



For Immediate Release

11 September 2008

## Cairn Lanka

### BOI Sri Lanka and Cairn India inks investment commitment for Mannar Basin exploration

The Sri Lanka, Board of Investment (BOI), the governing body for promoting industrial investments in Sri Lanka and Cairn Lanka (Private) Limited, a wholly owned subsidiary of Cairn India has entered into an agreement yesterday for a commitment of an initial investment of more than USD 110 million towards the exploration of hydrocarbons

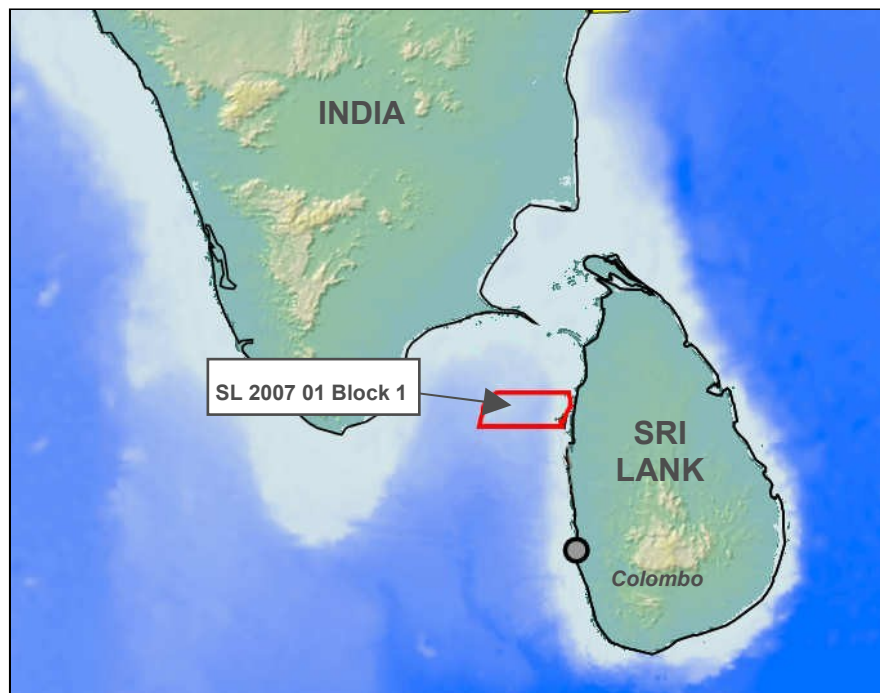
The programme of work will be in the Block SL 2007-01-001 which is offshore North West Sri Lanka and covers approximately 3,000 square Kilometres (km<sup>2</sup>) in water depths of 200 metres to 1800 metres in the Mannar basin..

The signing took place in Colombo today between Mr. Dhammika Perera, Chairman and Director General BOI Sri Lanka, and Mr. Elango P, Director, Cairn Lanka.

The signing for the exploration licence to explore for oil and natural gas in the Mannar Basin took place, earlier in July this year, in Colombo with the Honourable Minister for Petroleum and Petroleum Development Resources A.H.M Fowzie from the Government of Sri Lanka and Indrajit Banerjee an Executive Director of Cairn India.

The Block SL 2007-01-001 was awarded to Cairn India in the recent Sri Lanka bid round. The work programme includes proposals to acquire 5,000 km of 2D, 1,000 km<sup>2</sup> of 3D seismic and drill three wells in the initial three years of the eight year exploration period.

The Mannar basin is a frontier petroleum province that is yet to be explored. Cairn Lanka will invest in the region in exploring the block by applying the best in class technologies and industry practices in the search to establish whether commercial quantities of hydrocarbons can be found.





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## About Cairn India Limited

- Cairn Lanka (Private) Limited, is a wholly owned subsidiary of Cairn India that holds a 100% participating interest in the Mannar block.
- “Cairn India” where referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- “Cairn” where referred to in this release means Cairn Energy PLC and/or its subsidiaries (including Cairn India), as appropriate.
- Cairn India is headquartered in Gurgaon on the outskirts of Delhi, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
- On 9 January 2007, Cairn successfully concluded the flotation of its Indian business with the commencement of trading of Cairn India Limited on the Bombay Stock Exchange and the National Stock Exchange of India. Cairn Energy PLC currently holds a 65% shareholding in Cairn India Limited.
- Cairn India is currently focused on exploration and production in South Asia where it has a working interest in 15 blocks, two of which are producing hydrocarbons. The company holds material exploration and production positions in west India and east India along with new exploration rights elsewhere in India and Sri Lanka.
- This focus on India has already resulted in a significant number of oil and gas discoveries. In particular, Cairn made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. More than 20 discoveries have been made in Rajasthan block RJ-ON-90/1.
- In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a Production Sharing Contract (PSC) signed on 15 May 1995. The main Development Area (1,858 km<sup>2</sup>), which includes Mangala, Aishwariya, Saraswati and Raageshwari; is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%. A further Development Area (430 km<sup>2</sup>), including the Bhagyam and Shakti fields, is also shared between Cairn India and ONGC in the same proportion.
- The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.
- India currently imports approximately 2,000,000 barrels of oil per day (bopd). It produces approximately 700,000 bopd itself of which approximately 50,000 bopd comes from the Cairn India operated Ravva field on the east coast of India.
- For further information on Cairn India Limited see [www.cairnindia.com](http://www.cairnindia.com)