

News

Cairn starts drilling operations offshore Morocco and adds further frontier exploration acreage to its Atlantic Margin portfolio

28 October, 2013

Cairn is pleased to announce it has entered into a farm-in agreement with Kosmos Energy and the Moroccan National Oil Company (ONHYM) for a 20% non-operated interest in an exploration block offshore North West Africa which is scheduled for drilling in H2 2014.

The farm-in to the Cap Boujdour exploration permit enables Cairn to access frontier acreage with transformational potential and containing a range of exploration play types. In the event of success, the area has significant follow-up potential.

The permit is ~50 kilometres (km) offshore Morocco, covering an area of 27,700km² in the Aaiun Basin in water depths of 1,000 - 3,000 metres (m). The permit is covered by a regional 2D grid and 2,000 km² 3D seismic surveys. Kosmos has identified three prospects within the 3D area with the largest of these, Gargaa located at ~2,135m water depth.

Under the terms of the farm-in agreement, which is subject to Morocco Government approval, Cairn will pay a promoted share of future exploration costs, towards a 3D seismic survey, an exploration well planned for 2014 and, if successful, two appraisal wells, all subject to a maximum expenditure cap.

Cairn also announces that it has now commenced drilling operations on the FD-I wildcat exploration well on the F prospect offshore Morocco using the Cajun Express, a fifth generation semi-submersible drilling unit.

The FD-I exploration well is located in 1,500m of water approximately 120km offshore Morocco in the Fom Draa block (Cairn 50% Working Interest (WI) and Operator). The well has a planned Total Depth of 5,500m True Vertical Depth Sub Sea (TVDS) and operations are anticipated to take approximately 60 days.

This well is the first in a planned multi-well exploration sequence and once operations are completed on FD-1 the rig will move to the Cap Juby location in Morocco to drill an exploration well targeting Middle Jurassic carbonates, subject to necessary approvals.

Cairn, through its wholly owned subsidiary Capricorn Exploration and Development Limited, partners in the project with ONHYM, San Leon Energy, Serica Energy plc and Longreach Oil & Gas Ltd.

Simon Thomson, Chief Executive, Cairn Energy PLC said:

"This farm-in builds on our existing Atlantic Margin portfolio where we have a strategic presence across three countries in Morocco, Senegal and Mauritania. The new acreage offers transformational exploration potential in a frontier region where Cairn is already well established. We are delighted to be working with Kosmos who are a proven and valuable operating partner with a track record of exploration success in similar play types along the West African margin."

Cairn's 12 month multi-well high impact frontier exploration programme along the Atlantic Margin has started and offers shareholders material growth potential."

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