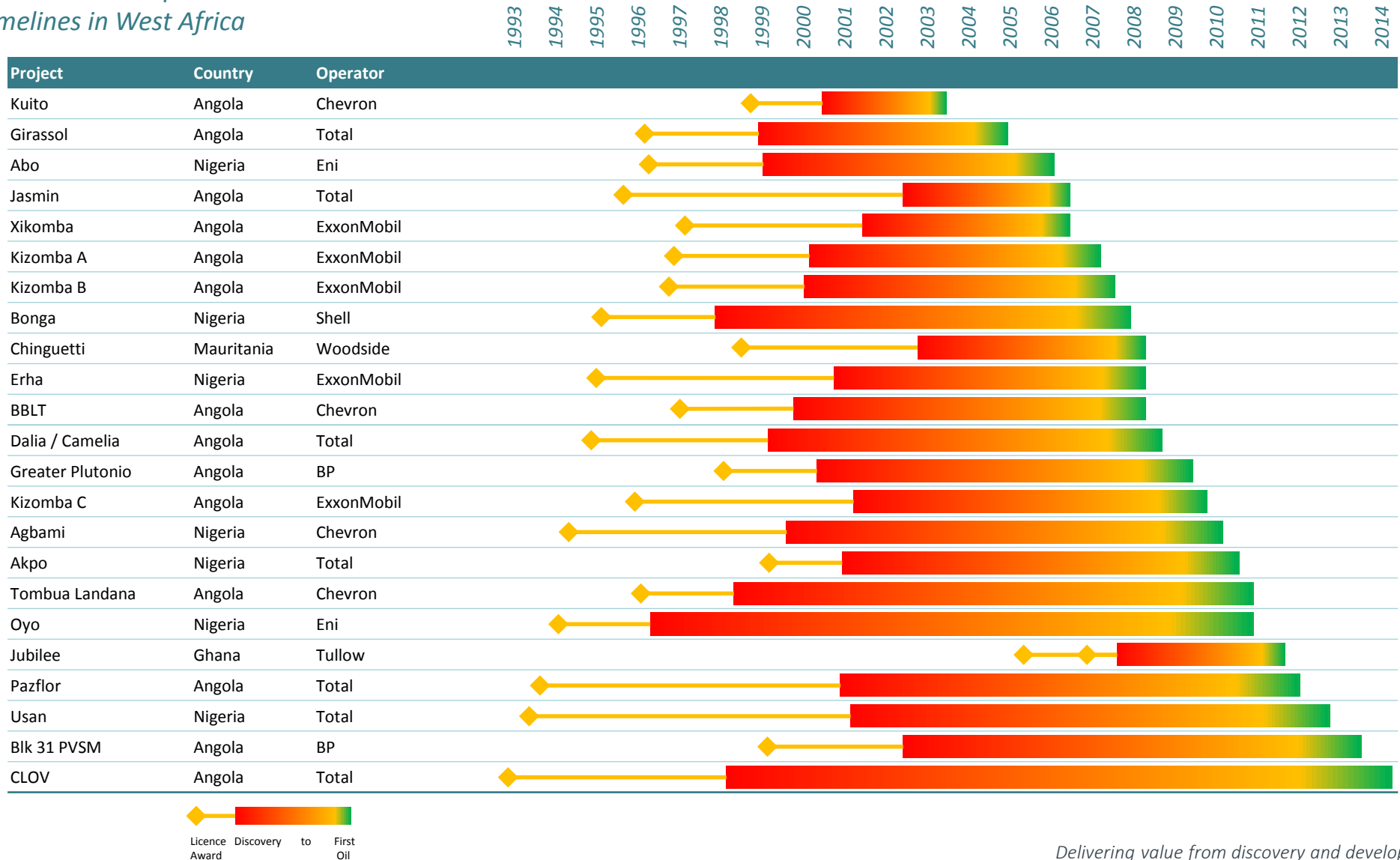
Current JV brings many benefits and capabilities that can be applied to potential future development(s)

- Commitment to HSSE and sustainable development
- Cairn, as Operator, has worked on several projects historically in emerging provinces with limited access to oilfield infrastructure
 - Sangu, first and only offshore gas development in Bangladesh
 - Oil developments, onshore Rajasthan in India
- Cairn negotiated oil and gas sales agreements with multiple purchasers for these projects
- PETROSEN offer invaluable guidance on doing business in Senegal and a regional data perspective
- ConocoPhillips has extensive depth of knowledge and expertise
 - Existing projects in Canada, Australia and Malaysia are on a scale that could be anticipated in Senegal
 - Global deepwater well engineering team engaged for 2015 / 2016 campaign to build early learning and knowledge
 - Hold a diverse international portfolio including producing assets providing life of field expertise
- FAR has participated in Senegal for almost a decade

Operations Benchmark Project Timelines in West Africa



Historical Development Timelines in West Africa



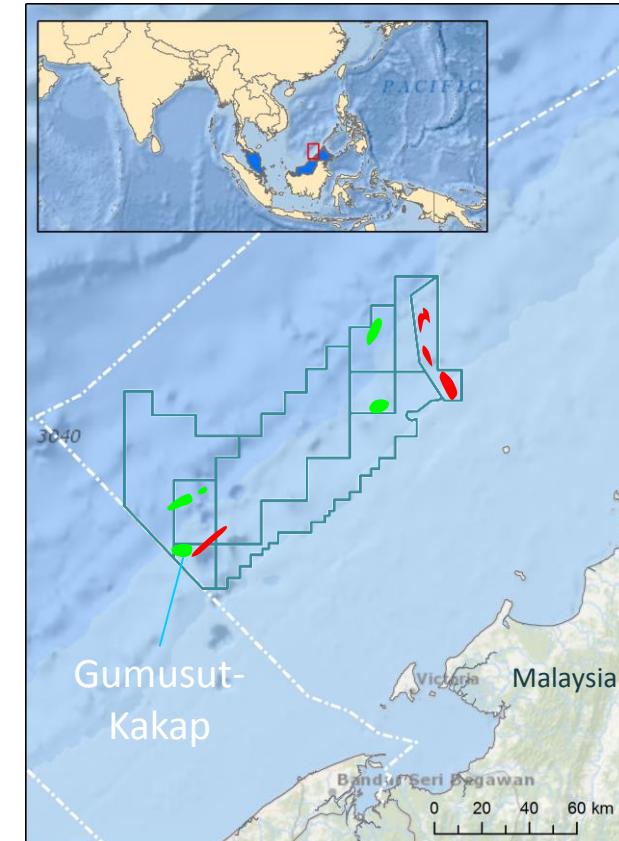
Discovery to production 7 - 10 years

Operations

Development / Cost Analogues; Gumusut-Kakap, Malaysia



- Gumusut field was discovered in Malaysia's deepwater Block J in December 2003
- Discovery well drilled in ~ 1,000m of water, 6 subsequent appraisal wells (including side tracks) followed
- STOIP ~ 1 bn bbls
- Reservoir depth 2,800-3,200 m TVD, Reserves ~ 410 mmbbls of 38° API light oil
- Production commenced in Nov 2012 using an interim evacuation solution to the Kikeh FPSO
- Produced gas is re-injected into the gas-cap to improve oil recovery and help maintain reservoir pressure
- Full field facilities (leased FPS) commissioned in 2013 / 2014 and peak production (> 100,000 bopd) expected 2015
- Total wells ~ 20
- Main development challenge – delay in construction of Sabah Oil and Gas terminal

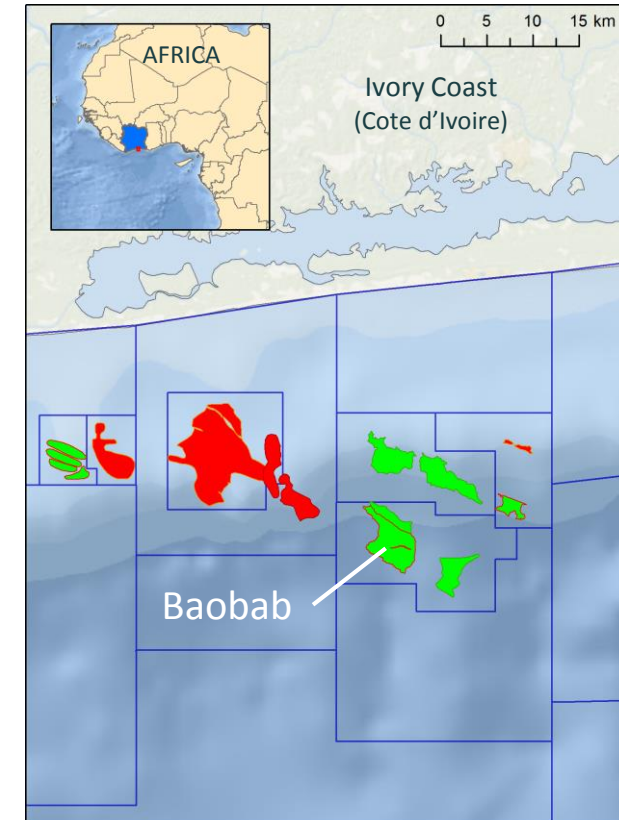


Shell (Operator)	33%
ConocoPhillips	33%
Petronas	20%
Murphy	14%

Operations Development / Cost Analogues; Baobab, Ivory Coast



- Baobab field was discovered in Cote d'Ivoire Block CI-40 in March 2001
- Discovery well was drilled in ~1,500m of water, limited appraisal followed (1-2 wells)
- STOIIIP ~ 1 bn bbls
- Reservoir depth 2,800-3,000 m TVD, Reserves ~ 200 mmbbls of 23° API medium crude
- Production commenced in 2005 / 2006 via a MODEC operated FPSO, peaked at ~ 60,000 bopd
- FPSO capacity: oil 70,000 bopd, gas 75 mmscf/d, 2 mmbbls of storage
- Total wells 17 – 8 production and 3 water injection in initial phase with 6 new wells planned for 2015
- Development challenges – sand-face completions, water-flood efficiency



Canadian Natural Resources (Operator)	58%
Svenska Petroleum	27%
Petroci	15%

Adding Value

Richard Heaton

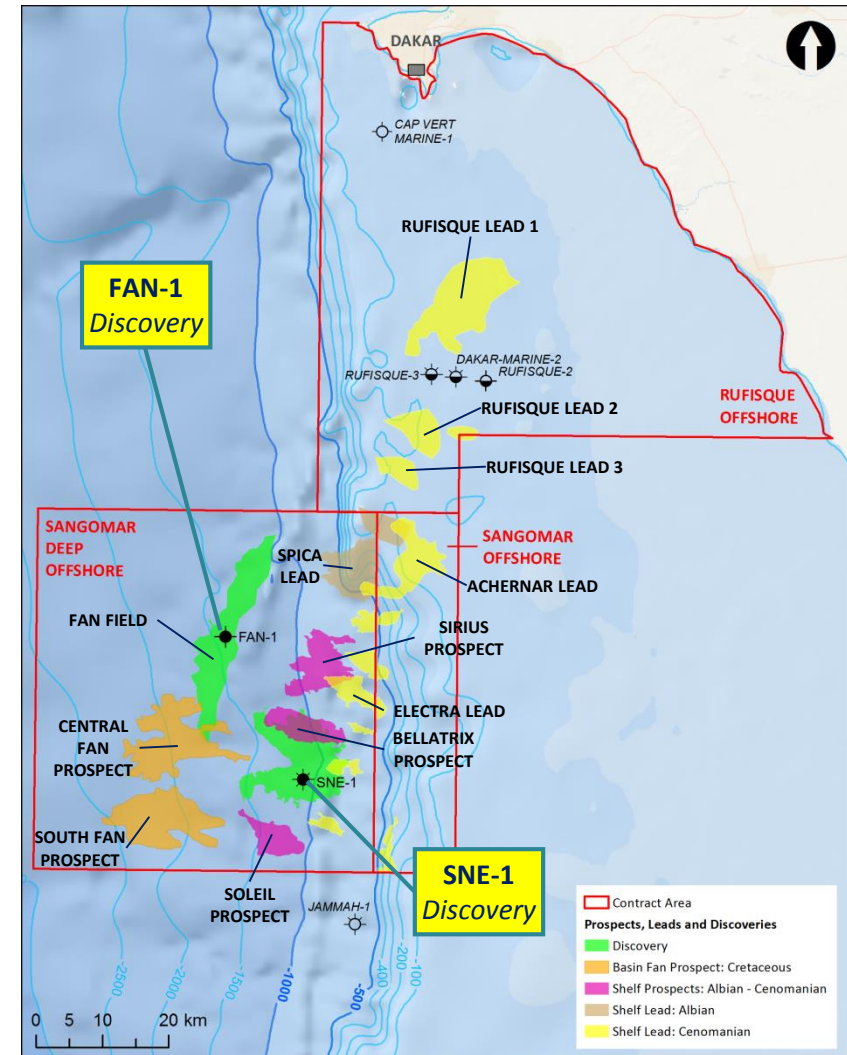


Delivering value from discovery and development

Adding Value Future Exploration Programme



- Confirmation of source rock and burial history from new data
- Remapping key reservoir and source intervals
- Redefining basin model
- Redefining plays, creating new prospect and lead inventory
- Acquisition of additional 3D seismic data
- Drilling at least one firm exploration well
- Confirming viability of additional plays
- Currently 5 prospects and 18 leads
- Full block potential of gross mean risked resource of > 1 bn bbls

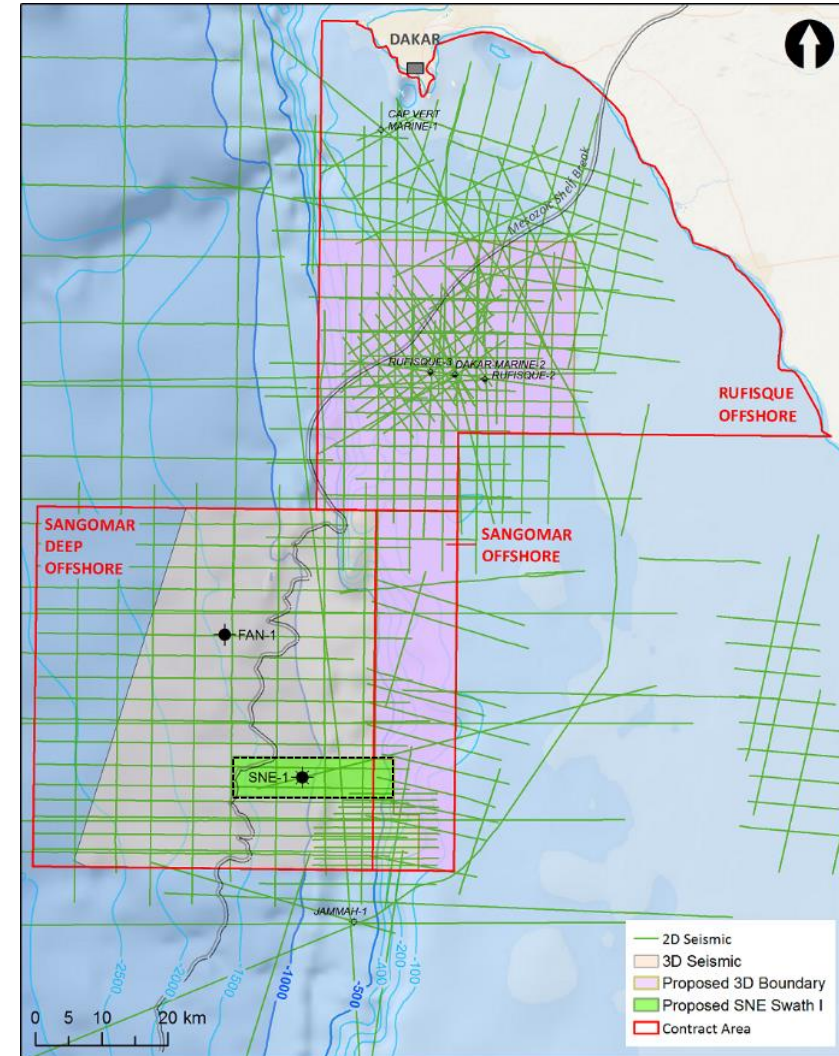


Discovery and Appraisal Proposed 3D Survey - Summary



Leads Identified in Rufisque Offshore and Sangomar Offshore Blocks

- Proposed survey ~2,000km²
- Enable easterly closure mapping of Shelf Edge prospects and define prospects for future drilling
- 40-800m water depth, predominantly 50-600m
- Multiple subsurface targets:
 - Shelfal low relief clastics; 1,500-2,800m depth
 - North and west dipping stratigraphic plays onlapping the Rufisque Dome; 1,200-4,000m depth
 - Fault bounded structural targets on the inverted Rufisque Dome; 800-3,000m depth
- Overburden (seafloor to Albian) comprising predominantly clastics
- Optional areas for consideration for design / cost implications, including 6km swath over SNE-1



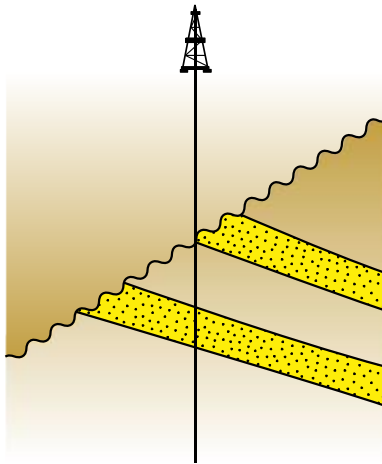
Proposed Survey
Area

Optional Swath
Over SNE

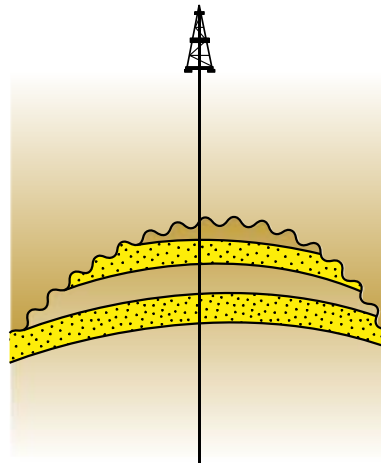
Adding Value Exploration Potential Targets



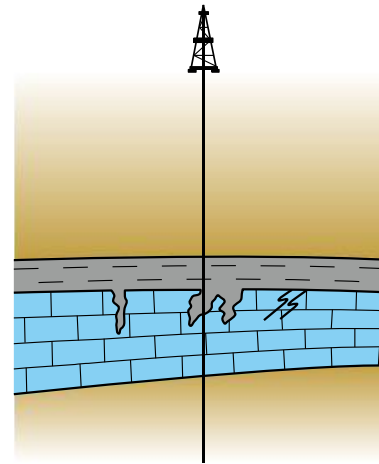
To date, recognised eight different play types across all Senegal acreage



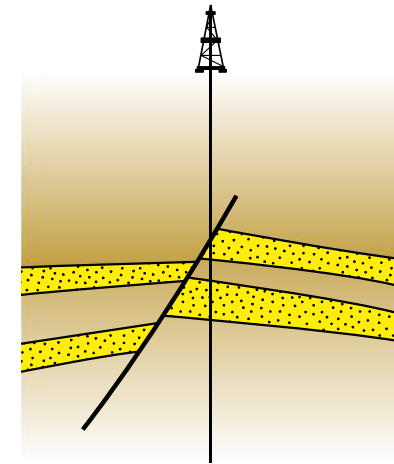
Unconformity Subcrop



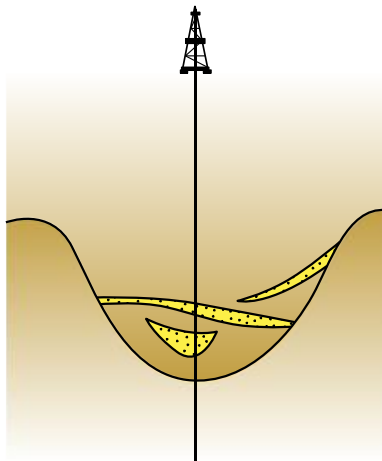
Remnant Topography



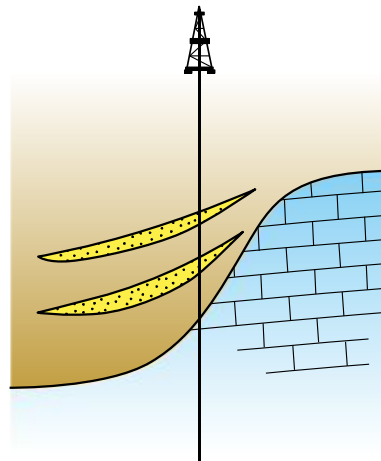
Karst and Fractured
Limestone Play



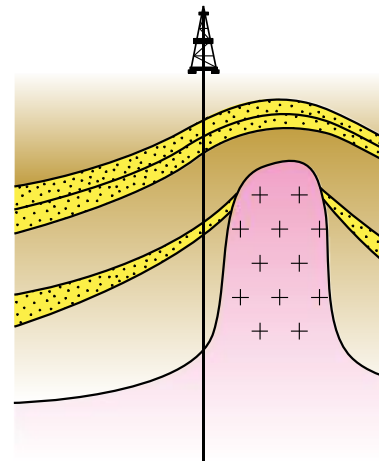
Fault Closures



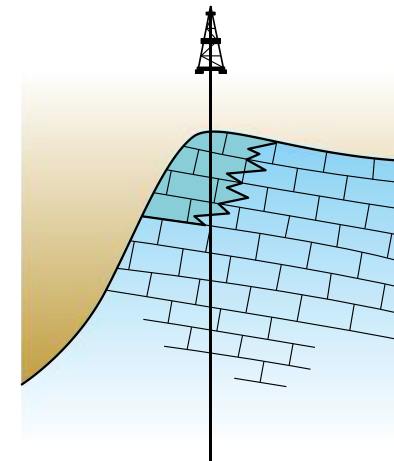
Canyon Fill



Basin Floor Slope
Fan Pinch-out



Salt Related Traps



Carbonate Margin
Diagenetic or Facies Change

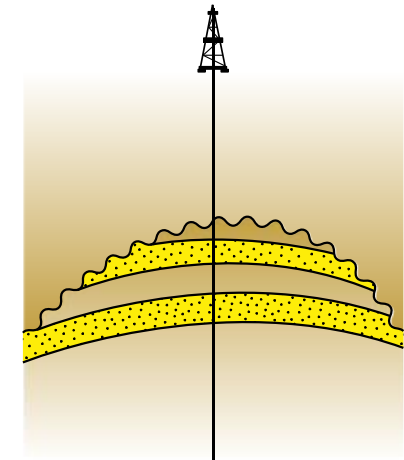
Adding Value Bellatrix Prospect



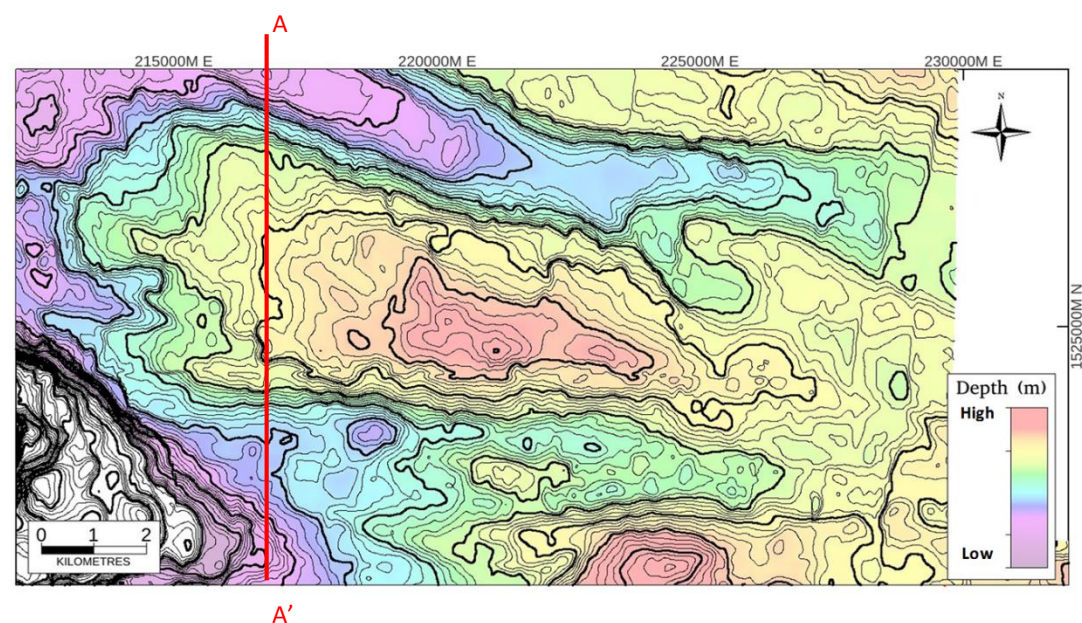
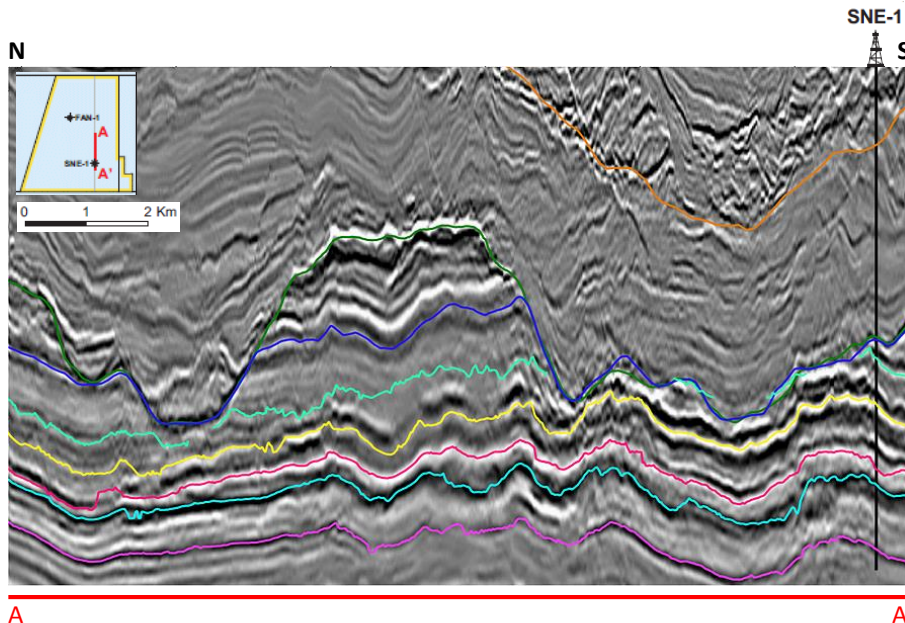
- Prospect on immediate northern flank of SNE discovery
- Cenomanian through Albian prospective reservoirs

Cairn Current Gross resource range recoverable (mmbbls)

P90	35	mean	157	P10	333
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Remnant Topography



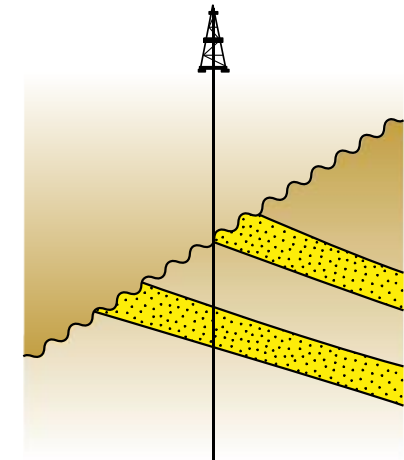
Adding Value Sirius Prospect



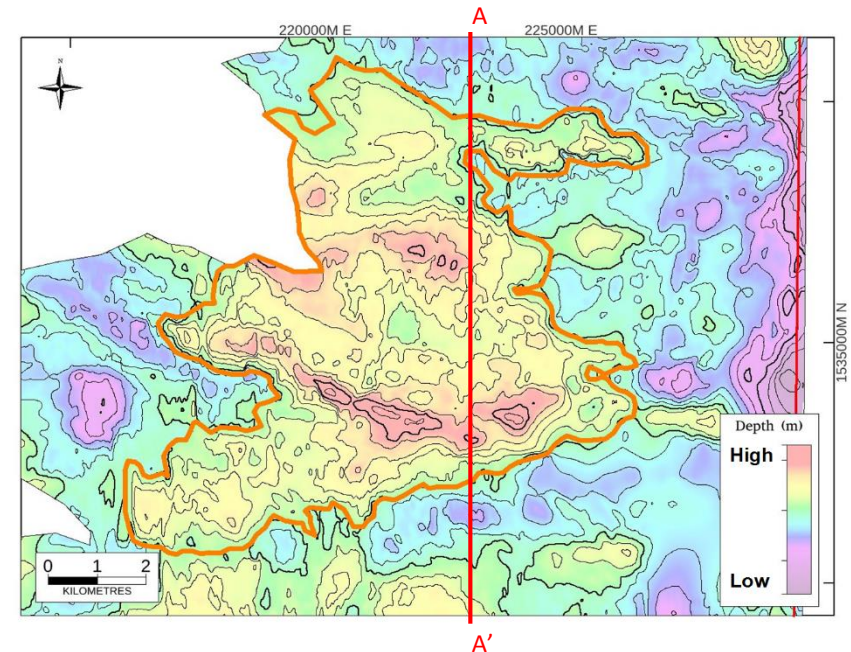
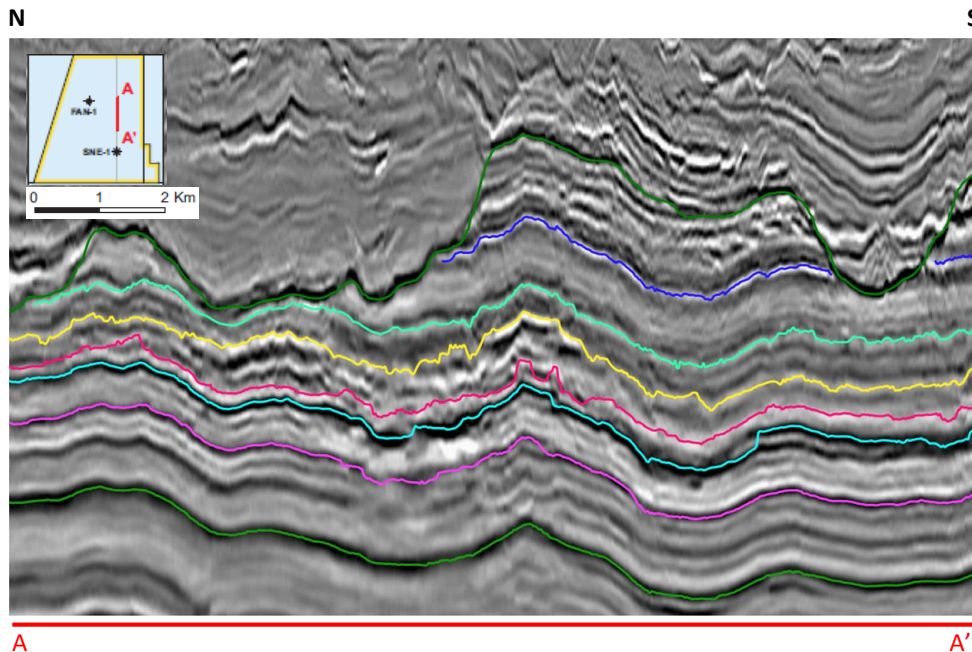
- Prospect located along trend to SNE-1
- Albian-age prospective reservoirs
- Similar association with seismic velocity push-down

Cairn Current Gross resource range recoverable (mmbbls)

P90	52	mean	177	P10	343
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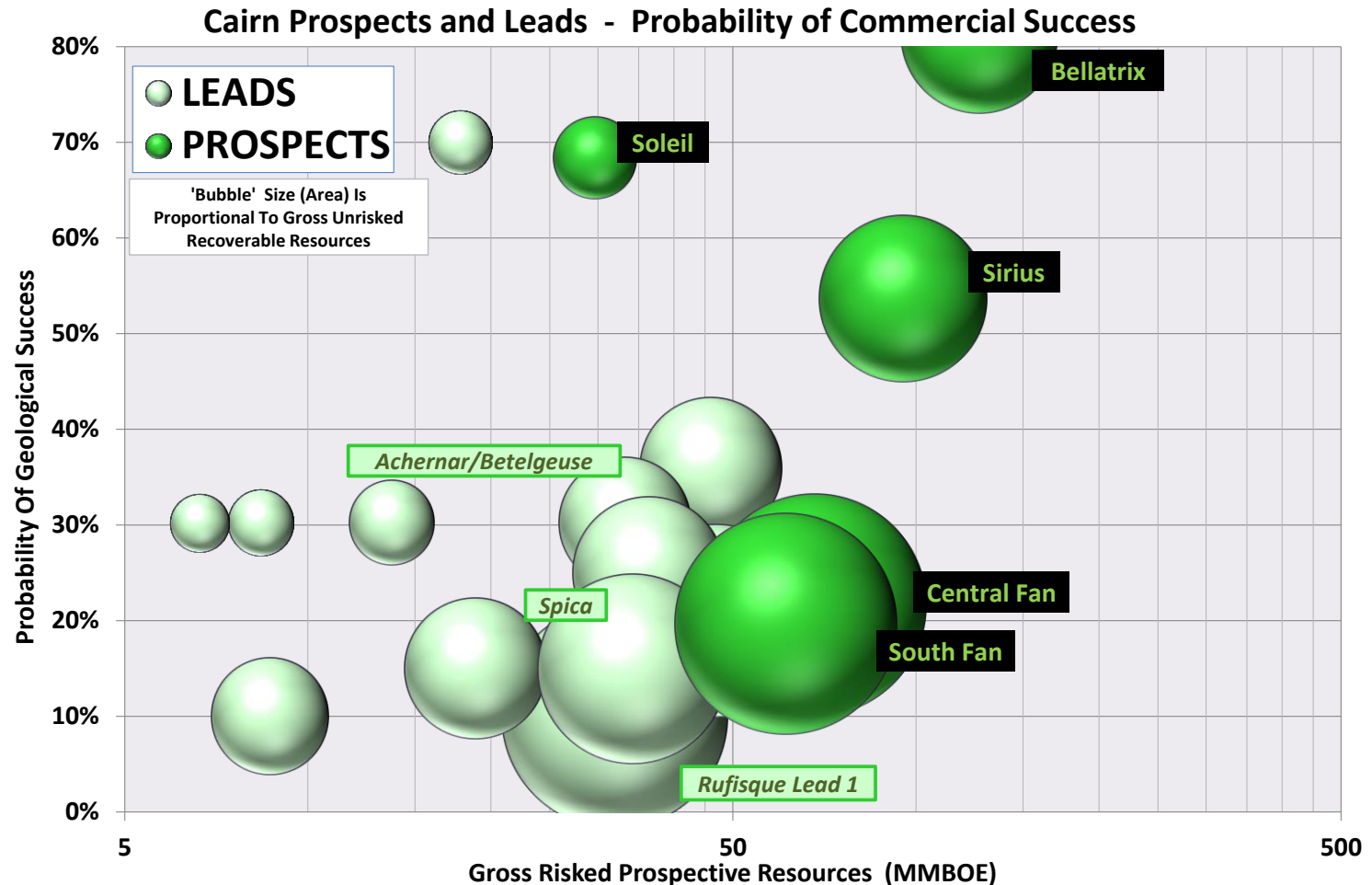
Unconformity Subcrop



Adding Value Cairn Prospects and Leads Inventory



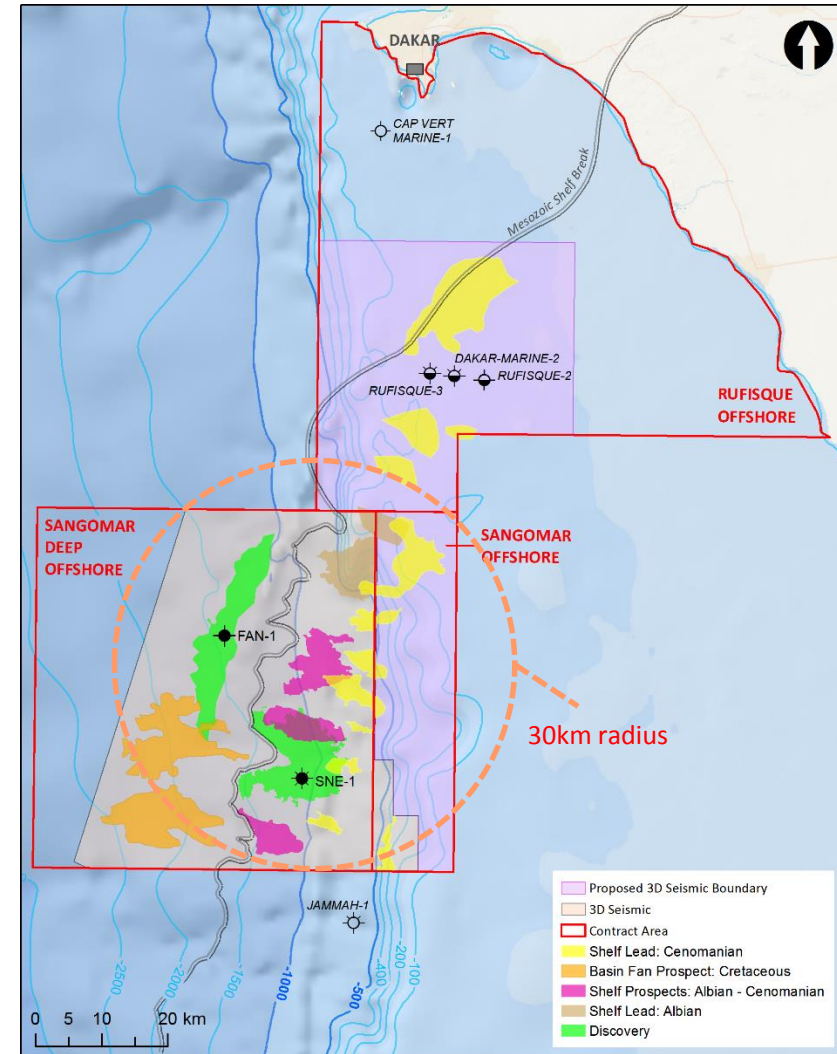
- Currently 5 prospects and 18 leads
- Sum of gross mean risked prospect resources ~380mmbbls
- Sum of gross mean risked lead resources ~350mmbbls



Adding Value Discoveries, Appraisal and Exploration



- SNE-1 discovery:
 - Gross Contingent Resources
1C: 150mmbo 2C: 330mmbo 3C: 670mmbo
- FAN-1 discovery:
 - Large in place volume (STOIIP P50: 950mmbbls)
- Hub development will optimise value in blocks
- Shelf exploration prospectivity:
 - Significantly de-risked by SNE discovery
 - 3D seismic cover required for shelf prospects extending into Sangomar and Rufisque
- Ongoing FAN-1 and SNE-1 well analysis and seismic reprocessing will contribute to:
 - Revising potential of SNE discovery
 - Characterise SNE and FAN reservoirs (including thin beds)
 - Updating exploration portfolio and ranking



Economics and Funding

James Smith



Delivering value from discovery and development

Economics and Funding Senegal Overview



- SNE-1 2C contingent resource of 330mmbbls, part of a broader potential of gross mean risked resource of > 1 bn bbls
- Current economic analysis focuses on standalone SNE development: commercial threshold using various metrics ≥ 200 mmbbls
- Commercial threshold for tie back prospects is significantly lower
- Further resource potential as we acquire more 3D and assess the FAN basin potential
- Initial three well programme focuses on proving up commerciality of SNE-1 and the shelf edge play
- Follow on wells will be planned later in the year and ultimately will be determined by results of initial wells

Economics and Funding Notional Development Scenario



For 330mmbbls Standalone SNE Field

Development expenditure:

- Dependent on concept solution and scale of resources
- Preliminary estimates **US\$17-26/bbl**, in line with analogue developments

Operating expenditure:

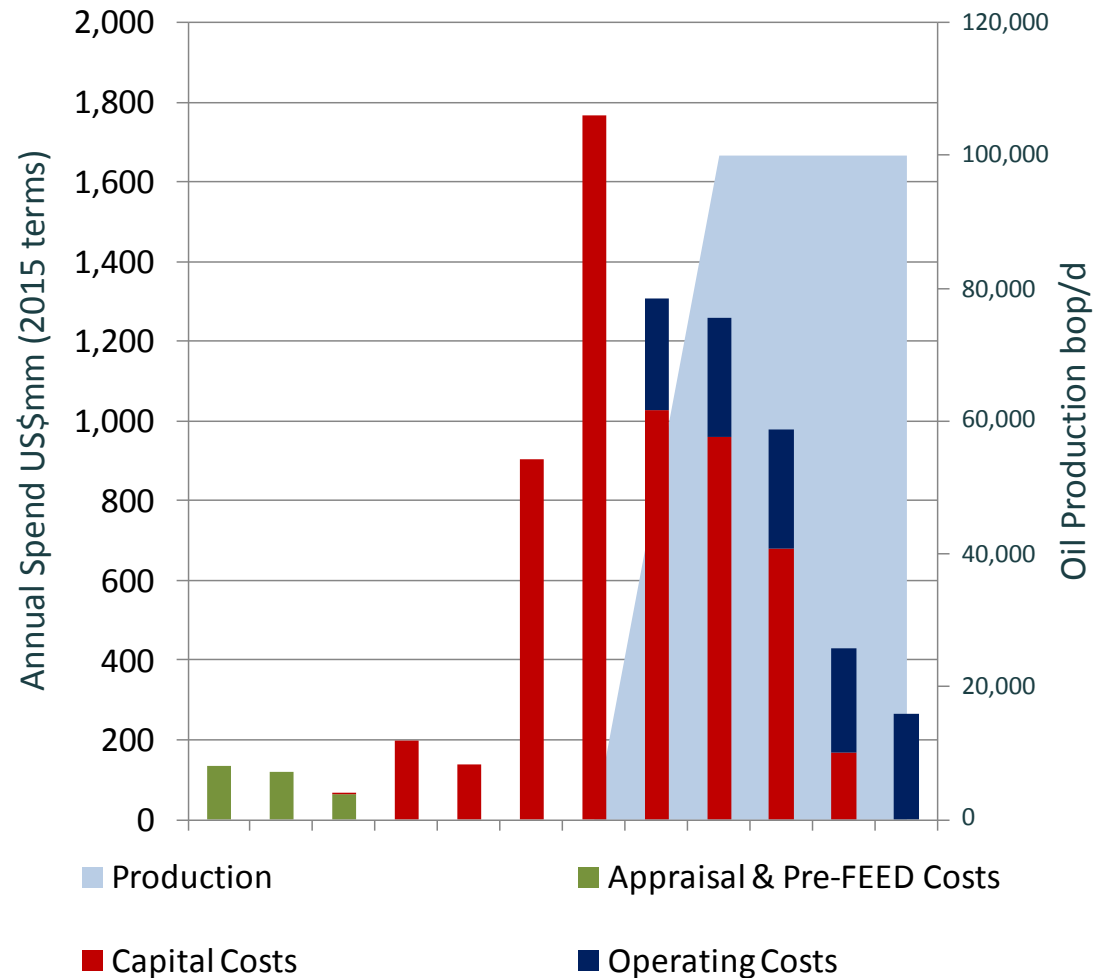
- Dependent on development concept and operating philosophy
- Preliminary estimates **US\$5-15/bbl**
- PSC cost recovery mechanism

Development timing:

- FID to first oil likely to be in **3-5 years**

PSC Fiscal regime:

- Appropriate frontier basin terms
- Typical cost recovery mechanism
- Profit sharing based on production thresholds
- Corporate tax set within the PSC

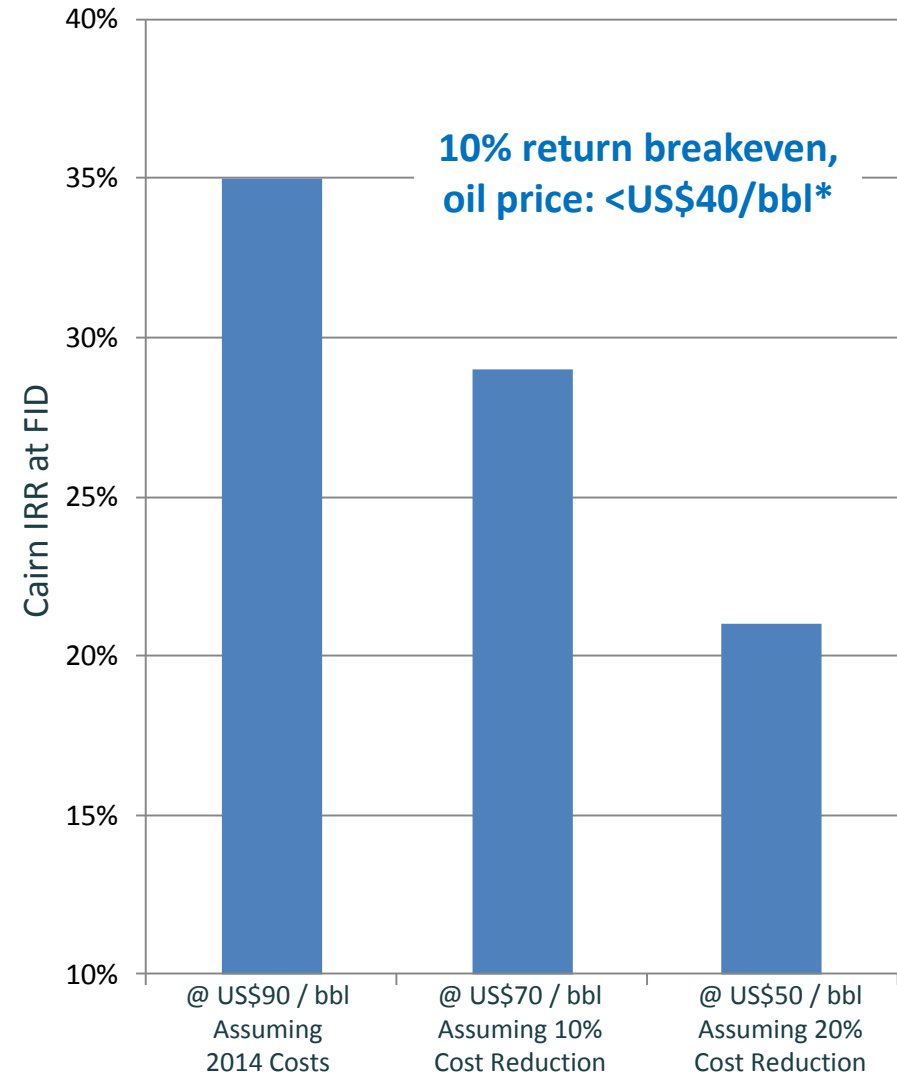
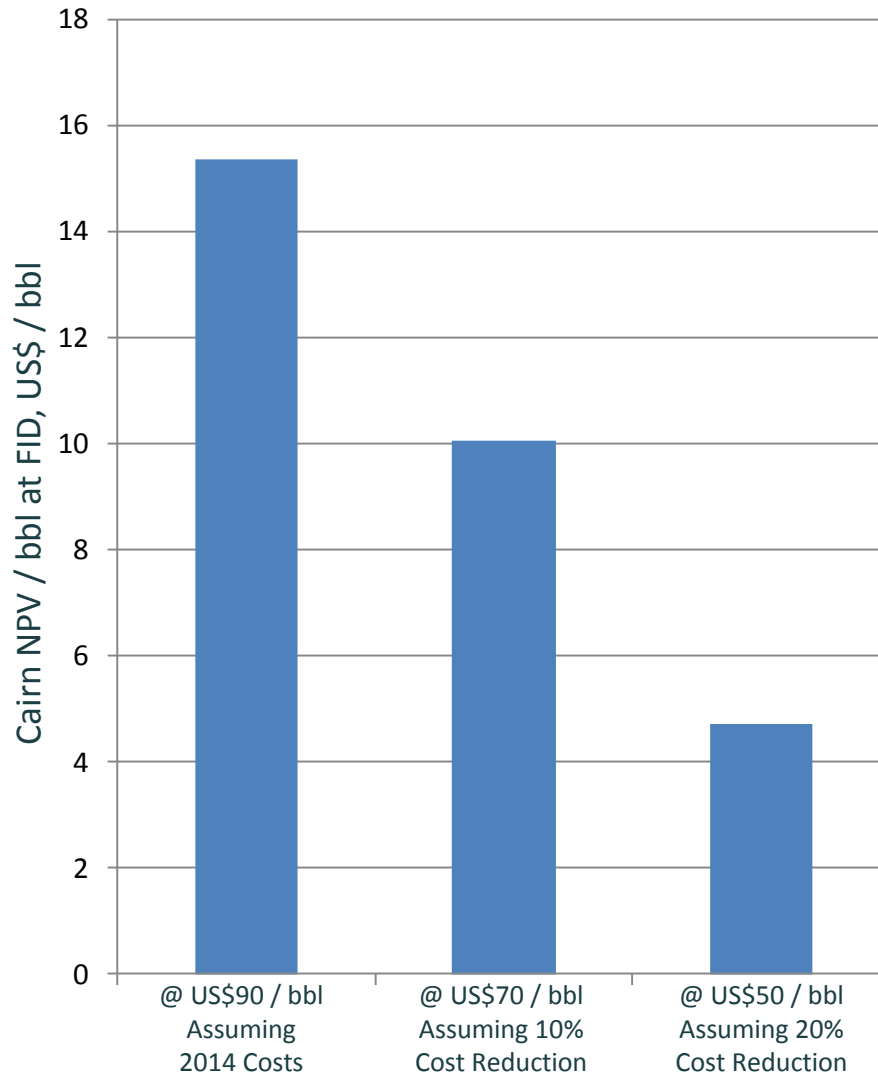


Economics and Funding

Economic Scenarios



For 330 mmbbls Standalone SNE Field



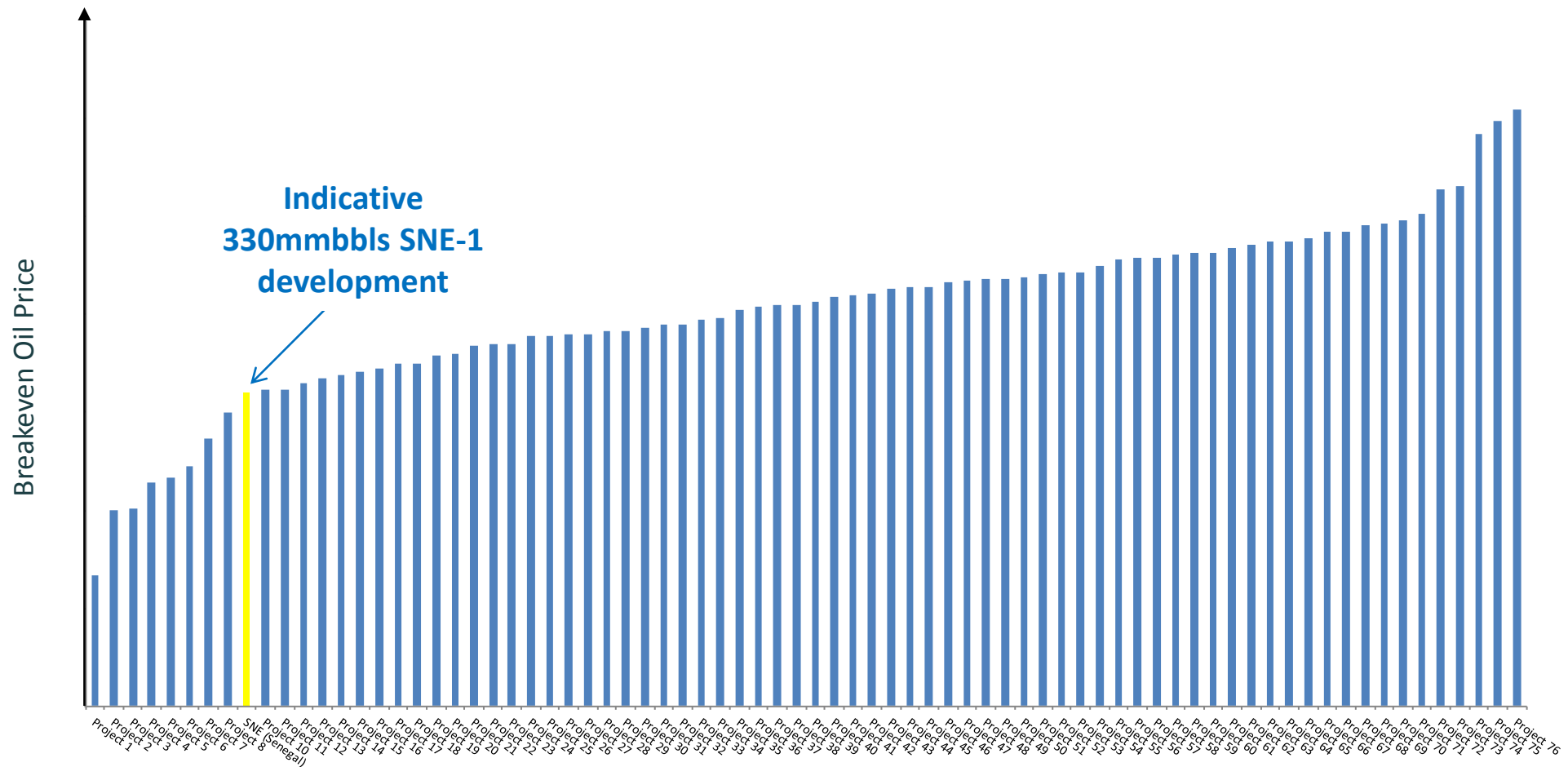
* Assuming sustained industry costs 20% below 2014 levels

Economics and Funding

Economics Set in Context

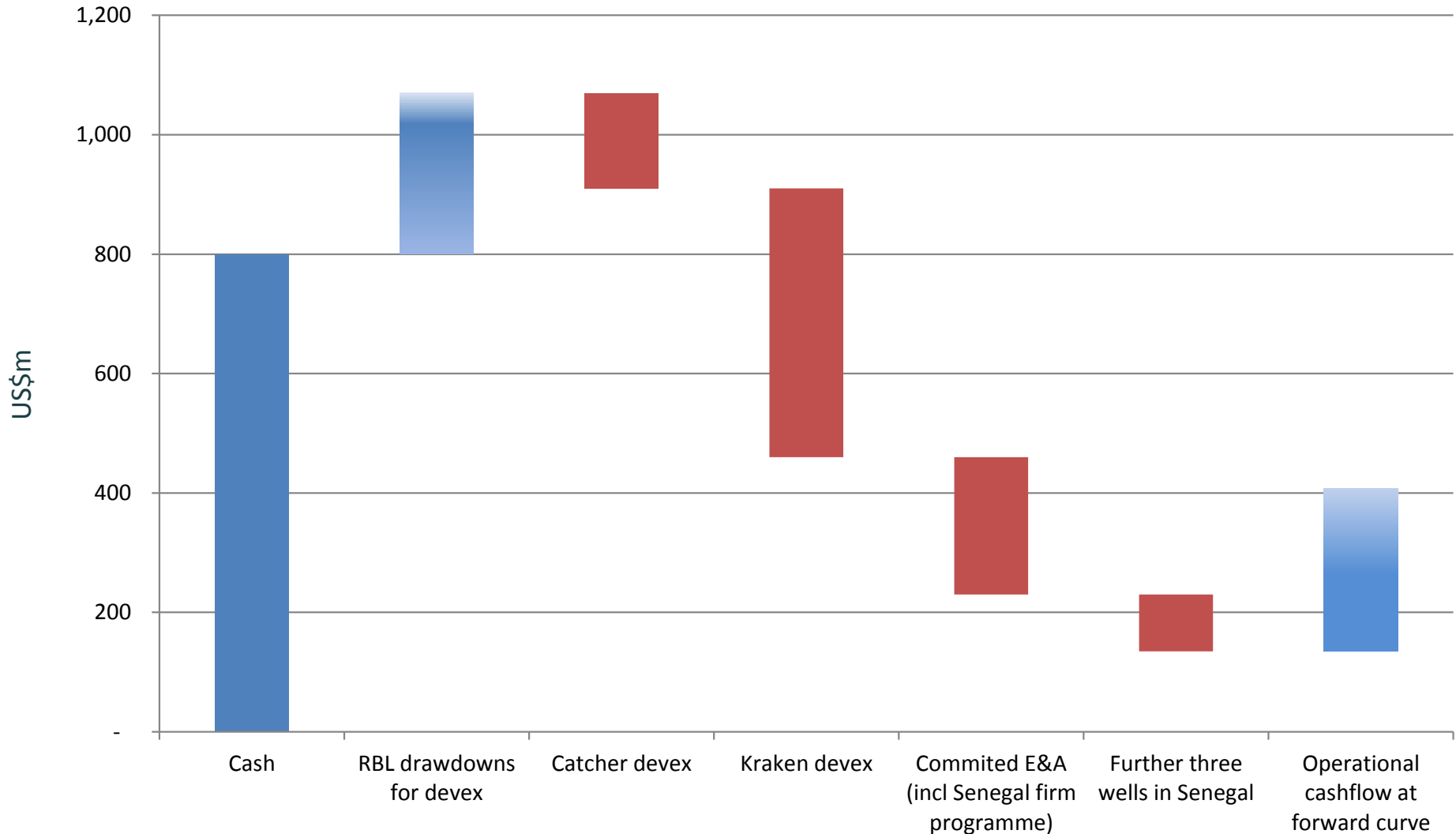


Project Breakeven Price Benchmarking



Benchmarked against Goldman Sachs top 400 global projects analysis, filtered for oil projects coming onstream post 2016

Economics and Funding Funding to End 2017



Economics and Funding Cairn Financial Strategy



- Delivering value from discovery and development within a balanced portfolio
- Greatest value potential from exploration and appraisal in Senegal, but sustained by strong balance sheet and North Sea developments coming onstream
- Strong cashflows from 2017 / 2018 when Senegal development sanction likely to be under contemplation
- Proven track record of actively managing the portfolio to maintain appropriate balance and deploy capital for optimal risk-weighted returns
- Proven track record of monetising (or part monetising) assets at optimum point in value chain
- Focus on proving up SNE-1 and demonstrating extent of Senegal resource base

Conclusion

Simon Thomson



Conclusion

Senegal Summary and Vision



Foundation for long term multi-field, multi-phase Exploitation Plan to maximise value:

- Achieve Commerciality

Phasing Investments:

- 3-6 further (tested) wells by H2 2016
- Additional 3D seismic in 2015
- Planning for further wells by end 2017 (Exploitation Phase)
- Subsurface, facility and environmental pre-development studies

Operating:

- Safe, cost effective, reputable operations
- ConocoPhillips has the option to become Operator in development phase



Conclusion

Creating growth through exploration

- Focus on potentially world class asset in Senegal
- 2015 fully funded Appraisal and Exploration programme
- Future material exploration in emerging and mature basins

Future cash flow from fully funded developments

- Kraken and Catcher on track for 2017 production
- Deliver strong returns and underpin a sustainable strategy

Financial flexibility and disciplined allocation of capital

- Management of balanced portfolio; appropriate equity interests and funding availability
- Ensure all investments focus on value not scale
- Core skills retained in slimmer organisation

Presenters



Simon Thomson Chief Executive

Simon Thomson joined Cairn in 1995 as a lawyer. He was appointed as Chief Executive in July 2011 having been Legal and Commercial Director since 2006 and holding various posts across the organisation including head of assets.

He holds a LLB Honours from Aberdeen University and a Diploma in Legal Practice from Glasgow University. Simon is also a Non-Executive Director of Graham's The Family Dairy Limited.

Simon is responsible for internal audit and HSE. He is a member of the Nomination Committee and attends the Remuneration Committee by invitation.



James Smith Chief Financial Officer

James is the Finance Director at Cairn Energy with responsibility for Finance, Company Secretarial and Corporate Affairs and is a member of the Executive Team.

James joined Cairn in March 2014 from Rothschild where he was a Director of the Energy & Power team advising E&P companies, oil majors and national oil companies on their M&A transactions and equity and debt market financing. During his 14 year investment banking career, James was a long standing adviser to Cairn and worked on every major transaction and financing from the IPO of Cairn India until he joined the company. Prior to joining Rothschild, James was a member of the Oil & Gas team at Merrill Lynch and prior to that at Harrison Lovegrove (now part of Standard Chartered Bank). James holds a BA (Hons) from the University of Oxford.



Richard Heaton Director of Exploration

After graduating from Leeds and Durham universities in the UK, Richard began his career as a geologist in 1981 with the British National Oil Corporation (BNOC), then Britoil and BP, working in various international and domestic exploration roles before joining Cairn Energy in 1994.

Following Cairn's Sangu discovery in Bangladesh, he became General Manager in Bangladesh in 1996, overseeing the Sangu field development before handing over Operatorship to Shell in 1999.

He was Deputy General Manager in India from 2000-2002 during which time Cairn made the Lakshmi and Gauri discoveries in Gujarat, the Saraswati discovery in Rajasthan and Cairn opened up the deepwater Krishna-Godavari Basin with a number of oil and gas discoveries.

From 2002 – 2006, as Head of Exploration, he was involved in the Mangala, Bhagyam, Aishwariya and other discoveries in Rajasthan. In 2006, he became Director Exploration for Cairn India and following the IPO of the Cairn India business returned to the UK in 2007 as Technical Director for Capricorn. Most recently as Exploration Director he has been involved in building an acreage portfolio in the North Atlantic, North Sea and the Mediterranean.



Presenters



Paul Mayland Chief Operating Officer

Paul holds a B.Eng (1st Class) Engineering and M.Eng in Petroleum Engineering and is a Member of the Energy Institute and Society of Petroleum Engineers. He spent six years with British Gas as a petroleum engineer working in the North Sea and North Africa. He joined Cairn in 1996 working initially on the acquisition of Command Petroleum, which positioned Cairn in India.



Paul remained with Cairn until mid 2006 in a number of roles, latterly as Group Subsurface Manager and earlier as a Senior Petroleum Engineer. It was during this period that Cairn's focus was largely in India and Bangladesh and Paul was involved in the drilling, testing and commerciality of several fields in Rajasthan, India as well as the development of the Sangu gas field in Bangladesh.

From September 2006, Paul worked in Calgary, Canada as Petroleum Engineering Manager for BG Canada before joining Vermillion Energy Trust as a Senior Advisor in Corporate Business Development from 2008 – 2010 where he was involved in a number of asset and corporate transactions.

Paul rejoined Cairn Energy PLC in August 2010 as Director of Business Development and Planning and played a key part in re-shaping Cairn's portfolio during 2011/2012. Paul was appointed COO effective 1st January 2013.

Rob JE Jones Regional Director - Africa

Rob is a Regional Director of Africa at Cairn Energy with whom he has worked for 16 years. He was formerly Business Development Director in India and Managing Director in Bangladesh.

Rob has a Masters Degree from Kingston University and has been in the oil and gas industry since graduating and has worked in Egypt, Norway, the US and Vietnam



Chris Burnside Exploitation Manager, Senegal

Chris Burnside joined Cairn in June 2013. He has 25 years experience in the oil and gas industry and has held various technical leadership roles within exploration and new field developments in the North Sea, West Africa, Australia and Eastern Europe over the last 15 years.

Chris has a MBA from Aberdeen University and MEng in Petroleum Engineering from Heriot-Watt University.

His Petroleum Engineering experience is very broad and includes offshore heavy-oil, light-oil, condensate, high-rate gas and onshore shale gas reservoirs plus working offshore as both a drilling representative and completions engineer.



Martin Dashwood Exploration Manager, Senegal

Martin joined Cairn Energy plc in August 2013. A highly experienced Petroleum Geologist with over 30 years spent living and working in a wide range of countries including in South America (Ecuador, Colombia), 7 years in The Netherlands, and 13 years in Canada on a wide range of International and new ventures projects.

Martin has previously worked for Antrim Energy Inc, EnCana, Clyde Petroleum and Mobil Oil. He has held a range of technical and leadership positions with responsibilities ranging from Exploration Prospecting to "small field developments".

He has extensive experience in Exploration and Field Appraisal management.

He holds a BSC and an MSC in Geology, is a Fellow of the Geol. Soc. of London and a long time member of both PESGB and AAPG.



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