

**CHEIRON PETROLEUM CORPORATION AGREES TO ACQUIRE 50% OF SHELL'S ONSHORE
UPSTREAM OIL AND GAS INTERESTS IN EGYPT
9th of March 2021**

Cheiron Petroleum Corporation ("Cheiron"), Egypt's largest independent Exploration and Production company, is pleased to announce that it has agreed to purchase 50% of Shell's upstream oil and gas interests in the Western Desert. The remaining 50% of the interests will be purchased by Cheiron's strategic partner, Cairn Energy plc, a new entrant into the Egyptian upstream sector.

Cheiron will operate the production and development concessions in the asset portfolio, using the experience gained over three decades of improving safety, production, reserves and cost management performance in its Egyptian fields. These are located onshore in the Western Desert and Nile Delta, and offshore in the Gulf of Suez and Mediterranean Sea. Cairn, a UK listed company with significant international experience and exploration expertise, will operate three of the exploration licenses. The field activities will continue to be managed by the Bapetco Joint Operating Company.

The consideration to be paid for the interests is circa \$323 million (net Cheiron) with additional contingent payments of up to \$140 million (net Cheiron) depending on oil price and exploration success. The consideration will be subject to customary working capital adjustments for the period between the effective date of the transaction (1 January 2020) and the completion date.

The acquisition will add Proven plus Probable reserves of 113 mmbob and production of approximately 40 kboepd (as at 31 December 2020) to the Cheiron business on a working interest basis.

Funding for the acquisition will be provided by a strong syndicate of nine International European, Middle Eastern and African Banks and Lenders, and advisory support has been provided to the partnership by Rothschild & Co and Gaffney Cline & Associates.

"Cheiron is a committed investor in Egypt and believes in the long term strength of the country's energy sector, reflecting the Government's sustained efforts to create an attractive business climate and bring new, high quality investors into the country," commented David Thomas, Cheiron's Chief Executive Officer.

"We are therefore pleased to announce the acquisition of Shell's Western Desert portfolio. We are also delighted to have formed a new strategic partnership with Cairn and to have the opportunity to work with Bapetco, one of the pre-eminent and most successful companies in the country. Cheiron and Cairn have highly complementary industry skills and experience and the partnership will add material value to the concessions through the pursuit of a range of growth opportunities, from mature field production optimization to new exploration initiatives."

The asset sale is subject to Government and Partner approvals and is expected to complete in the second half of 2021.

Note to editors:

1. About Cheiron

Cheiron is a privately owned E&P company with extensive experience in mature oil and gas field management. The company holds assets in Egypt, Mexico and Romania and currently produces over 50 kboepd (approximately 80% from Egypt).

Cheiron operates the majority of its fields and concessions and works in a range of different onshore and offshore environments. In Egypt, the company has interests in eight concessions, in partnership with EGAS, EGPC, Ganope and industry partners, located onshore in the Western Desert and Nile Delta and offshore in the shallow waters of the Gulf of Suez and the Mediterranean Sea. The Company's fields in Mexico and Romania are all located onshore.

2. About Cairn

Cairn Energy PLC is one of Europe's leading independent energy companies and has been listed on the London Stock Exchange for 30 years. Cairn has explored, discovered, developed and produced oil and gas in a variety of locations throughout the world as an operator and partner in all stages of the oil and gas lifecycle.

Cairn's current exploration activities have a geographical focus in the North Sea, West Africa and Latin America, underpinned by interests in production and development assets. Cairn has its headquarters in Edinburgh, Scotland supported by operational offices in London and Mexico.

3. The interests in each of the assets which Cheiron and Cairn are acquiring (on a 50/50 basis) from Shell are as follows:

- a. a 50% interest in Badr El-Din Petroleum Company (Bapetco);
- b. producing assets operated by Bapetco:
 - i. a 100% interest in Obaiyed, North Umbaraka, North Matruh, the Badr el Din fields, Sitra and North Alam El Shawish;
 - ii. a 52% interest in Northeast Abu Gharadig, where Apache Abu Gharadig Corporation LDC is a partner;
 - iii. a 40% interest in Alam El Shawish, where North Petroleum International Company S.A. and Neptune Energy Alam El Shawish B.V. are partners;
- c. a 100% interest in the South East Horus, West El Fayum, and South Abu Sennan exploration concessions.

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