

### Create Value

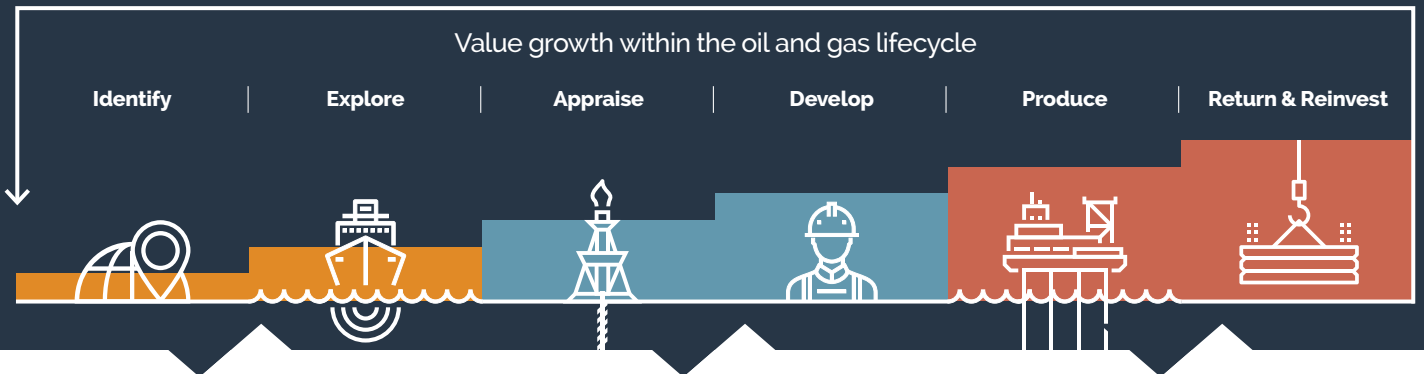
Cairn identifies assets it can add value to through exploration activity including 3D seismic and drilling as part of a focused exploration strategy. In success, exploration activity can create material value.

### Add Value

In order to add value Cairn looks to progress existing exploration assets through the appraisal and development stages or can acquire new assets at this point in the oil and gas lifecycle.

### Realise Value

Cairn realises value by progressing development assets through to production and/or realising value through asset sales. Proceeds are reinvested in the business to fund exploration and development activity or returned to shareholders.



### Exploration

Frontier and emerging basin exploration acreage offshore Senegal, the Republic of Ireland, Norway and Mexico; mature exploration acreage in the UK and Norway.

[Read more: CEO's Review on P12-17](#)

### Development

SNE field in Senegal moving towards development, aim to have government approvals in place by end 2018. Final investment decision on Nova development targeted for H1 2018.

[Read more: CEO's Review on P12-17](#)

### Production

Kraken and Catcher, two of the largest UK North Sea developments in recent years, now in production, will deliver sustainable cashflow for reinvestment.

[Read more: CEO's Review on P12-17](#)

### 2018 strategic objectives

#### Deliver exploration and appraisal success

**Purpose:** Grow the resources and reserves.

#### Portfolio management

**Purpose:** Maintain the optimal portfolio balance and maximise value.

#### Mature developments

**Purpose:** Progress development projects.

#### Deliver operational excellence

**Purpose:** Maximise revenues through efficient operations.

#### Maintain licence to operate

**Purpose:** Deliver value in a safe, secure, environmentally and socially responsible manner.

#### Deliver a sustainable business

**Purpose:** Maintain a self-funding business model.

### 2018 principal risks

Inability to secure or repatriate value from Indian assets

Delay in Senegal development plan

Kraken and Catcher operational and project performance

Reliance on JV operators for asset performance

Health, safety, environment and security

Political and fiscal uncertainties  
Access to debt markets  
Exploration and appraisal

Volatile oil and gas prices

Securing new venture opportunities  
Fraud, bribery and corruption

### 2017 material issues

Economics and funding

Contractors and supply chain

Ethics, anti-bribery and corruption and transparency

Social and economic benefit

Human rights

Major accident prevention and safety

Climate change, emissions and discharges