

**CEO's Review**

Simon Thomson,  
Chief Executive Officer

COMMITTED  
TO CREATING  
**VALUE**  
**RESPONSIBLY**

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Cairn's strong operational performance in 2019 was delivered through production and cash flow generation at the top end of guidance and the Group ended the year with an increased net cash position and undrawn debt facilities.

A significant milestone was achieved in Senegal with a Final Investment Decision taken for the Sangomar development. Reserve additions were made in both Senegal and the North Sea and the Company encountered exploration success alongside Eni in Mexico.

The sale of Cairn's Norwegian business, combined with exits from exploration positions in Ireland and Nicaragua, demonstrate continued focus on capital allocation as the company seeks to generate further value for shareholders on a sustainable basis.

In the year ahead, Cairn looks forward to continuing its near-term exploration drilling programme offshore Mexico whilst progressing the first phase of development execution offshore Senegal. These activities are supported by strong cash flow from our producing assets and a continued fiscal discipline on balancing expenditure. In addition, we anticipate resolution of the proceedings against the Government of India under the UK-India Investment Treaty. Cairn will continue to focus on executing and delivering its strategy efficiently and responsibly as it seeks to add further value for shareholders.

#### Energy Transition<sup>1</sup>

Cairn recognises that the world is facing significant challenges associated with climate change and we acknowledge that global commitments to minimise temperature rises will require significant growth in lower carbon energy sources. Throughout the year the Board continued to focus on the associated risks and appropriately positioning the company's strategy.

Cairn's strategy is to play a responsible and competitive role in the production of oil and gas within this transition, providing affordable, sustainable energy alongside renewable sources. We are committed to ensuring our investment decisions are targeting resources that can play a part in the global energy mix and will continue to attract capital in a world where demand for hydrocarbons may be below today's levels. We are actively engaged in reducing our carbon emissions wherever possible.

#### Working Responsibly<sup>2</sup>

Our culture is deeply rooted in our commitment to working responsibly. This means working to deliver value for our stakeholders in a safe, secure, environmentally and socially responsible manner. This is how we retain the trust and support of our stakeholders, which enables us to operate.

Our longstanding core values are at the heart of our culture. They are known as the 3R's: Respect, Relationships and Responsibility.

Our Code of Ethics sets out these core values as well as the behaviours and principles which we expect not only our employees, but all those who we work with, to apply on the Company's behalf.

Externally, adherence to key global agreements and standards promoting responsible working practices within business is also critical to us. This includes the United Nations Global Compact, the Extractive Industries Transparency Initiative and the United Nations Sustainable Development Goals.

#### Board Changes

Cairn appointed two new independent non-executive directors, with Catherine Krajicek and Alison Wood joining the Board in H2 2019. Cairn today announced the appointment of Erik B Daugbjerg as an independent non-executive director with effect from 14 May 2020. Following this appointment, Todd Hunt will retire as a non-executive director immediately following the Company's Annual General Meeting on 14 May 2020.



**Simon Thomson**  
Chief Executive Officer

1 Read more on **P46**  
2 Read more on **P10**