



NEWS RELEASE 7 May 2013

CHRYSAOR SIGNS SPANISH POINT FARM-OUT WITH CAIRN ENERGY PLC

Chrysaor E&P Ireland Limited (“Chrysaor” or the “Company”), a subsidiary of Chrysaor Holdings Limited, an independent exploration and production company focused on developing and commercialising oil and gas discoveries in the UK North Sea and Ireland, is pleased to announce it has signed a farm-out agreement with Capricorn Ireland Limited (“Capricorn”), a wholly owned subsidiary of Cairn Energy PLC (“Cairn”), whereby Capricorn will acquire the rights to obtain an interest in Chrysaor’s two Frontier Exploration Licences (“FEL”) 2/04 and 4/08 and in the Licensing Option (“LO”) 11/2, all in Quad 35 offshore West of Ireland.

Under the terms of the farm-out agreement, Capricorn will acquire a 38% interest in FEL 2/04, FEL 4/08 and LO11/2. It is anticipated that, subject to government and partner approval, Capricorn will become Operator. Chrysaor will retain up to a 36% interest.

Commenting, Phil Kirk Chrysaor CEO, said:

“We are very pleased to welcome Cairn as a partner and operator to Ireland. It is exciting that a company of their reputation, financial standing and long history of material exploration success has recognised the potential of our acreage. We look forward to working together with them, Providence and Sosina to prove the transformational potential that exists within the Spanish Point area. The Irish Atlantic Margin is a highly prospective oil and gas province and is attracting a lot of international industry interest. The strategic position we hold and our active forward program ensures we will be at the centre of that industry activity.

2014 will be a milestone year for Chrysaor as we not only drill in Ireland but see our first operated UK production from the Solan field West of Shetlands. The company is ideally poised to begin its next phase of profitable growth with a balanced portfolio across the UK & Ireland”

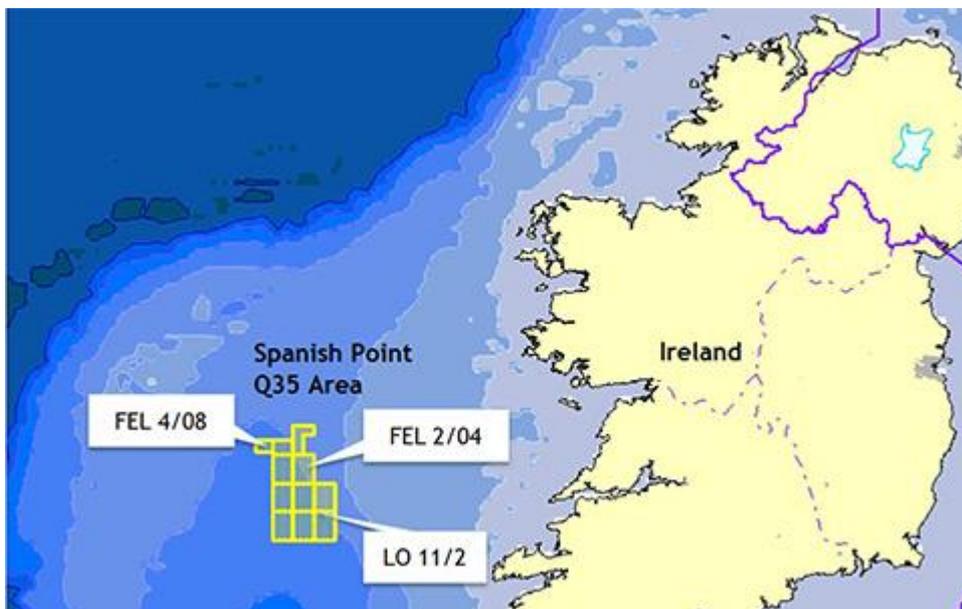
Terms of the farm-out agreement

Capricorn will earn its stake in the area through participating in and promoting the drilling of up to 2 wells and a 3D seismic programme at up to 63.33% cost. Capricorn's promote will be capped and includes the recovery of prior expenditures.

Subject to normal governmental consents, the partners plan to drill an appraisal well at Spanish Point (FEL 2/04) in Q2 2014 to confirm volumetrics and reservoir properties. The partners also currently expect to propose an extensive 3D seismic work programme on LO 11/2 and that a second well, subject to government consent, may then be drilled either on FEL 2/04, FEL 4/08 or LO 11/2.

The Quad 35 Area contains two proven discoveries: the Spanish Point gas/condensate field and the Burren oil field plus multiple prospects and leads in the Upper Jurassic and Lower Cretaceous intervals. The Spanish Point discovery was made by Phillips in 1981 with exploration well 35/8-2 and lies at the northern end of the Porcupine Basin in approximately 400m of water.

Within the Quad 35 acreage held by Chrysaor there have been no wells drilled since the Spanish Point discovery well 30 years ago. Chrysaor farmed into the Quad 35 acreage in 2008 by acquiring 3D seismic over Spanish Point in 2009. Following interpretation of that data, additional core analysis and extensive fluid/reservoir modelling work (both static and dynamic), the Spanish Point partners believe that Quad 35 has the potential to become a material hydrocarbon production centre with a multi-year follow-on exploration & development programme.



The above transaction is subject to consent from the Irish Minister of Communications, Energy and Natural Resources and partners.

The resulting interest in the license interests upon approvals and subsequent closing of the Capricorn farmout agreement, assuming Chrysaor (as per the 2008 Farm-out agreement with Providence and the 2013 option agreement with Sosina) exercises its option to acquire an additional 10% interest in the Licenses, will be as follows:

FEL 2/04 & 4/08	Chrysaor 36%	Capricorn 38%	Providence 24%	Sosina 2%
LO 11/2	Chrysaor 28%	Capricorn 38%	Providence 32%	Sosina 2%

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About Chrysaor

Chrysaor is an independent exploration and production company established in 2007. The Company is focused on developing and commercialising oil and gas discoveries in the North Sea and Ireland.

The company is clearly differentiated by its strategic focus in areas where significant dormant reserves exist which may have been overlooked by others, and where Chrysaor's proven technical, commercial and geological ability can deliver exceptional returns to its stakeholders.

Chrysaor has built an exciting portfolio of assets with a strong balance between near term development and production growth combined with significant gearing to appraisal and exploration success.

In the UK North Sea, the company owns 40% of the Solan licence (P164) covering block 205/26a. Solan is due on stream in 2014 (circa 10,000 bopd net to Chrysaor). The company also has a 100% interest in the Phoenix discovery in licence P1578, covering block 13/22b. This is a near term development

opportunity which has been geologically appraised and where the focus is now on commercialisation.

Following the farm-in by Cairn Energy, Chrysaor will retain up to a 36% interest in the Quad 35 licenses 2/04 & 4/08 West of Ireland which provide a near term appraisal opportunity at Spanish Point (2C contingent reserves 97mmboe) and material exploration upside in license 4/08 and 11/2 licensing option with multiple leads and prospects identified.

Chrysaor has a highly experienced management team with a proven track record of delivering real value in both public and private companies, latterly as part of the CH4 Energy Limited (“CH4”) team that operated the Markham, J3-C, Windermere and Chiswick fields in the UK & the Netherlands. CH4 was sold to Venture Production PLC in 2006 for €225m.