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

Second oil discovery offshore Senegal

Cairn is pleased to announce a discovery of high quality oil in the second well in the Senegal exploration programme.

The SNE-1 well is located in 1,100 metres (m) water depth and approximately 100 kilometres (km) offshore in the Sangomar Offshore block with a target depth of ~3,000 m and targeting the Shelf Edge Prospect.

Intermediate logging of the SNE-1 well has confirmed hydrocarbons in the Cretaceous clastics objective which is of similar age to oil bearing sands found approximately 24 km away in FAN-1.

As operator, Cairn has now issued Notices of Discovery for the SNE-1 well and FAN-1 well to the Government of Senegal on behalf of the Joint Venture.

Initial analysis of the SNE-1 well indicates:

- 95m gross oil bearing column with a gas cap
- Excellent reservoir sands with net oil pay of 36m
- Oil of 32 degrees API from samples of gas, oil and water recovered to surface
- Preliminary estimates of the Contingent Resource range from P90, 150 mmbbls, P50, 330 mmbbls and P10, 670 mmbbls recoverable

Further evaluation of this zone is continuing. The deeper target of karstified and fractured Lower Cretaceous shelf carbonates is yet to be reached. A further announcement will be issued once operations are completed on SNE-1.

The results of the FAN-1 well and the final analysis from the SNE-1 well will be used to decide optimal follow up locations to determine the extent of the hydrocarbon accumulations and additional activity which is targeted for 2015 onwards.

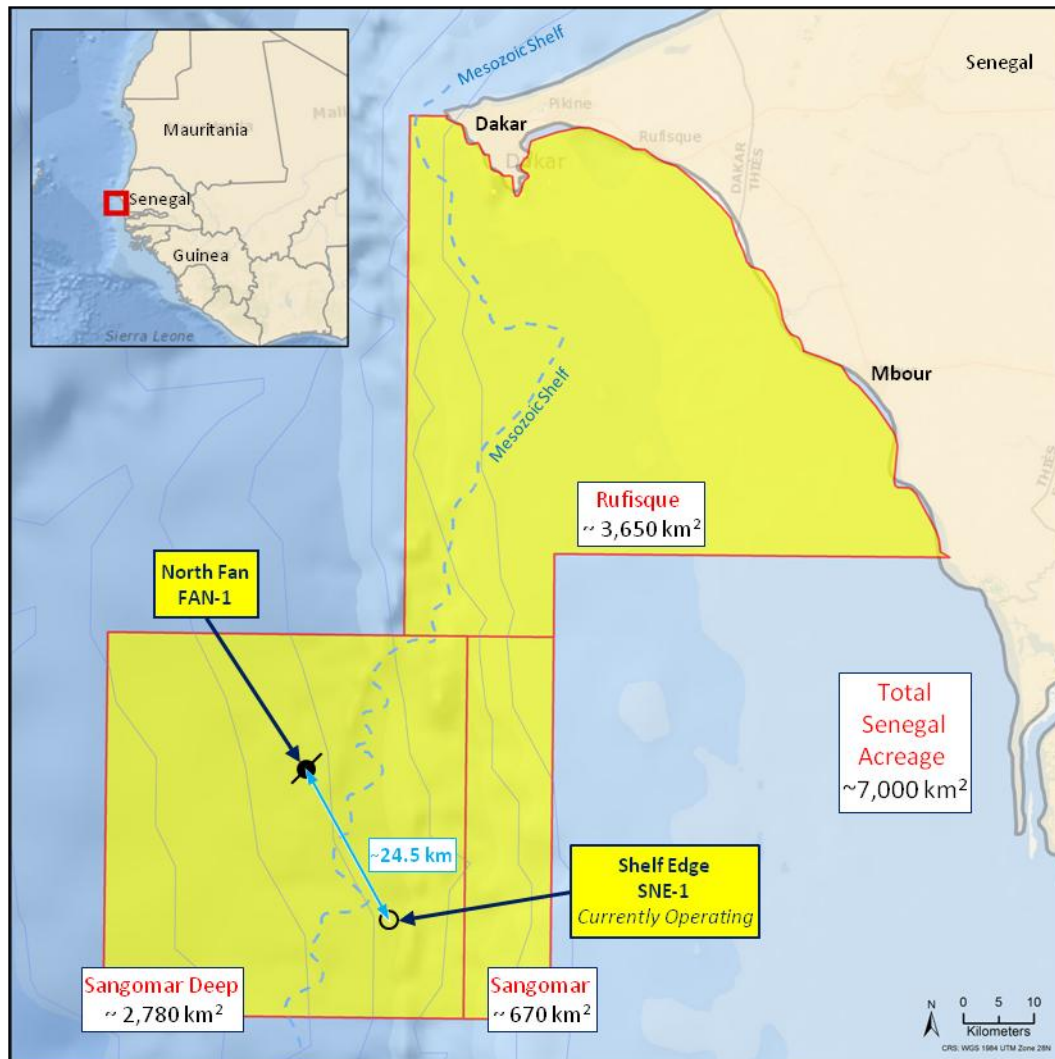
Cairn Energy Chief Executive Simon Thomson said:

“This is a significant oil find for Cairn and Senegal and based on preliminary estimates is a commercial discovery and opens a new basin on the Atlantic Margin.

On completion of the SNE-1 well the joint venture along with the authorities in Senegal will evaluate all of the information to understand how best to take forward these basin opening discoveries with an appraisal drilling programme in 2015.

Cairn has additional prospects and leads that offer further exploration potential across this large acreage position in West Africa.”

Cairn has a 40% Working Interest (WI) in three blocks offshore Senegal (Sangomar Deep, Sangomar Offshore and Rufisque) ConocoPhillips has 35% WI, FAR Ltd 15% WI and Petrosen, the national oil company of Senegal 10%. The three blocks cover 7,490 km².



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NOTES TO EDITORS

FAN-1 well details are:

- 29m of net oil bearing reservoir in Cretaceous sandstones
- No water contact was encountered in a gross oil bearing interval of more than 500m
- Distinct oils types ranging from 28° API up to 41° API indicated so far from a number of oil samples recovered to surface
- Initial gross STOIP estimates for the FAN-1 well range from P90: 250 mmbbls, P50: 950 mmbbls to P10: 2,500 mmbbls, broadly in line with pre-drill STOIP estimates

Cairn plans to hold a Capital Markets Day in Q1 2015.

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 now focused on frontier exploration acreage in North West Europe, North West Africa, North Atlantic and Mediterranean, underpinned by interests in development assets in the North Sea. Cairn has its headquarters in Edinburgh, Scotland supported by operational offices in London, Norway, Spain 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