



For immediate release

March 17 2008

Cairn India arranges US\$625mm private placement

Cairn India has arranged a private placement of approximately Indian Rupees (Rs) 25,346 million / \$ 625 million after entering an agreement with Petronas and Orient Global Tamarind Fund Pte Limited further to which the investors have agreed to purchase a total of 113 million shares of Cairn India at Rs 224.30 per share.

The net proceeds of the private placement will be used to fund capital expenditure and for general corporate purposes.

The Board of Directors of Cairn India Limited (CIL) at its meeting held on Monday, March 17, 2008 has approved the placement through a preferential issue of:

- 63,300,000 Equity shares of Rs. 10 each fully paid up equity shares of the Company at a price of Rs. 224.30 per share to Petronas
- 49,700,000 Equity shares of Rs. 10 each fully paid up equity shares of the Company at a price of Rs. 224.30 per share to Orient Global Tamarind Fund Pte Limited

These shares will be locked in for a period of one year from the date of allotment. Following the private placement, Petronas will own approximately 12.7%, of the equity share capital of CIL as enlarged by the private placement and Orient Global Tamarind Fund Pte Limited will own approximately 2.6% of the enlarged equity share capital of CIL.

The above mentioned proposed preferential issue is being made in accordance with Section 81 (1A) of the Companies Act 1956 and Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and is subject to approval of the shareholders and applicable regulatory approvals. A meeting of the equity shareholders of the Company is proposed to be convened on April 16 2008 for obtaining their approval to the aforesaid proposal.

The issue price represents a 0.46% premium to the average closing price on the National Stock Exchange of the last two trading days prior to the announcement.

Rahul Dhir Chief Executive officer of Cairn India said:

“Cairn India is entering an exciting period of growth. The company is confident of producing first commercial oil from Rajasthan in 2009. The private placement will help the Company towards meeting its investment plans and provide greater financial and operational flexibility. We are delighted to have investors like Petronas and Orient Global show their commitment to subscribe to Cairn India’s business.”

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About Cairn India Limited

- “Cairn India” w here referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- “Cairn” w here 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, w ith 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 69% shareholding in Cairn India Limited.
- Cairn India is currently focused on exploration and production in India where it has a working interest in 14 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.
- 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.
- PETRONAS is wholly-owned by the Malaysian government and is vested with the entire ownership and control of the petroleum resources in Malaysia through the Petroleum Development Act 1974, an Act of Parliament. PETRONAS is a fully-integrated oil and gas corporation and is ranked among FORTUNE Global 500's largest corporations in the world and operates in 33 countries. For more information, visit www.petronas.com

- Orient Global is a Singapore-based private investment institution focused on building sustainable prosperity through investments in financial and social businesses. Founded by Richard Chandler, Orient Global has been a pioneer in emerging markets investment for over twenty years during which time it has provided capital to companies and governments from Asia and Africa to Latin America and Eastern Europe. For more information, visit www.orientglobal.com

- 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