

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Cairn Energy PLC, you should pass this document, the accompanying form of proxy and the Annual Report and Accounts of Cairn Energy PLC for the financial year ended 31 December 2013 without delay to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



CAIRN ENERGY PLC

(incorporated in Scotland with registered number SC226712)

Notice of Annual General Meeting and

Proposed renewal of authority to dispose of or reduce the Group's residual interest in Cairn India

This document should be read as a whole and in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter from the Chairman of Cairn which is set out in Part I of this document recommending, on behalf of the Directors, that you vote in favour of the resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the 2014 Annual General Meeting of Cairn to be held in the Castle Suite of The Caledonian, a Waldorf Astoria Hotel, Princes Street, Edinburgh EH1 2AB at 11.00 a.m. (UK time) on Thursday, 15 May 2014, is set out at the end of this document.

Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it as soon as possible, and in any event, so as to arrive at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website not later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014 (further information regarding the use of this facility is set out in the notes to the Notice of Annual General Meeting). If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's registrars, Equiniti, not later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014. Completion and return of a Form of Proxy or a CREST Proxy Instruction or submission of an electronic proxy appointment or voting direction will not prevent Shareholders from attending and voting in person at the Annual General Meeting should they so wish.

Rothschild is acting as sponsor and financial adviser to Cairn and is acting for no one else in connection with the proposed renewal of the Residual Interest Disposal Authority and will not be responsible to anyone other than Cairn for providing the protections afforded to customers of Rothschild nor for providing advice in connection with proposed renewal of the Residual Interest Disposal Authority or the contents of this document or any other matter referred to herein.

Please read the whole of this document. In particular, your attention is drawn to the risk factors set out in Part II of this document. A summary of the action to be taken by Shareholders in relation to the Annual General Meeting is set out in paragraph 6 of Part I of this document and in the accompanying Notice of Annual General Meeting.

This document is a circular relating to the Annual General Meeting and the proposed renewal of the Residual Interest Disposal Authority which has been prepared in accordance with the Listing Rules made under section 73A of FSMA.

Forward-looking statements

This document contains (or may contain) certain forward-looking statements with respect to certain of Cairn's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Cairn cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of future events. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Cairn's control. As a result, Cairn's actual future results may differ materially from the plans, goals and expectations set forth in Cairn's forward-looking statements. Any forward-looking statements made in this document by or on behalf of Cairn speak only as of the date of this document. Except as required by any applicable laws, the Listing Rules, the Disclosure and Transparency Rules or other regulations, Cairn expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in Cairn's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Note regarding presentation of currencies

All references in this document to "pounds sterling" or "£" are to the lawful currency of the United Kingdom, all references to "US dollars", "US\$" and "\$" are to the lawful currency of the United States and all references to "Rupees", "Rs" and "INR" are to the lawful currency of India.

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HELPLINE

Questions of a factual nature relating to the resolutions to be proposed at the Annual General Meeting may be directed to the Company's registrars, Equiniti, using the telephone helpline number 0871 384 2660 (for calls from within the United Kingdom) and +44 121 415 7047 (for calls from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. (UK time) on any Business Day. Please note that calls to these numbers may be monitored or recorded. Calls to 0871 384 2660 are charged at 8 pence per minute plus network extras. Calls to +44 121 415 7047 from outside the United Kingdom are charged at applicable international rates.

This helpline will not be able to provide advice on the merits of the resolutions to be proposed at the Annual General Meeting or the Residual Interest Disposal Authority, or give personal, legal, financial or tax advice.

PART I

LETTER FROM THE CHAIRMAN OF CAIRN ENERGY PLC

CAIRN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

Sir Bill Gammell (Non-Executive Chairman)
Todd Hunt (Non-Executive Director)
Iain McLaren (Non-Executive Director)
Dr James Buckee (Non-Executive Director)
Alexander Berger (Non-Executive Director)
Jackie Sheppard (Non-Executive Director)
Ian Tyler (Non-Executive Director)
Simon Thomson (Chief Executive)
Dr Mike Watts (Deputy Chief Executive)
Jann Brown (Managing Director and Chief Financial Officer)

Registered and Head Office:
50 Lothian Road
Edinburgh
EH3 9BY

15 April 2014

To Shareholders and, for information only, to participants in the Cairn Share Schemes

Dear Shareholder

Notice of Annual General Meeting and proposed renewal of authority to dispose of or reduce the Group's residual interest in Cairn India

1. Introduction

I am pleased to invite you to the Company's annual general meeting which will be held in the Castle Suite of The Caledonian, a Waldorf Astoria Hotel, Princes Street, Edinburgh EH1 2AB at 11.00 a.m. (UK time) on Thursday, 15 May 2014. Enclosed with this letter are the 2013 Annual Report and Accounts and a Form of Proxy for use at the Annual General Meeting.

The business to be conducted at the Annual General Meeting is set out in the Notice of Annual General Meeting at the end of this document. You will be asked to consider and vote on the resolutions set out in the Notice. One of the resolutions seeks approval of the renewal of the existing authority (granted at last year's annual general meeting held on 16 May 2013) to dispose of all or part of the Group's residual interest in Cairn India. Due to the value of Cairn's residual interest in Cairn India, the renewal of such authority requires shareholder approval and the inclusion in this document of more information than we would ordinarily include in our Annual General Meeting circular.

Cairn has received requests from the Indian Income Tax Department to file income tax returns for the year ended 31 March 2007 and to provide information in respect of a number of intra-Group transactions. These requests were announced on 24 January and 3 April 2014. While interactions are ongoing with the Indian Income Tax Department, Cairn has been restricted from selling its shares in Cairn India.

2. Changes to the Board

As part of its long term succession planning, changes to the Board will take effect at the Annual General Meeting.

As announced on 10 April 2014, Dr Mike Watts, Deputy CEO, and Jann Brown, Managing Director and CFO, will not seek re-election at the Annual General Meeting and will stand down as Directors with effect from that date. Following the Annual General Meeting, Mike and Jann have agreed, during their notice periods, to continue in senior roles and dedicate their time to seeking to resolve the tax position in India. Mike and Jann have been critical to the delivery of Cairn's strategy, and the phases of capital return, for more than a decade. On behalf of Cairn, I would like to thank them both, heartily, for their exceptional contribution. It is a reflection of Mike and Jann's characters and sense of commitment that they will remain with us to help with the Indian tax issue – an absolute priority for the Group.

James Smith will take over the role of Finance Director and will join the Board as an executive director, with effect from the conclusion of the Annual General Meeting. James joined Cairn recently from Rothschild where he was a director in the Energy and Power team in London. He has 14 years' experience in investment banking, advising oil and gas clients, including Cairn, on M&A transactions and equity and debt market finance. James has been a trusted adviser to Cairn for many years and I wish him well in his new role.

Following these changes, Cairn will have two executive directors on the Board – Simon Thomson, Chief Executive and James Smith, Finance Director. They will be supported by Director of Exploration, Richard Heaton and Chief Operating Officer, Paul Mayland, who have a combined experience at Cairn of more than 30 years.

In addition, as announced on 18 March 2014, at the Annual General Meeting, Dr Jim Buckee will retire as a director. Having given 5 years of service to the Company, Jim has decided not to stand for re-election. I would like to take this opportunity to thank him for his valuable contribution to the Board.

As announced on 3 March 2014, I will retire as the non-executive Chairman of the Company at the Annual General Meeting and will be succeeded by Ian Tyler, who is currently a non-executive director of the Company. The Board believes that Ian's abilities as a non-executive Chairman and his extensive listed company experience in multiple countries, which were recognised when he joined the Board, make him ideal for the role of Cairn's non-executive Chairman.

After 25 years on the Board, I am pleased to be leaving in the knowledge that the Board and the Company will remain in highly capable hands with Ian Tyler as Chairman and with Simon Thomson at the helm as Chief Executive. I am proud of Cairn's many achievements during my tenure as Founder, Chief Executive and subsequently as non-executive Chairman, and as a shareholder I look forward to further progress.

It was reported in the Company's 2012 Annual Report and Accounts that Todd Hunt would retire from the Board within the next 12 months, having served on the Board for more than nine years. However, in light of my retirement and that of Jim Buckee at the Annual General Meeting, Todd has agreed to offer himself for re-election as a Director to allow the Board to retain his valuable technical skills and extensive business experience. In light of his length of service, Todd is, however, no longer considered to be an independent non-executive director. The Board also intends to appoint a new non-executive director with relevant technical skills and abilities during 2014.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

3. Background to and terms of Residual Interest Disposal Authority

The Company's residual interest of approximately 10 per cent. of Cairn India represents a substantial proportion of the Group's assets and therefore, due to its size, the sale of all, or a substantial part of, the residual interest currently requires shareholder approval under the Listing Rules. As noted above, at last year's annual general meeting held on 16 May 2013, Shareholders authorised the Board to dispose of all or part of the Company's then residual interest. However, the Company determined that it would not be in the best interests of the Shareholders to dispose of or reduce substantially its residual interest in Cairn India during the course of 2013.

As also noted above, Cairn has at present been restricted by the Indian Income Tax Department from selling its shares in Cairn India, however, Cairn believes it is appropriate to retain the flexibility to realise shareholder value from its residual interest in Cairn India in the event that the selling restriction is removed and is therefore seeking to renew the Residual Interest Disposal Authority.

The Board continues to believe that, in order to obtain the best terms when disposing of all or part of its residual shareholding in Cairn India, it needs to be able to sell or agree to sell those shares on normal market terms without the sale being subject to prior approval from Shareholders. The Board is therefore seeking to renew the existing authority from Shareholders for the Company to be able to sell its residual interest in Cairn India at or as close as reasonably possible to the prevailing market price if and when the Company considers it appropriate to make such disposals and provided that the selling restriction is removed. Shareholder approval is being sought to make disposals via on-market transactions, including participation in any share buy-back by Cairn India. Disposals may be executed via bought deal block-trades where an underwriting bank will assume the risk of

disposing of the relevant interest efficiently. Larger disposals may be executed via accelerated book build offerings where a bank will use “best efforts” to complete a sale as agent. However the risk of completing the disposal will remain with Cairn.

The Company only intends to utilise the Residual Interest Disposal Authority where, provided that the selling restriction is removed, it believes that a sale is in the best interests of Shareholders as a whole and in the meantime the Company will continue to benefit from the growth and success of the discoveries in Rajasthan and elsewhere through the retained interest in Cairn India. No decision has been taken as at the date of the document on how the net proceeds of any such sale(s) will be applied.

Provided that the resolution is passed at the Annual General Meeting, the Residual Interest Disposal Authority, unless renewed, will expire on the earlier of 30 June 2015 (the last date on which the Company’s annual general meeting for 2015 could be held) or at the end of the Company’s annual general meeting for 2015 (prior to that date the Company will assess the necessity and desirability of renewing the authority). Any disposal outside of the scope of the Residual Interest Disposal Authority will remain subject to the requirements for significant transactions under Listing Rule 10.

4. Information on Cairn India and the residual interest

Cairn India is listed on the Indian Stock Exchanges and currently has a market capitalisation in excess of US\$11.3 billion based on an exchange rate of US\$1:INR60.1763 (as at 11 April 2014). Cairn India is primarily engaged in the business of oil and gas exploration, production, transportation and sale. It is based in India and has a strong institutional shareholder base both within India and internationally.

Cairn India has interests in 9 blocks in India, Sri Lanka and South Africa, including:

- a 70 per cent. operated working interest in three contiguous development areas totalling 3,111 km² in Rajasthan. The main development area (1,859 km²) includes the Mangala, Aishwariya, Raageshwari and Saraswati fields. Further development areas comprise the Bhagyam and Shakti fields (430 km²) and the Kaameshwari West development area (822 km²). Current production is approximately 175,000 barrels a day from the Mangala, Bhagyam, Aishwariya, Raageshwari and Saraswati fields via the ~590 km heated export pipeline. ONGC is Cairn India’s joint venture partner in Rajasthan with a 30 per cent. participating interest;
- a 22.5 per cent. operated working interest in producing fields within the Ravva Block, on the east coast of India. Cairn India’s operations in this area are centred around the Ravva oil and gas field in the Krishna-Godavari Basin;
- a 40 per cent. operated working interest in Block CB/OS-2 in the Cambay Basin, on the west coast of India. Cairn India commenced gas production from the Lakshmi gas field in 2002, with gas production from Gauri commencing in 2004. Production of commingled crude oil from Gauri commenced in 2005; and
- equity interests in six blocks within India, Sri Lanka and South Africa where there is currently no production or development but which are in various stages of exploration.

The table set out below shows the prevailing Cairn India share price on the last trading day of each of the six months prior to the date of this document:

<u>Month</u>	<u>Closing Share price (INR)</u>
October 2013	316.20
November 2013	323.80
December 2013	323.75
January 2014	324.35
February 2014	324.20
March 2014	333.00
<u>11 April 2014 (latest practicable date)</u>	<u>358.40</u>

Source: Bloomberg

As at 11 April 2014, being the latest practicable date prior to the publication of this document, neither the Company nor any member of the Group had received any dividend or other distribution from Cairn India during

the previous three years save for: (i) the dividend with total aggregate amount of US\$17,981,997 (based on the then applicable exchange rate of US\$1:INR54.5475) paid by Cairn India to CUHL on 9 November 2012; (ii) the dividend with total aggregate amount of US\$21,322,612.96 (based on the then applicable exchange rate of US\$1:INR59.8020) paid by Cairn India to CUHL on 31 July 2013; and (iii) the dividend with total aggregate amount of \$19,180,308.80 (based on the then applicable exchange rate of US\$1:INR61.3675) paid by Cairn India to CUHL on 31 October 2013.

The Company retains a residual shareholding in Cairn India of approximately 10 per cent. which is held as an available for sale financial asset on the Group's balance sheet. As at 31 December 2013, the fair value of the Company's residual interest in Cairn India was US\$1.0 billion (extracted without material adjustment from the Group's audited consolidated financial accounts for the year ended 31 December 2013). As at 11 April 2014, being the latest practicable date prior to the publication of this document, the market value of the Company's residual interest in Cairn India (assuming that there was no selling restriction in place) was approximately US\$1.1 billion, based on an exchange rate of US\$1:INR60.1763. The Company's future results will reflect any disposals of Cairn India shares through a reduction in available for sale financial assets, on a marked-to-market basis, and corresponding increase in cash, subject to that cash being redeployed elsewhere within the business of the Group. The Company would expect to benefit from interest receivable from short-term deposits of the cash proceeds from disposals of Cairn India shares. Shareholders should read the whole of this document and not rely solely on the summarised financial information above.

5. Current trading and prospects

On 15 April 2014, the Company published its results for the year ending 31 December 2013, which contained the following statements:

“During 2013, Cairn delivered on its strategic goal of positioning the Group for future growth:

- i. we commenced a multi-well frontier exploration programme which offers investors substantial growth potential; and
- ii. we advanced two main pre-development projects, Kraken and Catcher, the former to project sanction, the latter's draft FDP was submitted to DECC early 2014.

The combination of future cash generating assets within a balanced exploration portfolio means we are well placed to fund future exploration activity and to repeat the cycle of creating, adding and realising shareholder value.

Our multiple frontier and mature basin exploration wells over the coming months are targeting close to 2 billion barrels of oil equivalent (bn boe) of mean un-risked gross prospective resource within a total of unrisked “Yet to Find” prospect potential in excess of 10 bn boe. By building a growing prospect and lead inventory, from which to select and high grade prospects for drilling, we aim to offer shareholders material potential growth opportunities over the long term.

Cairn's net cash of US\$1.25 billion as at 31 December 2013 provides the necessary funding to meet planned exploration and development commitments. The FDP approval by DECC for the Kraken development in November 2013 means reserves have been booked and discussions are well advanced to secure debt finance for this project. Upon receiving FDP approval for Catcher we will similarly book Catcher reserves and progress debt financing to fund its development.”

“In January 2014, Cairn received a request from the Indian Income Tax Department to provide information in relation to the year ended 31 March 2007. The correspondence indicates that the request for information is in respect of amendments introduced in the 2012 Indian Finance Act which seek to tax prior year transactions under legislation applied retrospectively. While the interactions with the Indian Income Tax Department continue, Cairn has been restricted from selling its shares in CIL (valued at US\$1.0 billion as at 31 December 2013).”

“The Group will take whatever steps are necessary to protect its interests. The actions of the Indian Income Tax Department were taken without any prior discussion with Cairn and could not have been anticipated. It is therefore not possible at this stage to predict the course of any future action it might take.”

“The existing portfolio provides many opportunities and we are looking closely at the allocation of capital for the programme beyond 2014, which will be guided by three core principles:

- creating value through exploration;

- maintaining a balanced portfolio, with a strong operating cash flow in the future; and
- capital discipline.”

On 3 April 2014, Cairn announced that two further notices had been received from the Indian Income Tax Department. The first, dated 29 March 2014, is a request made to the Company to file a tax return for the fiscal year ended 31 March 2007. Cairn intends to file a nil return for this notice. The second, dated 31 March 2014, claims that CUHL should have withheld tax on dividends paid to its parent company, Cairn. Neither Cairn nor CUHL has been asked to file any return in respect of this notice and Cairn intends to respond to the notice refuting this claim.

The Directors remain confident about the prospects for the Group for the current financial year.

6. Summary explanation of the resolutions to be proposed at the Annual General Meeting

There are 16 resolutions to be proposed at the Annual General Meeting. Resolutions 1 to 12 and 16 are to be proposed as ordinary resolutions and accordingly will be passed if more than 50 per cent. of the votes cast are in favour. Resolutions 13, 14 and 15 are to be proposed as special resolutions and accordingly will be passed if at least 75 per cent. of the votes cast are in favour. The main terms of the resolutions are summarised below.

Resolution(s) Explanation

1	Resolution 1 proposes the approval of the Company’s accounts, the Directors’ report and the auditor’s report for the year ended 31 December 2013, which the Directors must lay before the Shareholders in a general meeting.
2	Listed companies are required to prepare a directors’ remuneration report and put a resolution to approve the report (other than the directors’ remuneration policy) to the Shareholders at an annual general meeting. A copy of the Directors’ Remuneration Report is set out on pages 81 to 98 (inclusive) of the 2013 Annual Report and Accounts and this resolution seeks approval of the report. In accordance with the Companies Act 2006, the vote on this resolution is advisory and no Director’s remuneration is conditional upon the passing of this resolution.
3	From 1 October 2013, listed companies are required to prepare a directors’ remuneration policy and put a resolution to approve the policy to the Shareholders at least every three years. A copy of the Directors’ Remuneration Policy is contained in the Directors’ Remuneration Report and is set out on pages 82 to 89 (inclusive) of the 2013 Annual Report and Accounts and this resolution seeks approval of that policy. Once the Directors’ Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the policy or has been approved by a resolution of the Shareholders of the Company.
4	The Company is required to appoint an auditor at each general meeting at which accounts are laid before Shareholders, to hold office until the end of the next such meeting. PricewaterhouseCoopers LLP have expressed their willingness to continue as auditor and this resolution proposes their re-appointment as the Company’s auditor.
5	Resolution 5 seeks authority for the Directors to decide the auditor’s remuneration.
6 to 11	In accordance with the UK Corporate Governance Code, Todd Hunt, Iain McLaren, Alexander Berger, Jackie Sheppard, Ian Tyler and Simon Thomson will, being eligible, offer themselves for re-election as directors at the Annual General Meeting. These resolutions seek such re-elections.

Ian Tyler was appointed by the Board as a non-executive director on 28 June 2013. In reviewing the recommendations of the Nomination Committee regarding his appointment, the Board concluded that Ian Tyler is independent in character and judgement and in terms of the UK Corporate Governance Code. In the period since his appointment as a non-executive director of the Company, Ian Tyler has already made effective and valuable contributions to the Board and demonstrates commitment to the role.

The Directors' biographies are set out on pages 62 and 63 of the 2013 Annual Report and Accounts. The Articles of Association provide that directors can be appointed by the Company, by ordinary resolution or by the Board. The Nomination Committee makes recommendations to the Board on the appointment and replacement of directors. Further details of the rules governing the appointment and replacement of directors are set out in the Corporate Governance Statement on pages 67 to 77 of the 2013 Annual Report and Accounts and in the Articles of Association. An explanation of the performance evaluation procedure carried out by the Company is also contained in the Corporate Governance Statement, on pages 68 and 69 of the 2013 Annual Report and Accounts.

12 Resolution 12 seeks to renew the Directors' power to allot shares. It proposes that authority be granted in substitution for the existing authority to allot securities up to a maximum amount of £2,625,319.90, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 11 April 2014, being the latest practicable date prior to publication of this document.

Following guidance issued by the ABI in December 2008 and updated in November 2009, the Company is seeking an additional authority to allot securities in connection with a pre-emptive rights issue up to a maximum amount of £2,625,319.90, representing approximately 33.33% of the Company's total issued ordinary share capital (excluding treasury shares) as at 11 April 2014, being the latest practicable date prior to publication of this document. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue of up to approximately 66.66% of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The Directors consider that the authorities sought pursuant to resolution 12 are desirable to allow the Company to retain flexibility, although they have no present intention of exercising these authorities. The authorities will expire on 30 June 2015 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2015.

As at 11 April 2014, being the latest practicable date prior to publication of this document, the Company did not hold any shares in treasury.

13 Section 561(1) of the Companies Act 2006 provides that if the Directors wish to allot any equity securities, or sell any treasury shares (if it holds any), for cash, they must first offer them to existing shareholders in proportion to their existing shareholdings. Section 561 does not apply to allotments of equity securities made in connection with an employee share scheme.

Resolution 13 seeks to give the Directors power to allot equity securities or sell treasury shares for cash as if section 561 of the Companies Act 2006 did not apply, in connection with rights issues, open offers and other pre-emptive offers pursuant to the authority granted by resolution 12, and otherwise up to a total amount of £393,837.37, representing approximately 5% of the Company's total issued ordinary share capital as at 11 April 2014, being the latest practicable date prior to publication of this document.

The power conferred by resolution 13 will expire at the same time as the authority conferred by resolution 12, unless previously revoked, varied or extended by the Company in general meeting.

14 If passed, resolution 14 will authorise the Company to make market purchases of its own Ordinary Shares. Ordinary Shares repurchased by the Company pursuant to such authority may be cancelled or held in treasury and then either sold (in whole or in part) for cash or cancelled (in whole or in part). The Directors do not intend at present to exercise this authority but wish to retain the flexibility to do so in the future. No dividends will be paid on treasury shares and no voting rights attach to them.

The maximum aggregate number of Ordinary Shares that may be purchased pursuant to the authority shall be approximately 14.99% of the issued ordinary share capital of the Company as at 11 April 2014, being 86,382,003 Ordinary Shares. The maximum price which may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for the Company's Ordinary Shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETs). The minimum price that may be paid for an Ordinary Share pursuant to this resolution (exclusive of expenses) shall be 231/169 pence, being the nominal value of an Ordinary Share.

This authority, if conferred, will only be exercised if the Directors consider that any purchase will result in an increase in earnings per share of the ordinary share capital in issue after the purchase and, accordingly, would be in the best interests of Shareholders generally.

This authority will expire on the earlier of 30 June 2015 or the conclusion of the annual general meeting of the Company to be held in 2015, unless previously revoked, varied or renewed by the Company in general meeting. The Directors intend to seek renewal of this authority at subsequent annual general meetings.

The Company initiated a share buy-back programme during 2013. The Company entered into an irrevocable and non-discretionary agreement with its brokers, Morgan Stanley and Jefferies, to repurchase on the Company's behalf and within certain pre-set parameters, up to US\$300 million of Ordinary Shares for cancellation. As at 11 April 2014, 4.49% of the issued ordinary share capital of the Company as at 12 April 2013, being 27,105,219 Ordinary Shares have been repurchased and cancelled. The Board decided to suspend the share buy-back programme as of 21 March 2014.

As at 11 April 2014, options to subscribe for shares were outstanding over an aggregate of 16,891,522 Ordinary Shares (representing approximately 2.93 per cent. of the issued ordinary share capital of the Company as at 11 April 2014). If the outstanding amount of the existing buy-back authority granted at the annual general meeting of the Company held on 16 May 2013 was utilised in full prior to the Annual General Meeting and the new authority was granted at the Annual General Meeting and was then utilised in full, the options outstanding at 11 April 2014 would represent approximately 3.96 per cent. of the issued share capital of the Company.

15 Under the Companies Act 2006, the notice period required for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings must be held on at least 21 clear days' notice.

At the Company's annual general meeting in 2013, Shareholders authorised the calling of general meetings other than annual general meetings on not less than 14 clear days' notice. The Directors believe that it is appropriate for the Company to retain the flexibility of being able to call a general meeting on 14 clear days' notice and in order to preserve this ability, resolution 15 seeks such approval. The flexibility offered by this resolution will be used where, taking into account all the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting. The approval will be effective until the Company's next annual general meeting in 2015, when it is intended that a similar resolution will be proposed.

16 This resolution proposes that any disposal by any member of the Group of any shares in Cairn India on the terms described in paragraph 3 above be approved.

7. Action to be taken

Enclosed with this document is a Form of Proxy for use in respect of the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete, sign and return the Form of Proxy as soon as possible, and in any event, so as to arrive at the offices of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014. Alternatively, you may register your proxy appointment or voting directions electronically via the www.sharevote.co.uk website not later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014. Further information regarding the use of this facility is set out in the notes to the Notice. If you hold your

Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction so as to be received by the Company's registrars, Equiniti, by no later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014. Completion and return of a Form of Proxy or a CREST Proxy Instruction or submission of an electronic proxy appointment or voting direction will not prevent Shareholders from attending and voting in person at the Annual General Meeting should they so wish.

If you have any queries in relation to the Form of Proxy you may call the Shareholder helpline on 0871 384 2660 (for calls from within the United Kingdom) and +44 121 415 7047 (for calls from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. (UK time) on any Business Day. Please note that calls to these numbers may be monitored or recorded. Calls to 0871 384 2660 are charged at 8 pence per minute plus network extras. Calls to +44 121 415 7047 from outside the United Kingdom are charged at applicable international rates.

Please note that the Shareholder helpline will not provide advice on the merits of the resolutions to be proposed at the Annual General Meeting or the Residual Interest Disposal Authority, or give any personal, legal, financial or tax advice.

8. Further information

Your attention is drawn to the further information set out in Parts II and III of this document.

9. Recommendation

The Board is of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 2,795,630 Ordinary Shares representing approximately 0.485 per cent. of the current issued ordinary share capital of Cairn (as at 11 April 2014, being the latest practicable date prior to the publication of this document).

Yours sincerely,



Sir Bill Gammell
Chairman

PART II

RISK FACTORS

Shareholders should carefully consider, in addition to the other information set out in this document, the risk factors set out below. The Company considers that these risk factors are: (i) the known material risk factors that are risks connected to the Residual Interest Disposal Authority; (ii) the new risks to the Group as a result of the exercise of the Residual Interest Disposal Authority; or (iii) the existing risks to the Group which will be impacted by the exercise of the Residual Interest Disposal Authority. Any of the risks set out below could have a material adverse effect on the Company's business, reputation, financial condition and/or operating results and could cause the trading price of the Ordinary Shares to decline.

The Group may be unable to implement its growth strategy

The Group's strategy is to deliver growth by discovering hidden value by focusing on exploration, appraisal and development opportunities where the Board believes that there is a strategic fit with the Group's ongoing goal to add and, where appropriate, realise value for Shareholders. In order to deliver this strategy, the Group looks to add new exploration opportunities, for which there is significant competition from other E&P companies. Provided that the selling restriction imposed by the Indian Income Tax Department is removed, further sales of Cairn's residual interest in Cairn India are expected to be utilised in part to advance this strategy and will increase Cairn's exposure to new exploration, appraisal and development opportunities. There can be no assurance that the Group will continue to implement this strategy successfully and any failure to do so could materially adversely affect the reputation, financial condition and/or operating results of the Group.

There can be no guarantee that the Group will be successful in its future exploration and development efforts

The Group holds extensive exploration acreage in the UK, Republic of Ireland, Norway, Greenland, Spain, France, Morocco, Malta, Mauritania and Senegal, being subject to an ongoing exploration work programme. Successful exploration and development of this acreage, as well as any other new acreage acquired by Cairn, will become increasingly important to Cairn's continued success as it exits its retained interest in Cairn India. There can be no assurance that the Group's future exploration and development activities will result in the discovery and exploitation of commercial accumulations of oil and gas. Should the Group's efforts be unsuccessful and result in the Group's reserves not increasing, this could have a negative impact on the Group's business, financial condition, prospects and results of operations.

Failure to approve the Residual Interest Disposal Authority

Failure of Shareholders to approve the Residual Interest Disposal Authority will mean that Cairn will be limited in its ability to complete on-market transactions in respect of its residual interest in Cairn India. This may mean that Cairn is unable to take advantage of opportunities to maximise sale proceeds, in the event Cairn determines that it is in the best interests of Shareholders as a whole to dispose of some or all of its residual interest in Cairn India and the selling restriction imposed by the Indian Income Tax Department is removed.

Indian Income Tax Department restriction on sales of the residual interest in Cairn India

As Cairn announced on 24 January 2014, Cairn has received a request from the Indian Income Tax Department to provide information in relation to the year ended 31 March 2007. Further to this, Cairn has re-confirmed with its advisers that throughout its history of operating in India the Company has been fully compliant with the tax legislation in force in each year. The correspondence received from the Indian Income Tax Department indicates that the request for information is in respect of amendments introduced in the 2012 Indian Finance Act which seek to tax prior year transactions under legislation applied retrospectively. While the interactions with the Indian Income Tax Department continue, Cairn has been restricted from selling its shares in Cairn India. On 3 April 2014, Cairn announced that two further notices had been received from the Indian Income Tax Department. The first, dated 29 March 2014, is a request made to the Company to file a tax return for the fiscal year ended 31 March 2007. Cairn intends to file a nil return for this notice. The second, dated 31 March 2014, claims that CUHL should have withheld tax on dividends paid to its parent company, Cairn. Neither Cairn nor CUHL has been asked to file any return in respect of this notice and Cairn intends to respond to the notice refuting this claim. Cairn intends to take whatever steps are necessary to protect the Company's interests and to defend its position. The Company is unable to determine how long the selling restriction will remain in place, however while it remains in place, Cairn is unlikely to be able to take advantage of opportunities to maximise sale

proceeds. Albeit that at the date of this document no demand from the Indian Income Tax Department has been received by any member of the Group, there is also a risk that any determination or resolution of this matter results in a liability to the Indian Income Tax Department.

The value of the residual interest in Cairn India is determined by factors outside of the Group's control

The retained shareholding in Cairn India represents a significant proportion of the Group's value but the Group no longer controls Cairn India and has very limited ability to influence the performance of Cairn India. Any failure by Cairn India in successfully managing and developing its business and/or the occurrence of any negative operational or market events could have a material adverse effect on the market value of the Group's retained interest in Cairn India and on its ability to realise value from the retained interest.

Increased cash resources will require prudent and secure investment

Following completion of the sale of the retained shareholding, the Group will have a significant amount of cash which will require investment and increases the treasury risk. Every investment involves some degree of risk. There is a risk, therefore, that the Group's investments are exposed to volatile market conditions or other risk factors and do not perform as well as expected.

Liability for certain obligations of the Cairn India Group

Following completion of the sale of a majority shareholding in Cairn India to Vedanta in January 2012, Vedanta has submitted parent company guarantees ("PCGs") to the Government of India ("GOI") in respect of certain obligations of members of the Cairn India Group under existing PSCs in India. These PCGs have been submitted as replacements for those previously provided by Cairn. As yet, however, the original Cairn PCGs have not been released. While Cairn does have indemnity cover from either Cairn India or Vedanta in respect of these non released PCGs, there is a risk that the GOI can still call upon these PCGs until such time as they are released. In addition, Cairn is awaiting the release of its PCG in respect of a PSC for a block relinquished by Cairn India. Although all conditions and obligations under the PSC have been satisfied by Cairn India, due to a force majeure event, the obligations were satisfied late and the GOI has disputed whether the obligations were satisfied within the necessary timeframe, thus delaying the relinquishment and release of the PCG. Cairn India is disputing the GOI's position. Should these PCGs be called upon, the amount or costs of meeting its obligations under the guarantees may not be fully recoverable by Cairn. Accordingly, liabilities incurred by the relevant members of the Group under those parent company guarantees could adversely affect the Group's business, operating results and/or financial condition even if the Group were to dispose of all or part of its residual holding in Cairn India.

Risk relating to potential UK tax liability on further disposals of the Group's residual interest in Cairn India

Previous sales of Cairn India shares carried out by the Group in June and September 2012 are considered to be exempt from tax in the UK. In January 2014, the Group sold a further 0.63% stake in Cairn India thereby reducing the shareholding to less than 10%. The Group would expect that any sale of the residual shareholding (following the removal of the restriction on sales imposed by the Indian Income Tax Department) would be similarly exempt from tax in the UK provided that the entire residual stake is sold within twelve months of going below 10%. However, if the Group were to sell shares after that twelve month period had expired then such sale would be expected to attract tax in the UK at the applicable rate (unless the Group's percentage shareholding in Cairn India again becomes more than 10%, either as a result of Cairn India's announced buyback programme or of purchases of Cairn India shares made by the Group, in which case the exemption from tax in the UK would continue to apply until twelve months after the Group's interest in Cairn India was subsequently reduced below 10%).

There is a risk, therefore, that the Group will be unable or unwilling to sell the entire residual shareholding within a twelve month period of selling to below a 10% shareholding in Cairn India, and that the net proceeds of any shares sold after this twelve months would be reduced by UK taxes due on those sales.

PART III
ADDITIONAL INFORMATION

1. Responsibility statements

The Company and the Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors' and others' interests

2.1 Save as set out below, none of the Directors or other persons discharging managerial responsibilities (“PDMRs”) has any interest in the share capital of the Company or any of its subsidiary undertakings.

2.2 The interests (all of which are beneficial) of the Directors, of their respective immediate families and (so far as is known or could with reasonable diligence be ascertained by the relevant Director) of any person connected with a Director in the share capital of the Company as at 11 April 2014 (being the latest practicable date prior to the publication of this document) are as follows:

Director	Number of Ordinary Shares	Percentage of issued ordinary share capital*
Sir Bill Gammell	656,131	0.114%
Todd Hunt	72,012	0.012%
Iain McLaren	7,878	0.001%
Dr James Buckee	37,788	0.007%
Alexander Berger	20,169	0.003%
Jackie Sheppard	Nil	Nil
Ian Tyler	Nil	Nil
Simon Thomson ⁽³⁾	455,137	0.079%
Dr Mike Watts ⁽³⁾	1,232,686	0.214%
Jann Brown ⁽³⁾	313,829	0.054%

* (rounded to the nearest third decimal place)

Notes:

(1) The table set out above assumes no dealings by the Directors or their connected persons and that no further Ordinary Shares are issued, whether pursuant to the exercise of options or otherwise, in each case after 11 April 2014 (being the latest practicable date prior to the publication of this document).

(2) The interests of the Directors in Ordinary Shares together represent 0.485 per cent. (rounded to the nearest third decimal place) of the issued ordinary share capital of the Company as at 11 April 2014 (being the latest practicable date prior to the publication of this document).

(3) The interests of the executive directors include Ordinary Shares awarded to them under the SIP. These awards consist of “partnership shares” purchased using deductions from the relevant Director’s salary and also “free shares” and free “matching shares” awarded by the Company. These shares are beneficially owned by the Director from the date of purchase/award and, as a consequence, are included in the numbers of Ordinary Shares shown above.

2.3 The interests (all of which are beneficial) of the PDMRs (other than the Directors) in the share capital of the Company as at 11 April 2014 (being the latest practicable date prior to the publication of this document) are as follows:

PDMR	Number of Ordinary Shares	Percentage of issued ordinary share capital*
Richard Heaton, Director of Exploration ⁽²⁾	601,891	0.104%
Paul Mayland, Chief Operating Officer ⁽²⁾	14,656	0.003%
Phil Dolan, Director of Operations ⁽²⁾	27,430	0.005%
Douglas Taylor, Deputy Finance Director ⁽²⁾	41,897	0.007%
Ian Watt, Regional Director (North Atlantic & Mediterranean) ⁽²⁾	34,529	0.006%
Rob JE Jones, Regional Director (Africa) ⁽²⁾	141,036	0.024%
Brita Holstad, Regional Director (UK & Norway)/ Managing Director of Capricorn Norge AS ⁽³⁾	Nil	Nil

* (rounded to the nearest third decimal place)

Notes:

- (1) The table set out above assumes no dealings by the PDMRs or their connected persons and that no further Ordinary Shares are issued, whether pursuant to the exercise of options or otherwise, in each case after 11 April 2014 (being the latest practicable date prior to the publication of this document).
- (2) The interests of these PDMRs include Ordinary Shares awarded to them under the SIP. These awards consist of “partnership shares” purchased using deductions from the relevant PDMR’s salary and also “free shares” and free “matching shares” awarded by the Company. These shares are beneficially owned by the PDMR from the date of purchase/award and, as a consequence, are included in the numbers of Ordinary Shares shown above.
- (3) Ms Holstad does not participate in the SIP as she is not a UK resident tax payer.

2.4 As at 11 April 2014 (being the latest practicable date prior to the publication of this document), the Directors and other PDMRs held the following outstanding rights to acquire Ordinary Shares under the 2009 LTIP:

	Outstanding awards under the 2009 LTIP
	Ordinary Shares
Director	
Simon Thomson	2,364,301
Dr Mike Watts	2,195,476
Jann Brown	1,998,484
PDMR	
Richard Heaton	1,039,674
Paul Mayland	1,122,091
Phil Dolan	758,869
Douglas Taylor	471,481
Ian Watt	605,080
Rob JE Jones	563,576
Brita Holstad	275,761

2.5 As at 11 April 2014 (being the latest practicable date prior to publication of this document) the aggregate number of Ordinary Shares in respect of which options or other rights to subscribe had been granted by the Company was 16,891,522 (representing approximately 2.93 per cent. of the issued ordinary share capital of the Company, excluding shares held in treasury at that date).

2.6 If the authority in resolution 14 to be proposed at the Annual General Meeting was utilised in full following the resolution becoming effective, the options to subscribe for Ordinary Shares which were outstanding as at 11 April 2014 (being the latest practicable date prior to publication of this document) would represent 3.45 per cent. of the issued ordinary share capital of the Company.

3. Major Interests

3.1 Insofar as is known to the Company, as at 11 April 2014 (being the latest practicable date prior to the publication of this document), the name of each person who, whether directly or indirectly, held a notifiable interest of 3 per cent. or more of the issued ordinary share capital of the Company, and the amount of each person’s interest, was as follows:

Shareholder	Number of Ordinary Shares	Percentage of issued ordinary share capital*
MFS Investment Management	68,798,702	11.94%
BlackRock	54,144,260	9.40%
Franklin Templeton	32,908,428	5.71%
Aviva Investors	23,204,020	4.03%
Schroder Investment Management	21,328,463	3.70%
Greenlight Capital	21,060,000	3.65%
Legal & General Investment Management	19,548,288	3.39%
Oppenheimer Funds	19,444,355	3.37%

* (rounded to the nearest second decimal place)

4. Remuneration of Directors and service contracts

4.1 Executive directors' service agreements

On 6 December 2002, Dr Mike Watts entered into an agreement with Cairn to act as an executive director and exploration director. On 17 November 2006, Jann Brown entered into an agreement with Cairn to act as an executive director and finance director. On 29 June 2011, Simon Thomson entered into an agreement with Cairn to act as an executive director and chief executive with effect from 1 July 2011.

The service agreements are permanent contracts but can be terminated by either the Director concerned or Cairn on giving 12 months' notice of termination. The retirement age for Dr Mike Watts and Jann Brown under their service agreements is 60 and 65 respectively. Simon Thomson's service agreement does not specify a retirement age.

Under the service agreements, as amended, the current annual basic salary of Simon Thomson, Dr. Mike Watts and Jann Brown is as follows:

Simon Thomson	£538,125
Dr Mike Watts	£475,600 ⁽¹⁾
Jann Brown	£437,675 ⁽¹⁾

Notes:

(1) As announced on 10 April 2014, Dr Mike Watts, Deputy CEO, and Jann Brown, Managing Director and CFO, will not seek re-election at the Annual General Meeting and will stand down as Directors with effect from that date. Dr Mike Watts' base salary will be reduced by £75,000 to £400,600 during his notice period. It is currently intended that he will remain as an employee of the Company until 31 December 2014. Jann Brown's base salary will be reduced by £75,000 to £362,675 during her notice period. It is currently intended that Jann will work her one year notice period and will remain an employee of the Company during this time.

Salaries are reviewed on an annual basis by the Remuneration Committee. Bonus payments are at the sole discretion of the Remuneration Committee.

Each executive director is entitled to a company car up to a maximum value of £70,000, permanent health insurance, private health insurance and death in service benefit of up to four times annual basic salary at the date of death.

The Company operates a defined contribution group personal pension plan in the UK, called the Capricorn Oil Group Pension Plan. The scheme is non-contributory and all UK permanent employees are eligible to participate. The Company contributes 15 per cent. in respect of the annual basic salary of each of the executive directors.

Simon Thomson and Jann Brown each have an individual personal pension plan and receive a contribution from Cairn equal to 15 per cent. of his/her annual basic salary.

Dr Mike Watts' pension arrangements are fully funded. Where an executive director's pension arrangements are fully funded or applicable statutory limits have been reached, an amount equal to 15 per cent. of salary contribution is paid in the form of additional salary.

The service agreements do not provide for any commission or profit-sharing arrangements.

On a change of control of the Company resulting in the termination of an executive director's employment within three months of such change of control, each of the executive directors is entitled to receive compensation of a sum equal to his/her annual basic salary as at the date of termination of employment.

Each executive director is subject to post-termination obligations for a period of six months from the date of termination of employment. The obligations relate to non-competition, non-soliciting of clients or employees, and non-interference with the existing suppliers of the Company.

4.2 Non-executive directors' letters of appointment

Letters of appointment have been entered into between the Company and each of the non-executive directors, which set out their respective responsibilities. Those letters of appointment do not provide for any period of notice. However, under the Articles of Association, all non-executive directors must retire by rotation at least every three years. Notwithstanding these provisions of the Articles of Association, the Board has resolved (consistent with the UK Corporate Governance Code) that all Directors who are eligible should offer

themselves for re-election at the Annual General Meeting. The following table sets out the date of appointment or last reappointment of each non-executive director. No compensation is payable to any non-executive director who retires by rotation and is not re-elected or whose appointment is otherwise terminated by the Company. In addition to an annual fee, each non-executive director is also entitled to be reimbursed for all reasonable out-of-pocket expenses properly incurred in the performance of his or her duties.

Director	Date of appointment or of last reappointment	Annual fee
Sir Bill Gammell	16 May 2013	£241,900
Todd Hunt	16 May 2013	£ 73,800
Iain McLaren	16 May 2013	£ 73,800 ⁽¹⁾
Dr James Buckee	16 May 2013	£ 73,800
Alexander Berger	16 May 2013	£ 73,800
Jackie Sheppard	16 May 2013	£ 73,800 ⁽²⁾
Ian Tyler	28 June 2013	£ 73,800

(1) Iain McLaren is also entitled to an additional annual fee of £10,000 for chairing the Audit Committee.

(2) Jackie Sheppard is also entitled to an additional annual fee of £10,000 for chairing the Remuneration Committee.

(3) As announced on 3 March 2014, Ian Tyler will succeed Sir Bill Gammell as the non-executive Chairman of the Company at the Annual General Meeting. His annual fee for this role will be £160,000.

Save as disclosed in paragraphs 4.1 and 4.2 above, there are no existing or proposed service contracts or letters of appointment between any Director and any member of the Group.

5. Material Contracts

The Group

Other than the agreements entered into with the Company's brokers to repurchase, on the Company's behalf, Ordinary Shares in the Company (on which, please see below), no member of the Group has entered into any contracts (not being contracts entered into in the ordinary course of business) either: (i) within the two years immediately preceding the publication of this document which are, or may be, material to the Group; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document.

(a) Agreement relating to the repurchase of Ordinary Shares

On 21 October 2013 and 14 January 2014, the Company entered into irrevocable and non-discretionary arrangements with its brokers, Morgan Stanley and Jefferies, to repurchase on the Company's behalf and within certain pre-set parameters, up to US\$300 million of Ordinary Shares for cancellation. These arrangements were reviewed by the Board on a quarterly basis. The Board decided to suspend the share buy-back programme as of 21 March 2014.

The Group's shareholding in Cairn India

Other than the contracts entered into with Citigroup Global Markets in connection with the sale of shares in Cairn India (on which, please see below), no member of the Group has entered into any contracts (not being contracts entered into in the ordinary course of business) either: (i) within the two years immediately preceding the publication of this document which are, or may be, material to the Group's shareholding in Cairn India; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group's shareholding in Cairn India as at the date of this document.

(a) Agreement with Citigroup Global Markets dated 29 June 2012

On 29 June 2012, Cairn reached an agreement with Citigroup Global Markets to complete an on-market sale of a total of 66,758,864 shares in Cairn India, representing approximately a 3.5% shareholding in Cairn India. Cash proceeds from the sale were approximately US\$360 million (after transaction costs).

(b) Agreement with Citigroup Global Markets dated 24 September 2012

On 24 September 2012, Cairn reached an agreement with Citigroup Global Markets to complete an on-market sale of a total of 152,629,500 shares in Cairn India, representing approximately an 8% shareholding in Cairn India. Cash proceeds from the sale were approximately US\$910 million (after transaction costs).

(c) *Engagement letters with Citigroup Global Markets dated 15 and 22 January 2014*

On 15 and 22 January 2014, Cairn appointed Citigroup Global Markets to complete on-market sales of a total of 12,048,836 shares in Cairn India, representing approximately a 0.63% shareholding in Cairn India. Cash proceeds from the sale were approximately US\$63.2 million (after transaction costs).

6. Related party transactions

6.1 Save as set out below, no related party transactions have been entered into by members of the Group between 1 January 2011 and 11 April 2014 (being the latest practicable date prior to the publication of this document).

The related party transactions for the purposes of the standards adopted according to Commission Regulation (EC) No. 1606/2002 which the Company entered into during the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013 are included in this document through the incorporation by reference of the annual reports and accounts of the Company for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013.

The information incorporated by reference for the period ended 31 December 2013 can be found on pages 81 to 98 and in note 7.8 on pages 138 and 139 of the 2013 Annual Report and Accounts.

The information incorporated by reference for the period ended 31 December 2012 can be found on pages 66 to 83 and in note 6.6 on page 123 of the annual report and accounts for the Company for the period ended 31 December 2012.

The information incorporated by reference for the period ended 31 December 2011 can be found on pages 69 to 87 and in note 6.4 on page 126 of the annual report and accounts of the Company for the period ended 31 December 2011.

6.2 The Company entered the following related party transactions for the purposes of the standards adopted according to Commission Regulation (EC) No. 1606/2002 during the period from 1 January 2014 to 11 April 2014 (being the latest practicable date prior to the publication of this document):

(a) *Remuneration of key management personnel*

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate:

	<u>US\$M</u>
Short-term employee benefits	0.9
Pension contributions	0.1
Share-based payments	0.9
	1.9

(b) *Subsidiary Undertakings*

The following table provides the total amount of transactions which have been entered into by the Company with its subsidiary undertakings:

	<u>US\$M</u>
Transactions during the period	
Amounts invoiced to subsidiaries	1.4
Amounts invoiced from subsidiaries	0.9
Finance income – dividends received	–
 Balances as at 11 April 2014	
Amounts owed by subsidiary undertakings	307.8
Amounts owed to subsidiary undertakings	(6.9)
	300.9

7. **Litigation**

The Group

Save as disclosed below under the heading “Indian Income Tax Department restriction on sales of the residual interest in Cairn India”, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which in the 12 months immediately preceding the date of this document, may have, or have had, a significant effect on the Group’s financial position or profitability.

The Group’s shareholding in Cairn India

Save as disclosed below under the heading “Indian Income Tax Department restriction on sales of the residual interest in Cairn India”, there are no governmental, legal or arbitration proceedings in relation to the Group’s shareholding in Cairn India (including any such proceedings which are pending or threatened of which the Company is aware) which in the 12 months immediately preceding the date of this document, may have, or have had, a significant effect on the Group’s financial position or profitability.

Indian Income Tax Department restriction on sales of the residual interest in Cairn India

On 24 January and 3 April 2014, Cairn announced that it had received requests from the Indian Income Tax Department to provide information and to file tax returns for the year ended 31 March 2007. While interactions are ongoing with the Indian Income Tax Department, Cairn has been restricted by the Indian Income Tax Department from selling its shares in Cairn India. Whilst no member of the Group has received any demand from the Indian Income Tax Department, there is a risk, as more fully described in Part II of this document under the heading “Indian Income Tax Department restriction on sales of the residual interest in Cairn India”, that steps taken by the Indian Income Tax Department could result in governmental, legal or arbitration proceedings.

8. **Significant Change**

The Group

Save as set out below, there has been no significant change in the trading or financial position of the Group since 31 December 2013, being the date to which the last annual consolidated accounts of the Group were prepared.

Morocco

Cairn completed the JM-1 exploration well, offshore Morocco in March 2014. As the well did not encounter commercial hydrocarbon reservoirs it was plugged and abandoned. Costs incurred from 1 January 2014 to 11 April 2014 of US\$83m will be expensed as unsuccessful exploration costs.

The Group’s shareholding in Cairn India

The share price of Cairn India has risen from INR323.75 on 31 December 2013 (being the date to which the last annual consolidated accounts of the Group were prepared) to INR358.40 on 11 April 2014 (the latest practicable date before the publication of this document), leading to a 10.7 per cent. increase in the INR market value of the shareholding in Cairn India; however, movements in the USD:INR foreign exchange rates mean that the USD market value of the shareholding has increased 13.7 per cent. over the period. As at 11 April 2014, the market value of the Group’s residual interest in Cairn India was approximately US\$1.1 billion, based on an exchange rate of US\$1:INR60.1763.

As noted previously, Cairn has received requests from the Indian Income Tax Department to provide information and to file tax returns for the year ended 31 March 2007. While interactions are ongoing with the Indian Income Tax Department, Cairn has been restricted by the Indian Income Tax Department from selling its shares in Cairn India. At the Group’s next reporting date, the carrying value of the Group’s residual interest in Cairn India will be assessed for impairment which will reflect the circumstances that exist at that time.

9. Working Capital

Cairn is of the opinion that the Continuing Group has sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this document.

10. Treasury shares held by the Company

As at 11 April 2014 (being the latest practicable date before the publication of this document), the Company held no Ordinary Shares as treasury shares.

11. Documents available for inspection

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from the date of publication of this Notice until the time of the meeting (public holidays excepted) and at the place of the Annual General Meeting for at least 15 minutes before and during the meeting:

- (i) the executive directors' service contracts and non-executive directors' letters of appointment;
- (ii) copies of the Company's annual report and accounts for 2011, 2012 and 2013; and
- (iii) this document.

12. Consent

Rothschild has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.

Date: 15 April 2014

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy, unless the context requires otherwise:

“2009 LTIP”	the Cairn Energy PLC Long Term Incentive Plan (2009);
“2009 Option Plans”	the Cairn Energy PLC Approved Share Option Plan (2009) and the Cairn Energy PLC Unapproved Share Option Plan (2009);
“2013 Annual Report and Accounts”	the annual report and accounts of the Company for the year ended 31 December 2013;
“Annual General Meeting”	the annual general meeting of Cairn to be held in the Castle Suite of The Caledonian, a Waldorf Astoria Hotel, Princes Street, Edinburgh EH1 2AB at 11.00 a.m. (UK time) on Thursday, 15 May 2014;
“Articles of Association”	the articles of association of the Company from time to time;
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which pound sterling deposits may be dealt in on the London inter-bank market and commercial banks are open for general business in London;
“Cairn India”	Cairn India Limited, incorporated in India;
“Cairn India Group”	Cairn India and its subsidiary undertakings;
“Cairn Share Schemes”	the 2009 LTIP, the Cairn Energy PLC 2002 Unapproved Share Option Plan, the Cairn Energy PLC 2003 Approved Share Option Plan, the 2009 Option Plans, the Cairn Energy PLC Replacement Share Option Plan and the SIP;
“Citigroup Global Markets”	Citigroup Global Markets India Private Limited;
“Company” or “Cairn”	Cairn Energy PLC, a company incorporated in Scotland with registered number SC226712;
“Continuing Group”	the Group excluding the Group’s residual interest in Cairn India”;
“CREST”	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities (as defined in the Uncertificated Securities Regulations 2001 (SI. 2001 No. 3775)) operated by Euroclear;
“CREST Manual”	the current version of the CREST manual from time to time;
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the Annual General Meeting and containing the information required to be contained therein by the CREST Manual;
“CUHL”	Cairn UK Holdings Limited;
“Directors” or “Board”	the board of directors of Cairn, from time to time, or, where appropriate, any duly authorised committees of it;
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules of the UKLA;
“Equiniti”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;

“Euroclear”	Euroclear UK & Ireland Limited;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the form of proxy enclosed with this document, for use by Shareholders in connection with the Annual General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Group”	Cairn and its subsidiary undertakings;
“Indian Stock Exchanges”	the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited;
“Listing Rules”	the listing rules made by the UKLA for the purposes of Part VI of FSMA;
“Notice”	the Notice of Annual General Meeting at the end of this document;
“Ordinary Shares”	the ordinary shares of 231/169 pence each in the capital of the Company;
“Residual Interest Disposal Authority”	the authority to dispose of or reduce Cairn’s residual interest in Cairn India, as described in this document;
“Rothschild”	N M Rothschild & Sons Limited;
“Shareholders”	holders of Ordinary Shares;
“SIP”	the Cairn Energy PLC 2010 Share Incentive Plan;
“UKLA”	the FCA acting in its capacity as a competent authority for the purposes of Part VI of FSMA;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia; and
“Vedanta”	Vedanta Resources plc, incorporated in England and Wales with registered number 04740415.

CAIRN ENERGY PLC

(Incorporated in Scotland with registered number SC226712)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of Cairn Energy PLC (the “**Company**”) will be held in the Castle Suite of The Caledonian, a Waldorf Astoria Hotel, Princes Street, Edinburgh EH1 2AB at 11.00 a.m. (UK time) on Thursday, 15 May 2014 for the following purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 12 and 16 will be proposed as ordinary resolutions and resolutions 13 to 15 will be proposed as special resolutions:

1. That the reports and accounts for the year ended 31 December 2013 be received.
2. That the directors’ remuneration report (excluding the directors’ remuneration policy referred to in resolution 3 below) contained within the report and accounts for the year ended 31 December 2013 be approved.
3. That the directors’ remuneration policy set out on pages 82 to 89 of the report and accounts for the year ended 31 December 2013 be approved.
4. That PricewaterhouseCoopers LLP be re-appointed as auditor of the Company.
5. That the directors be authorised to fix the auditor’s remuneration.
6. That Ian Tyler be re-elected as a director.
7. That Todd Hunt be re-elected as a director.
8. That Iain McLaren be re-elected as a director.
9. That Alexander Berger be re-elected as a director.
10. That M. Jacqueline Sheppard QC be re-elected as a director.
11. That Simon Thomson be re-elected as a director.
12. That:
 - (a) the directors of the Company (the “**Directors**”) be generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to a maximum nominal amount of £2,625,319.90;
 - (b) in addition to the authority contained in sub-paragraph (a) of this resolution, the Directors be authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, comprising equity securities (within the meaning of section 560(1) of the Companies Act 2006 (as amended) (the “**Act**”)) up to a maximum nominal amount of £2,625,319.90 in connection with a Pre-Emptive Offer undertaken by means of a rights issue;
 - (c) the authorities given by this resolution:
 - (i) are given pursuant to section 551 of the Act and shall be in substitution for all pre-existing authorities under that section; and
 - (ii) unless renewed, revoked or varied in accordance with the Act, shall expire on 30 June 2015 or, if earlier, at the end of the next annual general meeting of the Company to be held in 2015, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares in the Company, or the grant of rights to subscribe for or to convert any security into shares in the Company, after such expiry; and

(d) for the purpose of this resolution, “**Pre-Emptive Offer**” means an offer of equity securities to:

- (i) holders of ordinary shares (other than the Company) on a fixed record date in proportion to their respective holdings of such shares; and
- (ii) other persons entitled to participate in such offer by virtue of, and in accordance with, the rights attaching to any other equity securities held by them,

in each case, subject to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractional entitlements, legal, regulatory or practical problems under the laws or the requirements of any regulatory body or stock exchange of any territory or otherwise.

13. That:

- (a) subject to the passing of resolution 12 set out in the notice of Annual General Meeting dated 15 April 2014 (the “**Allotment Authority**”), the directors of the Company be given power pursuant to section 570 of the Companies Act 2006 (as amended) (the “**Act**”) to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the Allotment Authority, and to sell treasury shares wholly for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment of equity securities or the sale of treasury shares:
 - (i) in the case of paragraph (a) of the Allotment Authority:
 - (a) in connection with a Pre-Emptive Offer (as defined in the Allotment Authority); or
 - (b) otherwise than in connection with a Pre-Emptive Offer, up to a maximum nominal amount of £393,837.37;
 - (ii) in the case of paragraph (b) of the Allotment Authority, in connection with a Pre-Emptive Offer undertaken by means of a rights issue; and
- (b) the power given by this resolution:
 - (i) shall be in substitution for all pre-existing powers under section 570 of the Act; and
 - (ii) unless renewed in accordance with the Act, shall expire at the same time as the Allotment Authority, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry.

14. That, in substitution for any existing authority, the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (as amended) (the “**Act**”), to make market purchases (within the meaning of section 693 of the Act) of fully-paid ordinary shares of 231/169 pence each (“**Ordinary Shares**”) on such terms and in such manner as the directors of the Company may decide provided that:

- (i) the maximum number of Ordinary Shares that may be purchased by the Company pursuant to this authority is 86,382,003 (representing approximately 14.99% of the Company’s issued ordinary share capital at 11 April 2014);
- (ii) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall not be less than the nominal value of that share at the time of purchase;
- (iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share purchased pursuant to this authority is an amount equal to the higher of (a) an amount equal to 105% of the average of the middle market prices shown in the quotations for the Company’s Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System; and

- (iv) unless previously varied, revoked or renewed, the authority conferred by this resolution shall expire on the earlier of 30 June 2015 or at the end of the next annual general meeting of the Company to be held in 2015, but the Company may make a contract to purchase Ordinary Shares under this authority before its expiry which will or may be completed wholly or partly after the expiry of this authority, and may complete such a purchase as if this authority had not expired.

15. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the end of the next annual general meeting of the Company to be held in 2015.

16. That:

- (a) any disposals by the Company or any subsidiary undertaking of the Company of any or all shares in Cairn India Limited held by it at or as close as reasonably possible to the prevailing market price if and when the Company considers it appropriate and in the best interests of shareholders as a whole to make such disposals ("Disposals") be approved;
- (b) the directors of the Company (or a duly authorised committee thereof) be authorised to take all steps as they consider necessary or appropriate to effect any Disposals; and
- (c) the power given by this authority:
 - (i) shall be in substitution for any existing authority; and
 - (ii) unless previously varied, revoked or renewed, the authority conferred by this resolution shall expire on the earlier of 30 June 2015 or at the end of the next annual general meeting of the Company to be held in 2015.

By Order of the Board

Duncan Wood
 Company Secretary
 50 Lothian Road
 Edinburgh EH3 9BY

15 April 2014

Shareholder Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the Meeting to represent you. A form of proxy accompanies this Notice of Annual General Meeting and must be lodged with the Company at the office of its registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (the "Registrars") or received via the Sharevote service (see Note 2 below) or lodged using the CREST proxy voting service (see Note 3 below) not less than 48 hours before the time appointed for the Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). The appointment of a proxy or submission of an electronic voting direction will not preclude a member entitled to attend and vote at the Meeting from doing so if he or she wishes. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. If you wish to change or revoke your proxy appointment, please contact the Registrars on 0871 384 2660 (for calls from within the United Kingdom) and +44 (0) 121 415 7047 (for calls from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. (UK time) on any Business Day. Calls to 0871 384 2660 are charged at 8 pence per minute plus network extras. Calls to +44 121 415 7047 from outside the United Kingdom are charged at applicable international rates.
2. Members may register their proxy appointments or voting directions electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the Voting ID, Task ID and Shareholder Reference Number set out on the form of proxy which accompanies this Notice of Annual General Meeting. Members are advised to read the terms and conditions of use carefully. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. The Company will not accept any communication that is found to contain a computer virus.

3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 15 May 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrars (ID RA19) by no later than 11.00 a.m. (UK time) on Tuesday, 13 May 2014, or, in the event that the Meeting is adjourned, not less than 48 hours before the time appointed for the adjourned Meeting (excluding any part of any day that is not a working day). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST core processor) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings, which can be viewed at www.euroclear.com. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary Share. To appoint more than one proxy, please contact the Registrars on 0871 384 2660 (for calls from within the United Kingdom) and +44 (0) 121 415 7047 (for calls from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. (UK time) on any Business Day. Please note that calls to these numbers may be monitored and recorded. Calls to 0871 384 2660 are charged at 8 pence per minute plus network extras. Calls to +44 121 415 7047 from outside the United Kingdom are charged at applicable international rates.
5. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**Nominated Persons**”). Nominated Persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
6. Any corporation which is a shareholder can appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same Ordinary Shares.
7. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00pm (UK time) on Tuesday, 13 May 2014 (or, in the event of any adjournment, on the date which is two days (excluding any part of a day that is not a working day) before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8. As at 5.00pm on 11 April 2014 (being the latest practicable time before printing this Notice of Annual General Meeting), the Company's issued share capital comprised 576,264,201 ordinary shares of 231/169 pence each. Each such ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at 5.00pm on 11 April 2014 was 576,264,201.
9. In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Annual General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Annual General Meeting will be available on the Company's website at www.cairnenergy.com.
10. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
11. Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. A member may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purpose other than those expressly stated.
13. This Notice of Annual General Meeting should be read in conjunction with the sections of the Annual Report and Accounts of the Company for 2013 entitled 'Board of Directors', 'Directors' Report', 'Strategic Review', 'Corporate Governance Statement', and 'Directors' Remuneration Report'.

