Preliminary Results Presentation

Responsible. Ready. Refocused.

9th March 2021

Introduction

Simon Thomson

A Refocused Portfolio

Proposed acquisition of Shell Western Desert Assets in Egypt

- High quality assets with significant development and exploration growth potential
- Secures long-term, low-cost, sustainable production
- Gas-weighting enhances energy transition relevance
- Investing in a stable and competitive fiscal regime
- Experienced local operator Cheiron
- Acquiring 2P reserves 113 mmboe, WI production 33,000 – 38,000 boepd

Agreement to divest interests in UK North Sea Kraken and Catcher Fields

- Monetising at the right point in the cycle
- Balance sheet flexibility for corporate purposes and further growth
- Divesting 2P reserves 33 mmboe, production ~17,500 boepd

In Line with Stated Strategy

Balance Sheet Strength

Control

Liquidity

Strategic Delivery:
Creating Renewed Platform for Differentiated Growth

Capital Allocation & Active Portfolio Management

- Proposed acquisition of Shell Western Desert Assets in Egypt
- Sale of interests in UK North Sea, Norway and Senegal
- Proactive reduction of capital commitments without jeopardising growth opportunities
- Positioned to fund additional growth

Financial Flexibility

- US$250m returned to shareholders consistent with long term strategy
- Strong cash flow generation
- Debt capacity and cash at hand

India

- India arbitration tribunal: US$1.2bn plus interest and costs awarded to Cairn
- Ongoing dialogue with Government of India on adherence to ruling while protecting shareholder interests

Operational Delivery

- Safe and effective operations throughout pandemic
- Production in line with guidance
- Mexico exploration success with ENI

Executing Strategy Responsibly

- Committed to Net Zero by 2050
- Energy transition recognised as a principal risk to the business
- Aim to reduce emissions in our operations where possible and through offsetting

Finance

James Smith

Financial Performance

Production

- 2020 production: 21,000 bopd*, in line with guidance
- 2021 UK guidance: 16,000 bopd to 19,000 bopd

Revenue

- 2020 revenues from production: US$324m
- 2020 realised oil price: US$42.56/bbl plus US$7.27/bbl hedging gains
- 2021 hedges over 2,824 bopd**

Opex

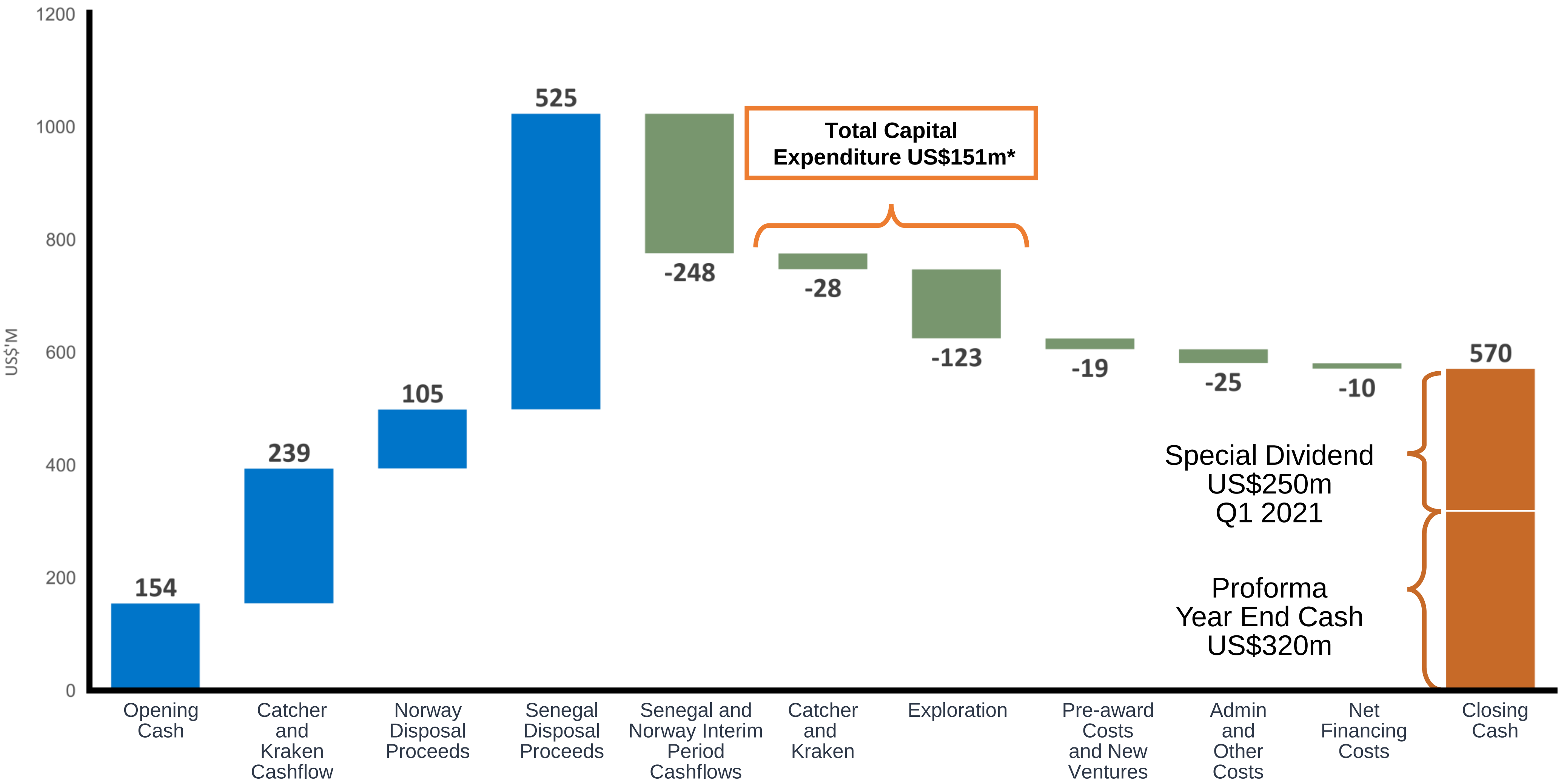
- 2020 UK production costs: US$20/boe underlying, less US$1/boe prior year credits
- 2021 UK production costs: targeting ~US$23/boe

Cashflow

- 2020 cash inflow from oil and gas production: US$239m
- 2020 capex: US$151m (US$28m UK production assets; US$123m International Exploration activity)
- 2021 capex (excluding Egypt): US$100m (US$10m UK production assets, refunded on sale completion; US$90m exploration in UK and Mexico)

* Before Flowstream entitlement to Kraken production: 4.5% up to May 2020, 1.35% in 2021 and 0.675% from 2022
**0.5m barrels using swaps with a weighted average strike price of US$45.20/bbl, and 0.5m barrels using three-way collar structures with weighted average ceiling, floor and sub-floor prices of US$55.00/bbl, US$48.27/bbl and US$35.00/bbl respectively

2020 Cashflows



* US$125m adjusted for movements in working capital, in line with guidance

Indian Arbitration Award

Basis of the Award

- Unanimous award in favour of Cairn under UK-India Bilateral Investment Treaty;
  - Unequivocally established jurisdiction over the dispute and found that India's actions had breached its treaty obligations to Cairn
  - Ordered withdrawal of tax demands and payment of compensation for assets seized totalling US$1.2bn plus interest currently totalling US$490m
  - The award is binding on the parties under the terms of the Treaty and UNCITRAL arbitration rules, and it is enforceable internationally under the 1958 New York Convention

Accessing the Value of the Award

Engagement with India

- Direct discussions on settlement mechanisms with Government of India
- Diplomatic channels
- Support from shareholders, agencies and other stakeholders

Enforcement

- Award enforceable in >160 jurisdictions under the 1958 New York Convention
- Registration of the award and preparatory identification of assets has begun in multiple countries

Monetisation

- Potential to transfer the award to third party funds
- Asset could be pledged against recourse or non-recourse financing

Strategic Priorities and Capital Allocation

All investment decisions assessed against multiple externally assured energy transition scenarios

Portfolio Management

- Monetise for returns and reinvestment
- Flexible and balanced capital allocation

Sustainable Cashflow Base

- Diversify and extend production base
- Ensure low full-cycle break even economics

Selected Exploration

- Core area exploration to sustain production
- Select transformational exploration

Balance Sheet Flexibility

- Capital structure resilient to price shocks
- Controllable and flexible capital programme

Shareholder Returns

- Key differentiator
- Competition for capital between reinvestment and returns

Delivery

Portfolio Management

- Norway and Senegal sales: Avoiding ~US$1.7bn in long term capital commitments
- UK North Sea sale

Sustainable Cashflow Base

- Acquiring diversified production in Egypt with growth potential
- Monetising UK assets approaching decline for further redeployment

Selected Exploration

- High graded, value focused portfolio
- Near field and new concession opportunities in Egypt

Balance Sheet Flexibility

- Projected net cash position post Egypt and UK transactions
- Financial capacity for further portfolio growth

Shareholder Returns

- US$250m special dividend following Senegal sale

Divesting UK North Sea Production Interests

Transaction Overview

- Sale of Cairn's 20% interest in Catcher and 29.5% interest in Kraken to Waldorf Production
- Firm consideration of US$460m (as at effective date 1 January 2020)[1]
- Additional consideration payable based on a share of revenues generated by Brent prices in excess of US$52/bbl in the years 2021 to 2025[2]:
  - ~US$80m additional consideration at US$60 Brent
  - ~US$125m additional consideration at US$65 Brent
  - Uncapped
- US$35m of firm consideration deferred, with payment not later than 48 months from completion
- Cairn's UK exploration licences to be retained
- Substantial part of the UK tax losses expected to be retained
- Completion subject to government and customary third party consents

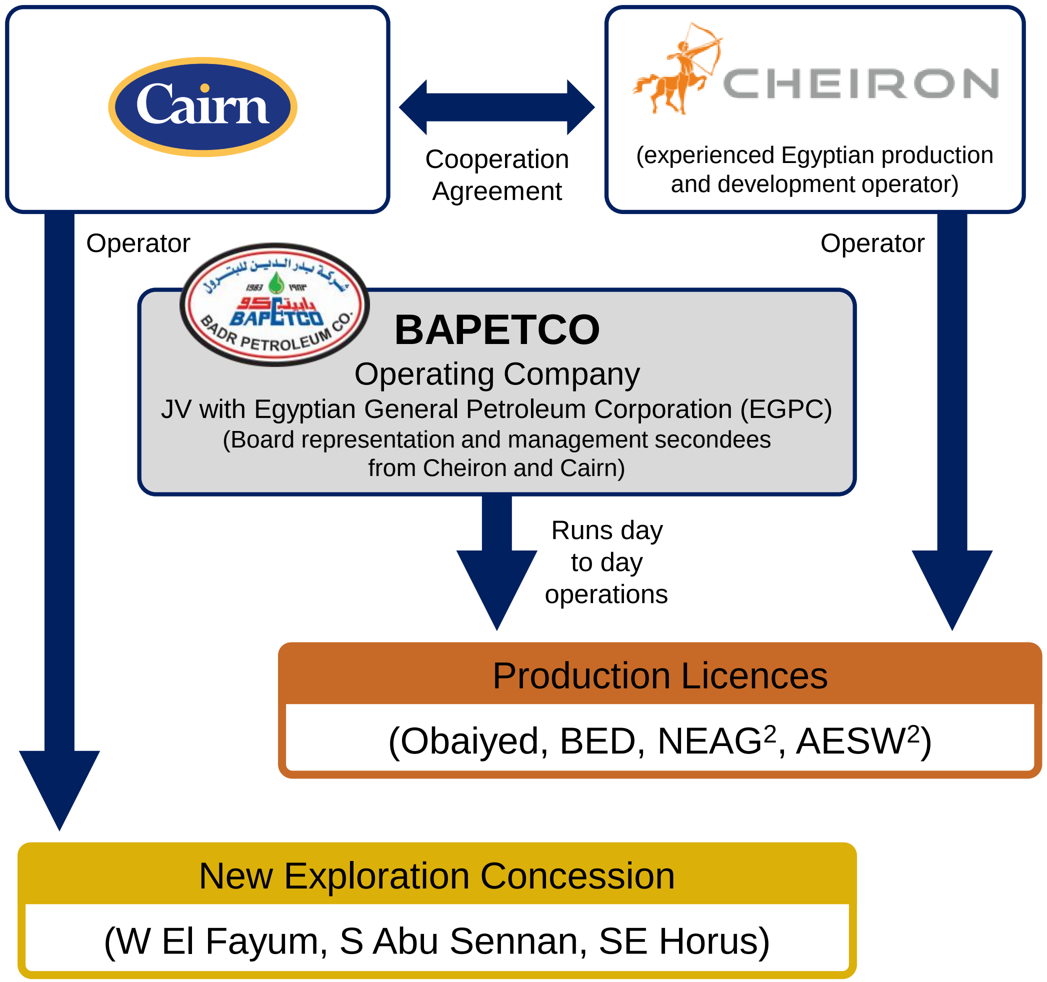
[1] Consideration to be adjusted for working capital and interim period cashflows. 2020 interim period cashflows were ~US$144m
[2] Subject to minimum production levels being achieved. Projections provided based on Cairn production profiles

Egypt: Strong Production Base with Growth Potential

Transaction Overview

- Joint (50:50) acquisition of Shell's Western Desert assets by Cairn and Cheiron
- US$323m base consideration[1]
  - Effective date 1.1.2020 subject to customary interim adjustments
- Additional contingent consideration:
  - Brent >US$55 in 2021-2024 (max US$100m)
  - Exploration success (max US$40m)
- Sources of funding:
  - ~US$175m RBL facility[1]
  - US$50m junior debt facility linked to offtake[1]
  - Existing cash resources
- Subject to shareholder and government approvals and customary consents

Asset Structure and Operatorship



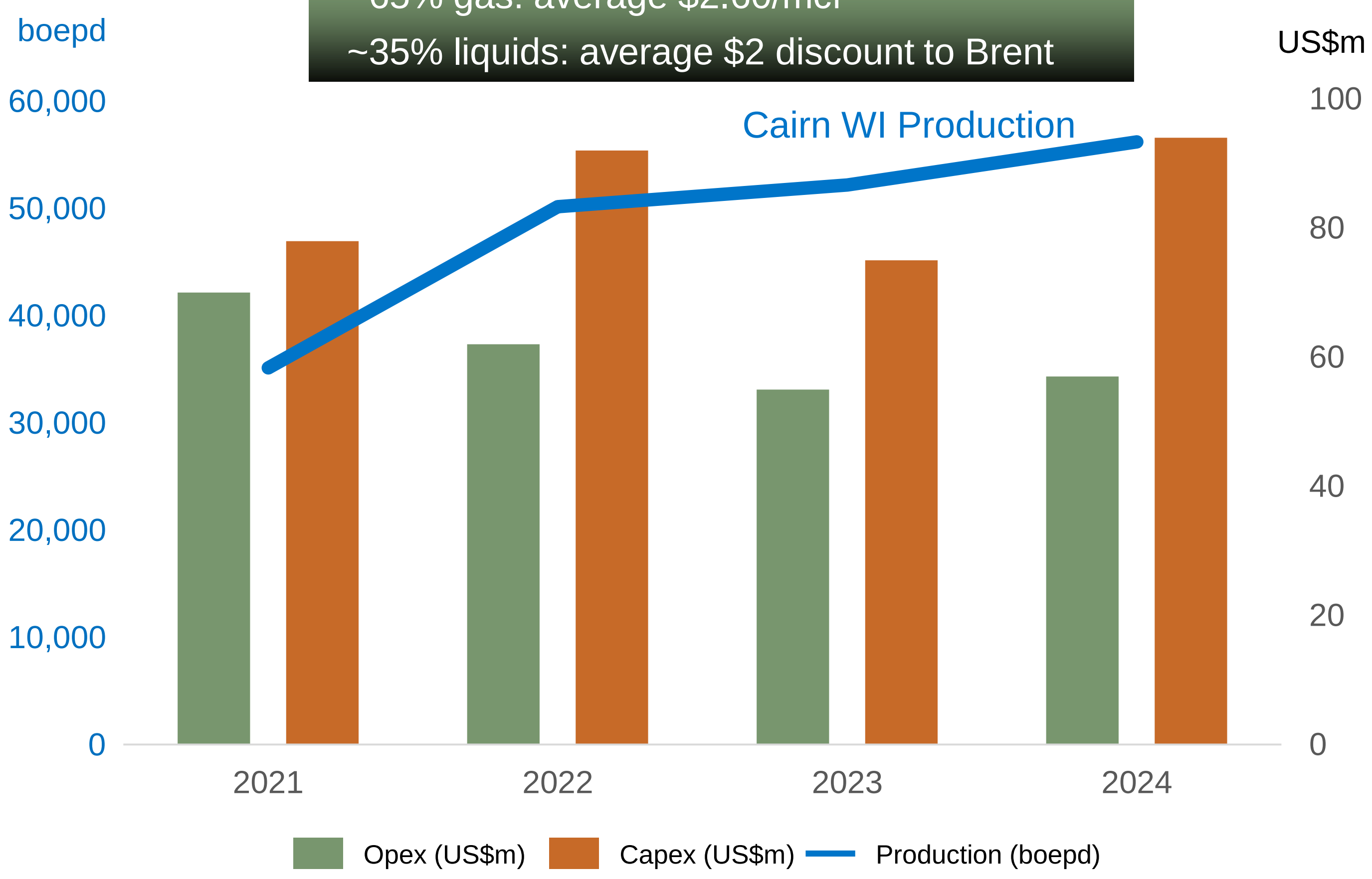
[1] Cairn 50% share of RBL facility up to US$350m and junior facility of US$100m
[2] NEAG and AESW have additional JV partners to Cairn and Cheiron

Egypt: Strong Production Base with Growth Potential

Production growth and opex reduction

~65% gas: average $2.60/mcf

~35% liquids: average $2 discount to Brent



Reserves

Adds Cairn WI 2P reserves of 113 mmboe as at 31 Dec 2020

Resources

Cairn WI 2C resources:

49 mmboe at 31 Dec 2020

Growth Opportunities

Cairn operated exploration targeting >800 mmboe* gross unrisked resources

* Shell estimate

Forecasts aligned to Competent Person's Report projections to be included in the Class 1 shareholder circular, subject to management adjustments for 2021
Net entitlement production (after fiscal take) is equivalent to approximately 40% to 45% of WI production

Production and Development

Paul Mayland

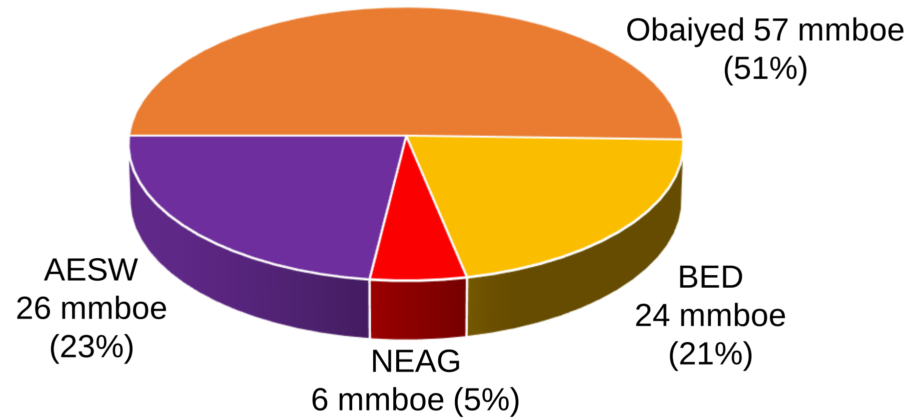
Low Cost Sustainable Production Base with Growth Potential

Onshore Low Cost Asset

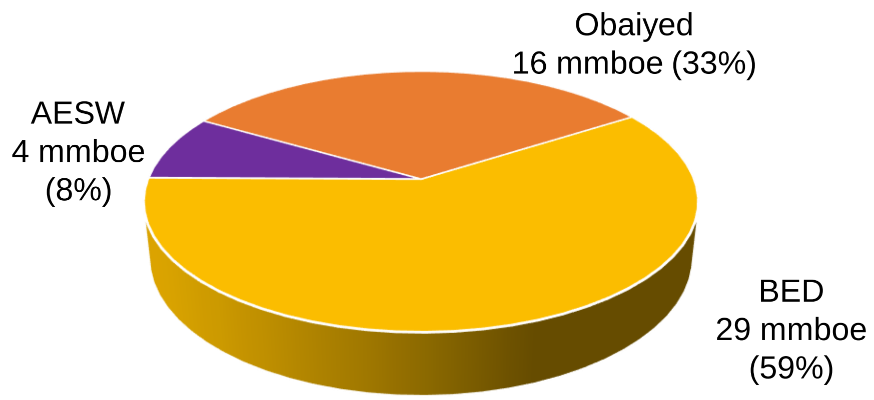
- Good historical HSSE performance
- 4.3 TCF and 220 mmstb produced to date: > 300mmboe gross remaining
- Four main production areas
  - Obaiyed, BED, NEAG and AESW
- Anticipate 2021 WI Production 33,000 – 38,000 boepd net to Cairn
- Aim to grow production to ~50,000 boepd WI net to Cairn
- 2P Reserves Life Index (RLI) ~ 8.5 years, 2P+2C ~ 12 years
- Site due diligence completed in Q4 2020

Adds Material 2P and 2C Resource Base

2P Reserves: 113 mmboe (net to Cairn)



2C Resources: 49 mmboe (net to Cairn)



Partnering Experienced Egyptian Operator

Production (2020 actuals)

Badr Petroleum Company (Bapetco)
Operator licences owned 50/50 by EGPC and Cairn / Cheiron

Obaiyed
~28,800 boepd (key growth assets)

Cheiron 50%	Cairn 50%

BED
~35,500 boepd

Cheiron 50%	Cairn 50%

NEAG
~5,800 boepd (Cairn/Cheiron share)

Cheiron 26%	Cairn 26%	Apache 32%	Sinopec 16%

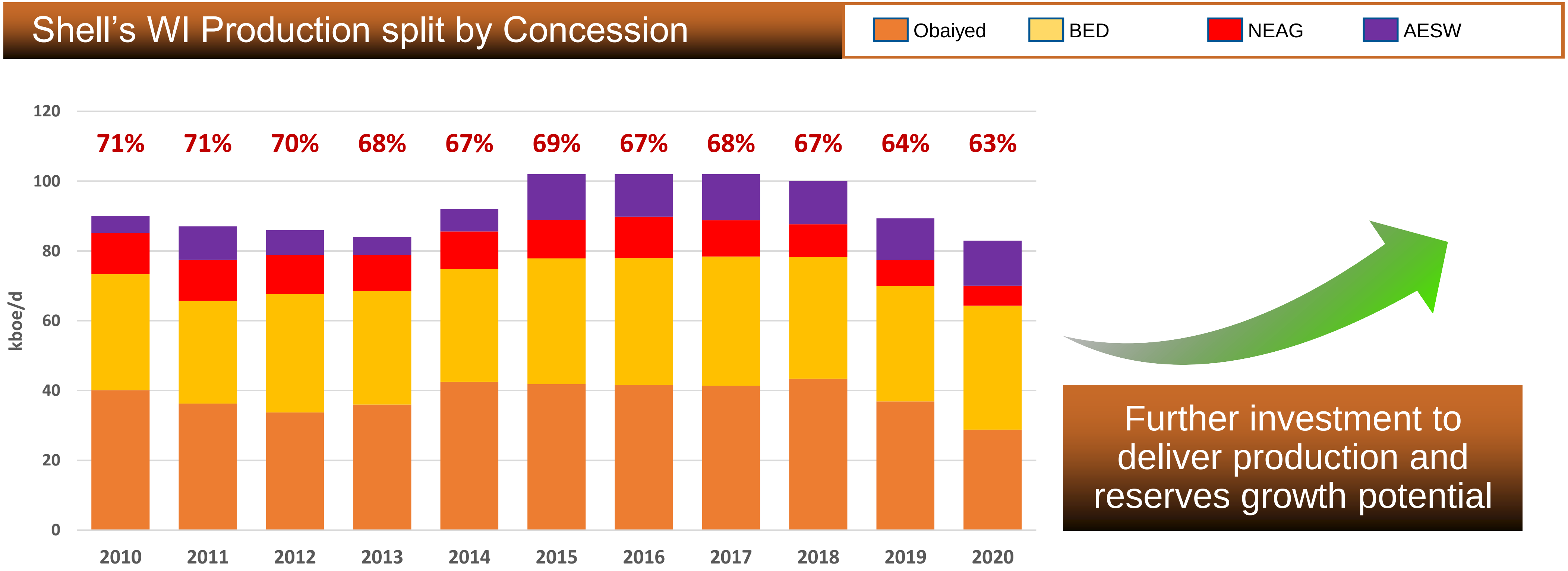
AESW
~12,900 boepd (Cairn/Cherion share)

Cheiron 20%	Cairn 20%	Zhenhua 35%	Neptune 25%

Robust Mature Producing Assets

- 2020 production averaged 107,000 boepd gross (83,000 boepd Shell interest)
- 2020 Capital investment programme curtailed to ~US$100m versus typical US$150-200m (Shell interest)
- Flexible capital programme: interventions; work-overs; new wells and facility enhancements to manage underlying low natural declines (~10-15%)

Shell's WI Production split by Concession



Further investment to deliver production and reserves growth potential

Onshore Platform to Build Growth

Production Facilities

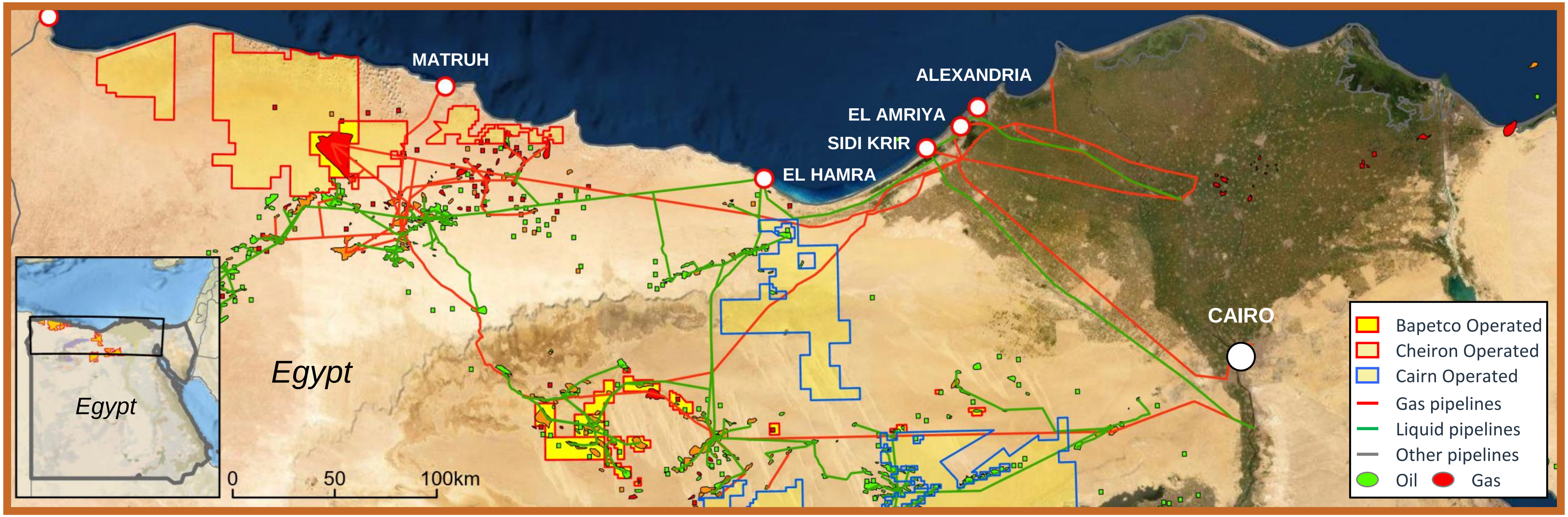
- Two large oil and gas facilities; life extension work and process enhancements undertaken
  - Obaiyed; gas and condensate (capacity 450 mmscf/d and 16,000 bcpd)
  - BED 3; oil and gas (capacity 30,000 bopd and 300 mmscf/d)
- Facilities feed main oil and gas export pipelines to Western Desert Gas Complex and El Hamra oil terminal

Well Operations

- Well established service company including rigs for new well drilling and work-overs
- 2021 plans
  - Well design optimisation and cost reductions
  - 15-20 new wells
  - Three work-over rig programme to optimise production and injection
- Significant increase in activity once transaction closes and integration complete

Multiple and Scalable Investment Opportunities

- Leverage high quality gas and oil processing infrastructure;
  - Direct capital reinvestment to the best infill, satellite and process enhancement projects while also maintaining asset integrity
  - Anticipate arresting decline and growing production by 2023
  - Optimise operating costs and increase national content where possible
- Baseline and verify GHG emissions and develop abatement plans. Initial focus likely to be electrification and routine flare reduction
- Establish Cairn office in country to further build relationships with key stakeholders and prepare for Operated exploration



Exploration

Eric Hathon

Exploration Portfolio

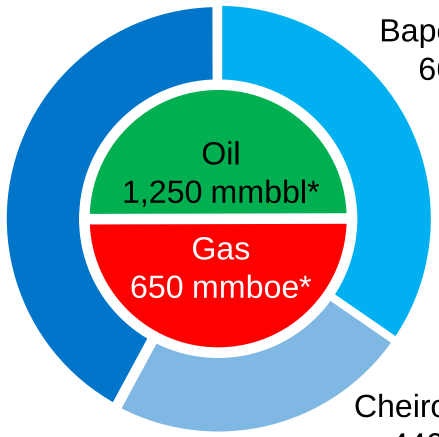
Advantaged Barrels Exploration

- Clear path to commerciality
- Development optimisation
- Attractive, stable fiscal regimes
- Assess carbon footprint of ventures; alignment with ESG priorities
- Infrastructure-led exploration (ILX) opportunities where we are advantaged
- Material frontier opportunities where scale drives value
- Flexible commitments allowing acceleration or deferral with commodity trends

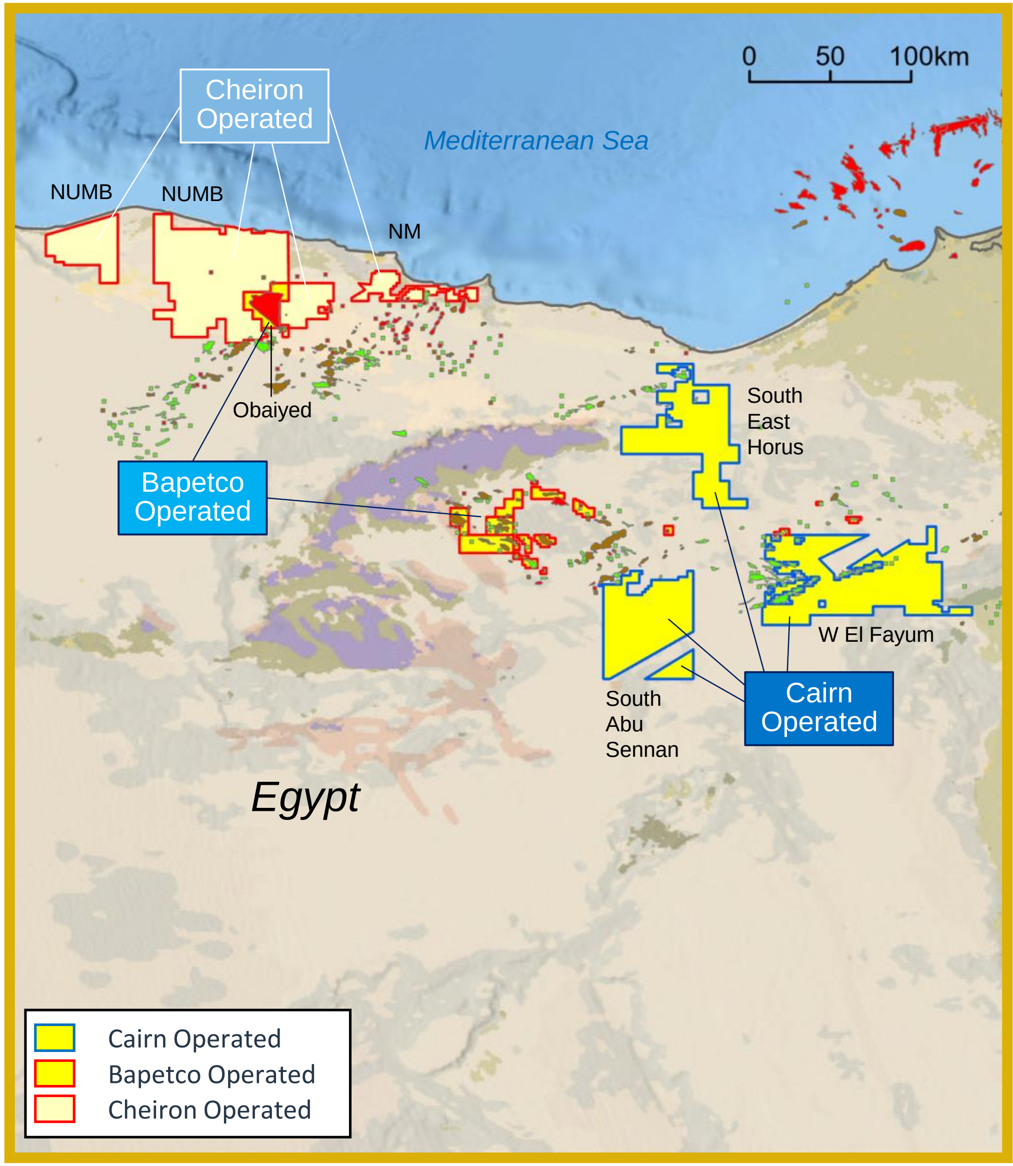
Exploration Potential

- More than 400* identified exploration opportunities with historical success rate >50%
- Gross unrisked resources: 1,900 mmboe*
  - Oil 1,250 mmbbls*
  - Gas 4.5 Tcf*

Gross Unrisked Resources



* Shell estimate



Exploration – Egypt

Western Desert Prospectivity

Advantaged barrels, play diversity and opportunities to apply new technology

Proven Source Rocks

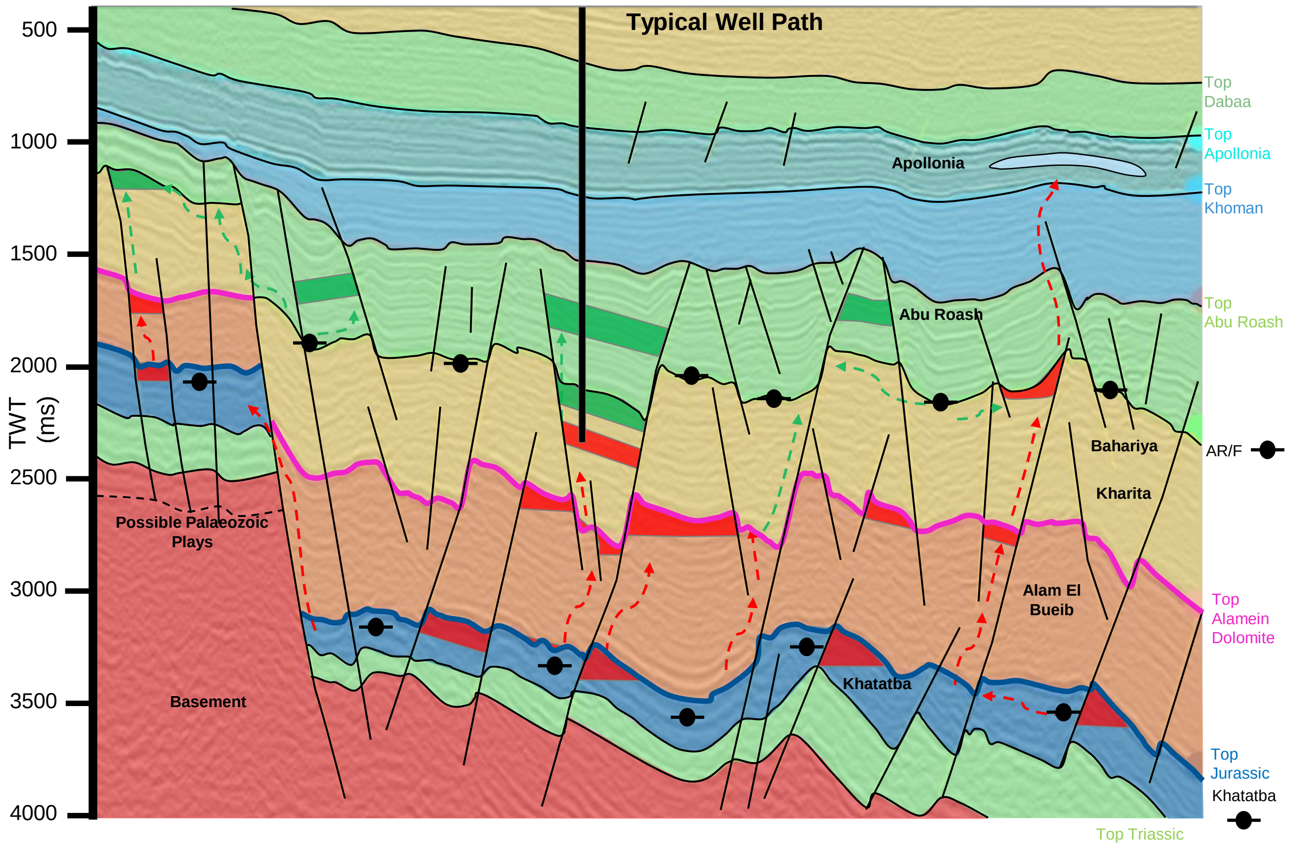
- Abu Roash F oil prone source rock
- Khatatba oil and gas prone source rock

Producing Reservoirs

- Khatatba Fm
- Alam El Bueib Fm
- Kharita / Bahariya Fm
- Abu Roash Fm

Multiple Plays

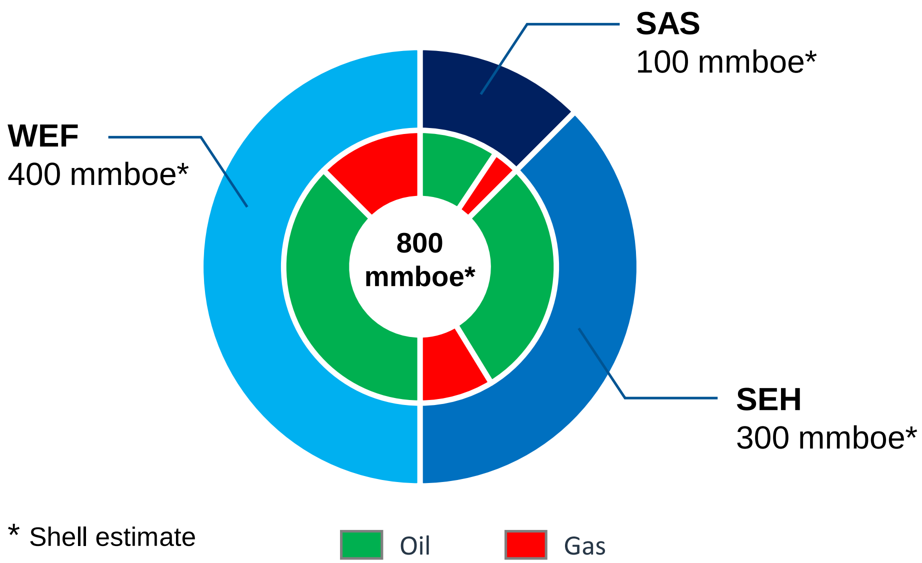
- Compressional structures
- Extensional hanging and foot wall closures
- Stratigraphic traps
- Shallow carbonate plays



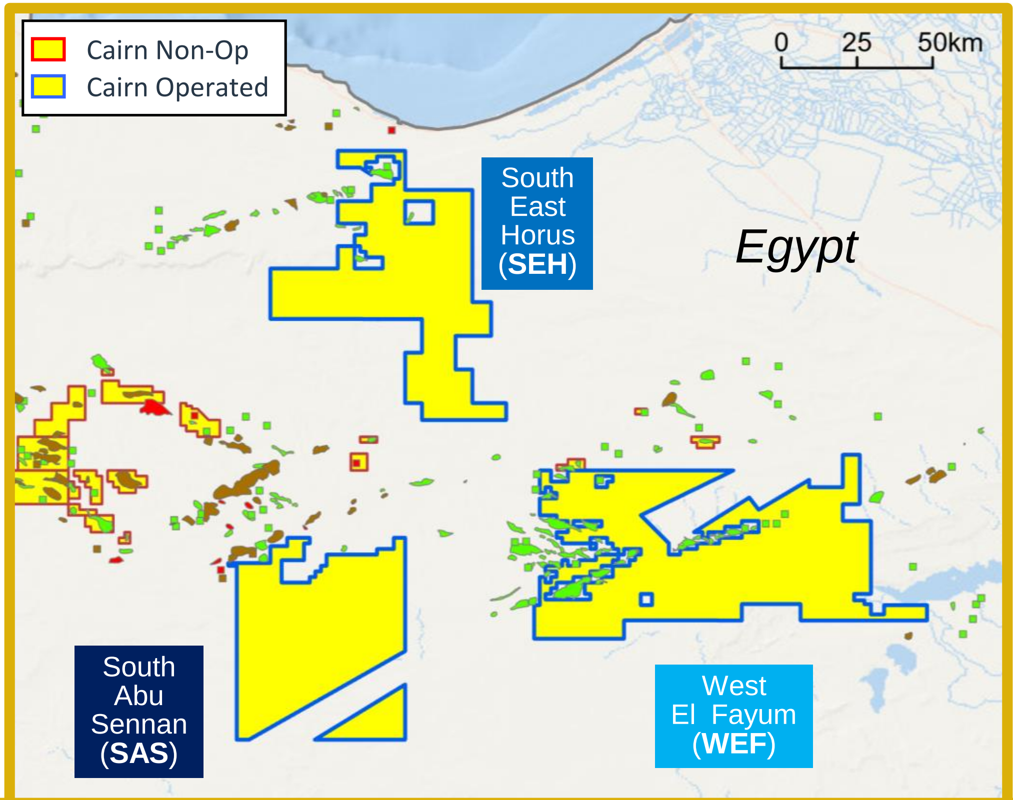
Technologies like Wide Azimuth 3D seismic data have potential to reveal unexplored resources

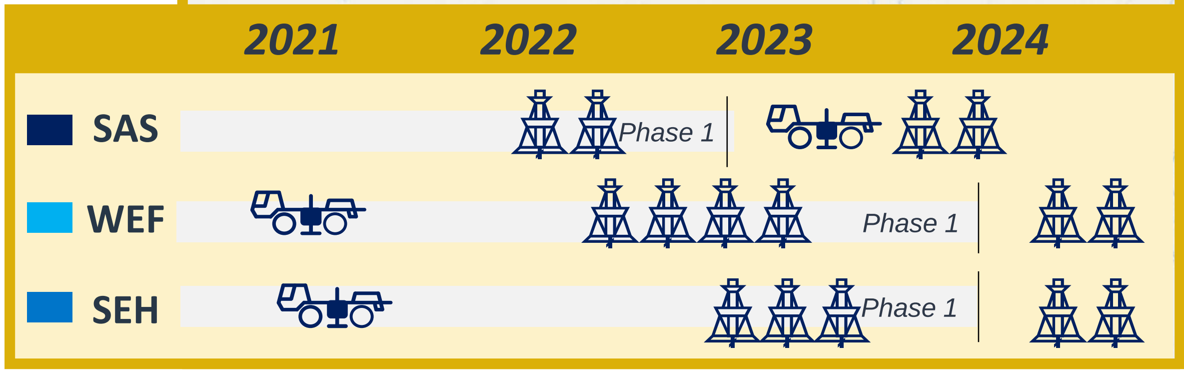
Cairn Operated Exploration

- Gross unrisked resources: 800 mmboe*
- Three exploration concessions covering ~9,000 sq km
- Significant cluster development potential also near to existing infrastructure
- Two 3D seismic surveys and 9 exploration wells over next 3 years



* Shell estimate



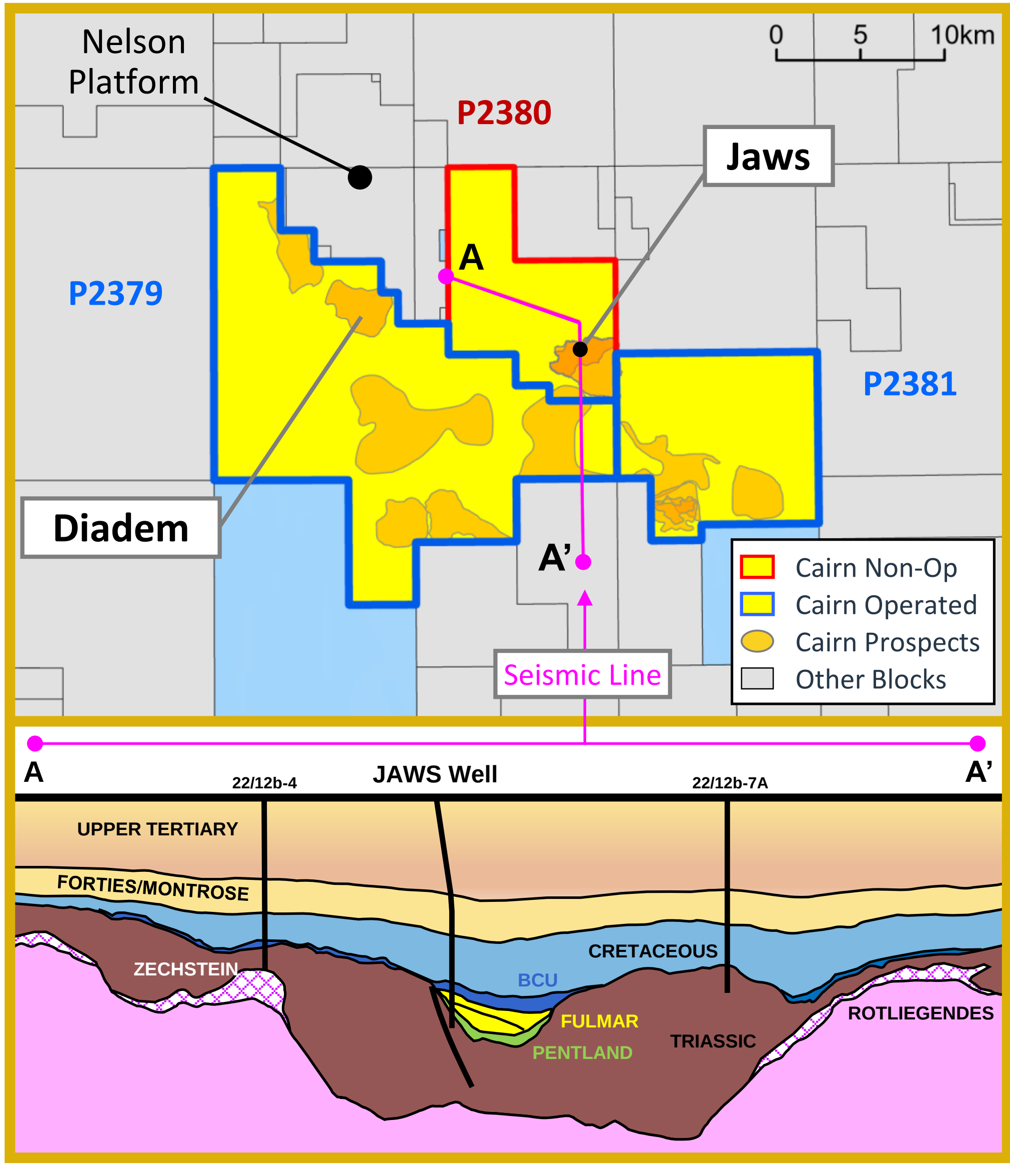


UK North Sea Jurassic Fulmar Play

Infrastructure-led Exploration (Cairn 50%, Shell 50%)

- P2379 and P2380
  - Shell-operated Jaws-1 well to spud Q2 2021
  - Jurassic Fulmar sandstone play
    - 32 mmboe gross recoverable resources
  - Cairn-operated Diadem-1 well to Spud Q2 2022
  - Multiple follow-on prospects with success

- P2381 (100% Cairn)
  - Prospectivity in Jurassic and deeper levels
  - Jaws results will inform value

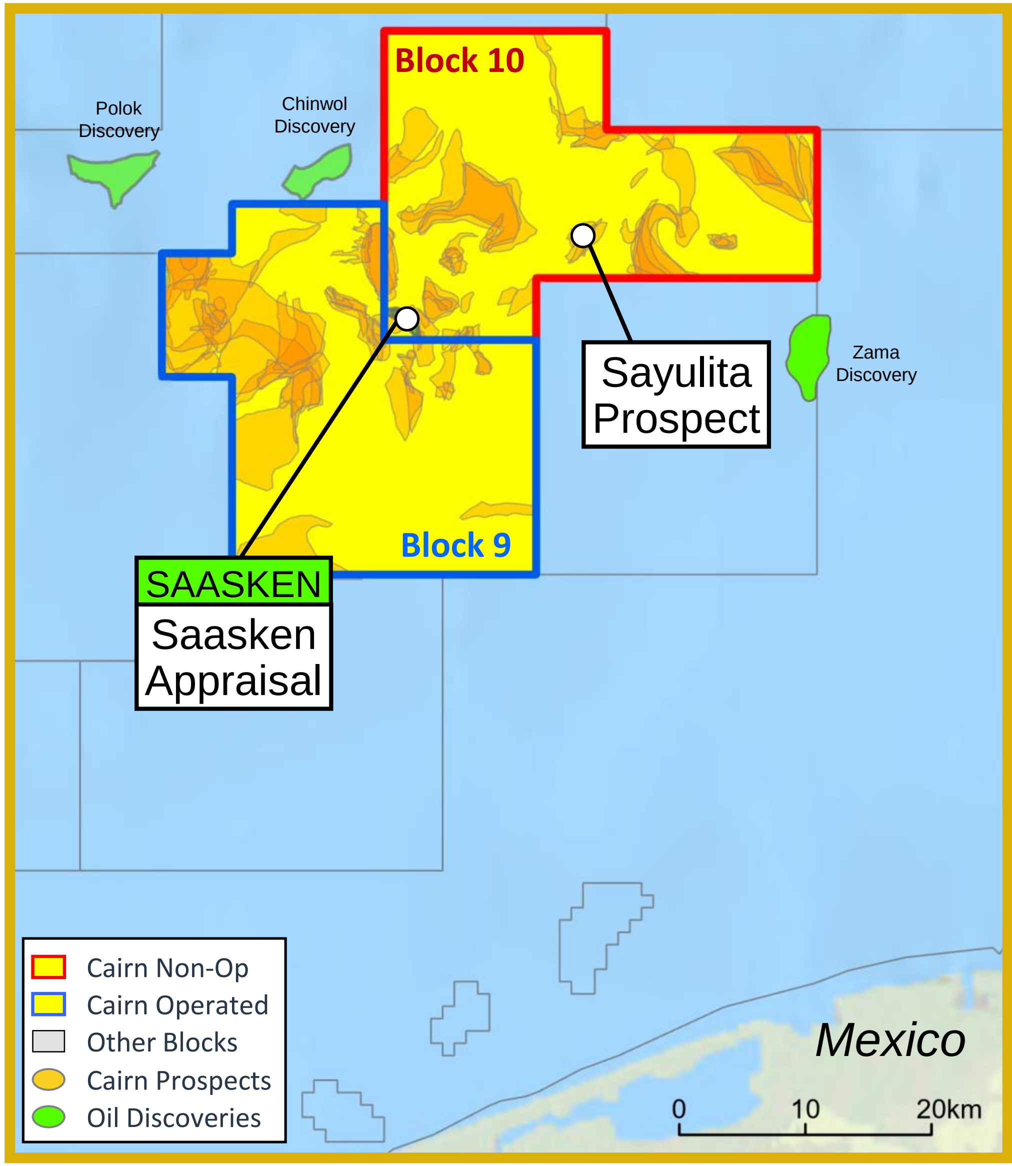


Exploration

Mexico Sureste Basin

Block 10 (ENI 65% Op, Cairn 15%, Lukoil 20%)

- Sayulita-1 well H1 2021 spud
- Amplitude-supported Pliocene turbidite targets
  - 160 mmbbls of oil in place* recoverable resources
- Appraisal plan for Saasken discovery, option to drill Saasken appraisal well option being assessed by CNH
- Saasken appraisal well anticipated H2 2021
  - Forward plan in review with CNH
  - 200-300 mmbbls of oil in place*
  - To evaluate amplitude extent downdip

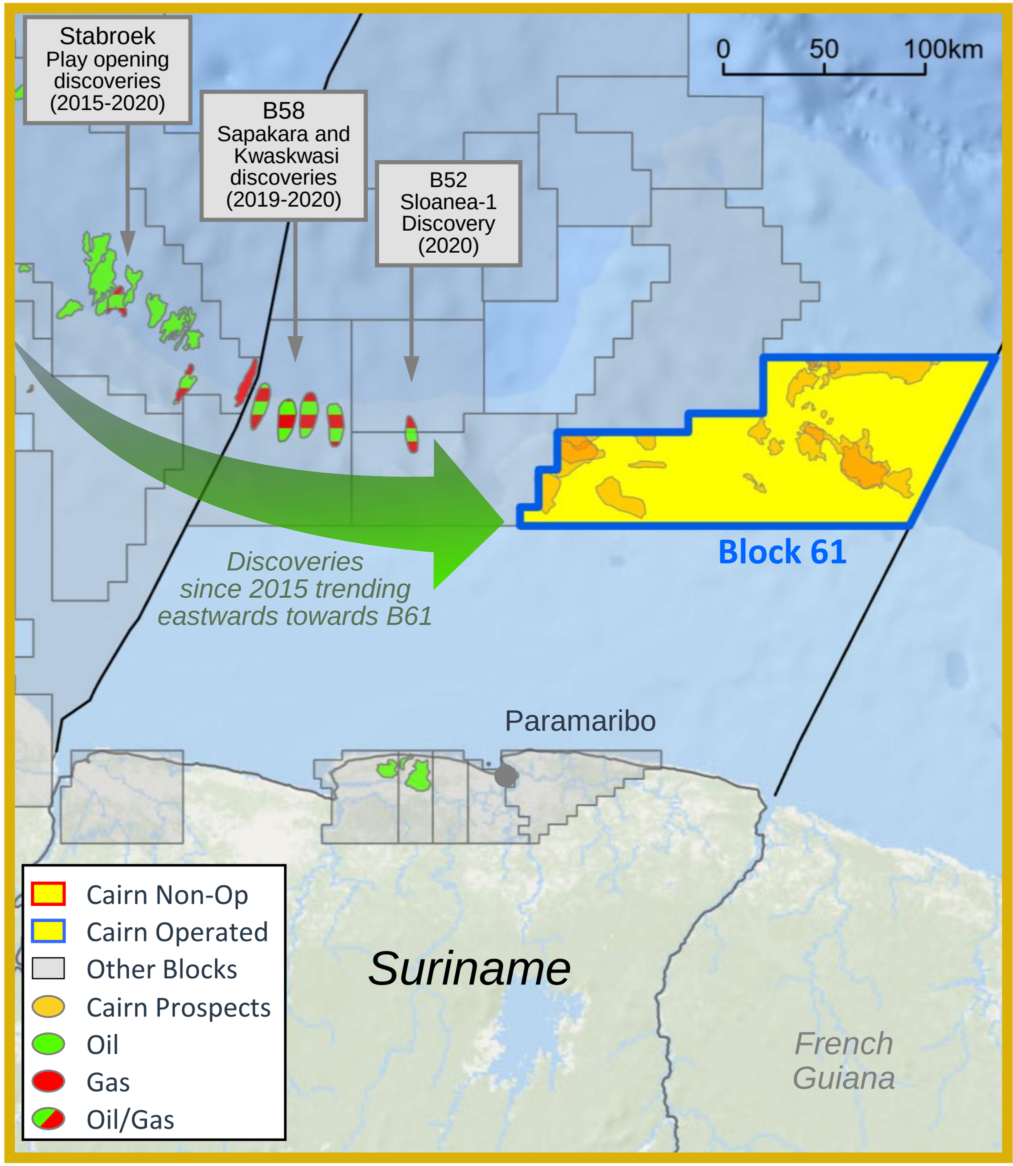


* Operator estimate

Suriname Guyana-Suriname Basin

Block 61 (Cairn 100% Op)

- World-class hydrocarbon basin
  - Significant recent discoveries moving eastward from Guyana into Suriname
- Multiple targets identified across block
  - 100 – 800m water depth
  - Access proven Late Cretaceous play fairway
- Focused 3D seismic acquisition planned H2 2021
- Positive regulatory and operating environment



Conclusion

Simon Thomson

Summary

Responsible	Refocussing our platform for differentiated growth over the next decade
	Active portfolio management and capital allocation
Ready	Focused on generating further shareholder returns
	Ready to deploy robust recovery options to safeguard shareholders' rights to India award
Refocused	Responsibly producing hydrocarbons in support of UN Sustainable Development Goals

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Appendix

Climate Change and Energy Transition

Our Responsible Approach

- Committed to Net Zero by 2050
  - Examined actions to date to improve strategy and set clearer path
  - Endorsed World Bank ZRF by 2030
- Communication and transparency
  - Independent review of ESG reporting during 2020
  - TCFD and SASB indexes published in Q1 2021 with further areas for development identified
  - Enhancing TCFD and SASB disclosure for 2021 reporting cycle
- Governance
  - ESG: Executive accountable for standing Board item
  - ESG performance: Management Variable Remuneration
  - Portfolio resilience tested against transition scenarios

Our Net Zero Roadmap

- Participate and contribute to host Government NDCs in line with Paris Agreement
- Aim to improve energy efficiency and reduce GHG emissions where under direct control, including the associated supply chain
- Aim to baseline, develop and execute GHG Reduction plans with JV partners
- Reduce emissions through offsetting
  - NECCUS investment and evaluation
  - Early-stage evaluation of natural carbon sink opportunities
- Targets
  - Committed to developing and communicating short, medium and long-term goals
  - Develop transparent and meaningful methodology for our non-operated business model
  - Aim to ensure a meaningful proportion of our upstream portfolio is operated, where we can directly drive improvements

Committed to Working to Key External Standards

SUSTAINABLE DEVELOPMENT GOALS · FTSE4Good · United Nations Global Compact · SASB · Extractive Industries Transparency Initiative · IFC International Finance Corporation, World Bank Group, Creating Markets, Creating Opportunities · TCFD Task Force on Climate-Related Financial Disclosures