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5 July 2016

Dear Joanna

Thank you for your most recent letter to Simon Thomson to which I am happy to respond.

I would like firstly to make clear that Cairn participated in one exploration well offshore Western Sahara two years ago (Cairn 20% working interest, Kosmos Energy 55% working interest and Operator) which was unsuccessful, and we have no current operations in the region.

As outlined in our previous letters to WSRW of 21 February 2014 and 20 April 2016; Cairn has always acted in accordance with international law. Our exploration activities complied with the 2002 UN Legal Opinion, which determined, among other things, that Morocco has the right to enter into agreements for hydrocarbon exploration offshore Western Sahara. The 2002 UN Legal Opinion distinguishes between economic development and the UN-led political process aimed at resolving the territory's status and supports the view that economic development of the territory can and should proceed in parallel with the UN mediation process without adversely affecting its progress or outcome.

Furthermore, the 2002 UN Legal Opinion permits exploration as it does not remove resources. Activities conducted "*for the benefit of the peoples ... on their behalf or in consultation with their representatives...*" are considered compatible with the UN Charter. In his most recent [reports on the status of Western Sahara](#), the UN Secretary-General does not condemn, nor seek to halt or delay, exploration activities in the region.

Our Joint Venture Partner and Operator in Western Sahara, Kosmos Energy has signed a "*Declaration of Principles*" with the Government of Morocco committing to ensuring that the people of Western Sahara will benefit in an "*effective and equitable manner*" in any future development and will be consulted in the process. Over the last five years, Kosmos has spent considerable time working directly with local people to understand their views on oil and gas exploration and bring early benefits to the region in the form of sustainable social investment projects.

**Executive Directors**  
S.J. Thomson  
J.D. Smith

**Non-Executive Directors**  
I.P. Tyler (Chairman)  
T.M. Hunt  
I.A. McLaren  
A.F. D. Berger  
M.J. Sheppard  
K.G. Lough  
P.S. Kallos

Cairn has a strong commitment to corporate social responsibility and local community consultation across our global operations. Cairn is also a signatory to the UN Global Company, and our priority is to maintain transparency around all our activities and to comply with all international laws and regulations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Nisbet', written over a light blue horizontal line.

David Nisbet  
Director of Corporate Affairs

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