



FOR IMMEDIATE RELEASE

27 December 2017

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

Catcher update

The enclosed announcement has been reported by Premier Oil plc (Operator) with regards to the Catcher development in which Cairn has a 20% working interest.

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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.

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

PREMIER OIL PLC

(“Premier”)

Catcher Area First Oil

27 December 2017

Premier is pleased to announce that first oil from the Catcher Area was safely achieved at 15.45 hours on 23 December 2017.

Initial stabilised production from the Catcher field will be at an expected rate of around 10,000 bpd. This will be ramped up in phases with production from the Varadero field followed by the Burgman field, as previously guided. The phased approach allows for management of the well stock whilst commissioning of the gas processing modules and full water injection systems on the FPSO are completed. Production in the Catcher Area as a whole will increase to approximately 60,000 barrels of oil per day during the first half of 2018, adding 30,000 bopd (net) to Premier’s daily production.

A short brochure containing more details of the Catcher Area development is available on the Company’s website www.premier-oil.com

Tony Durrant, Chief Executive, commented:

“Delivery of first oil from the Catcher Area represents a significant milestone for Premier. I congratulate and thank all our colleagues, partners, suppliers and regulators who have played such an important part in successfully delivering the project on schedule and almost 30% under budget. Catcher is an example of Premier Oil’s capability to deliver full cycle FPSO projects from exploration through to production. As production ramps up in the first half of 2018, the increased cash flows will play an important role in Premier’s plans for debt reduction. The Catcher Area project also demonstrates Premier’s continuing commitment to invest in the UK.”

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Notes to editors

Catcher Area Development:

- Catcher is located in Block 28/9a approximately 174 km off the coast of Aberdeen in water depths of c90 metres
- Partners are Premier (50%, operator), Cairn (20%), MOL (20%) and Dyas (10%)
- Catcher' sanctioned reserves are c96 mmboe of medium quality (25-31 API) gross 2P reserves, making it one of the largest new oil fields to come onstream in the North Sea in recent years
- Development consists of 19 production and water injection wells on the Catcher, Varadero and Burgman fields tied back to a new build leased FPSO, the BW Catcher
- Gross peak oil production is expected to be approximately 60,000 bopd, up 20% on the project sanction case due to positive development drilling results
- Gross total project capex is forecast at \$1.6 billion, down 29% at the time the project was sanctioned due to well optimisation, good planning and project execution on subsea and drilling activities, together with foreign exchange savings
- The FPSO, which is owned by BW Offshore, is 240m long X 50m wide X 27m deep and is approximately as long as 2 football pitches
- It weighs over 56,000 tonnes, has a storage capacity of 650,000 barrels of oil and is home to a workforce of around 120 workers