



For Immediate Release

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Mangala sales commence through pipeline

Cairn India and ONGC, the 70:30 joint venture (JV) partners in the Rajasthan block, RJ-ON-90/1, have commenced sales through the world's longest continuously heated and insulated crude oil pipeline.

The ~590 km long Barmer to Salaya section of the Barmer to Bhogat pipeline (~670 km) is now operational with oil supplies having commenced to the private refineries from the delivery point at Salaya. Sale of crude to IOC through the pipeline is also expected to commence soon. Production is currently ~60,000 barrels of oil per day (bopd).

The completion of the pipeline and related infrastructure allows the JV to sell crude to the refineries in order to gradually increase both production and sales. Pipeline sales are expected to reach 125,000 bopd in the second half of calendar year 2010 and sales arrangements with four buyers are now being put in place for 143,000 bopd.

Other key features of the pipeline are:

- Safe and most cost efficient mode of crude transportation
- Construction to operation in a short period of 24 months
- More than 6,000 people employed during the construction activity
- Adaptation and successful application of specialised Skin Effect Heat Management System (SEHMS)
- More than 700 crossings (34-major rivers, 38-canal) along the pipeline route
- Passes through more than 270 villages in Rajasthan and Gujarat
- Route selection ensures minimum impact on the environment
- Use of latest technology to secure the pipeline and provide rapid response
- Use of natural gas from Rajasthan fields to heat the crude

The pipeline has been constructed and installed in accordance with notified regulations and international best practices. The installation and Right of Usage (RoU) reinstatement has been subject to regular review by the International Finance Corporation independent auditors.

Construction work is now set to commence on the Salaya to Bhogat section of the pipeline, on the Gujarat coast with completion targeted for 2011. The pipeline, which is part of the Mangala Field Development Plan, has been approved by the Government of India.

Sudhir Vasudeva, Director (Offshore), ONGC said:

"Commissioning of this crude oil pipeline marks a successful completion of a technological marvel by our Joint Venture team in the Rajasthan project and would facilitate more cost-effective and augmented crude oil production directly accessing the buyers."

"In partnership with all stake holders, we are committed to develop the resources in the Barmer basin and provide our nation with additional volumes of crude oil."

Rahul Dhir, Managing Director and Chief Executive Officer, Cairn India said:

"Cairn India is delighted that crude oil sales from Mangala through the pipeline have started."



It has taken 24 months to link this key piece of infrastructure from Rajasthan to the refineries which will allow for significant production growth. The partnership and support of the Government of India, state governments, local communities and ONGC has been vital in helping complete this national asset."



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About Cairn India Limited

- “Cairn India” where referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- Cairn Lanka (Private) Limited, is a wholly owned subsidiary of Cairn India that holds a 100% participating interest in the Mannar block.
- “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 in the National Capital Region, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
- On 9 January 2007, Cairn India Limited was listed on the Bombay Stock Exchange and the National Stock Exchange of India. Cairn Energy PLC currently holds a 62.37% shareholding in Cairn India Limited.
- Cairn India holds material exploration and production positions in nine blocks in India and one in Sri Lanka. In addition two blocks in the NELP VIII round has provisionally been awarded.
- The focus on India has 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. Twenty five 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 km²), 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 km²), 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 more than 2.4 million barrels of oil per day (bopd). The domestic production is approximately 0.7 million barrels of oil per day of which approximately 69,000 bopd comes from the Cairn India operated assets (Ravva, CB-OS/2 and the Rajasthan block)
- For further information on Cairn India Limited see www.cairnindia.com



Glossary

Corporate

Cairn India/CIL Company	Cairn India Limited and/or its subsidiaries as appropriate Cairn India Limited
CY	Calendar Year
DoC	Declaration of Commerciality
JV	Joint Venture
MBA	Mangala, Bhagyam and Aishwariya
MPT	Mangala Processing Terminal
MRPL	Mangalore Refinery and Petrochemicals Limited, (subsidiary of ONGC)
IOC	Indian Oil Corporation
HPCL	Hindustan Petroleum Corporation Limited
RIL	Reliance Industries Limited
E&P	exploration and production
Gol	Government of India
Group	the Company and its subsidiaries
MC	Management Committee
ONGC	Oil and Natural Gas Corporation Limited
OC	Operating Committee
FY	Financial Year
NELP	New Exploration Licensing Policy

Technical

2P	proven plus probable
3P	proven plus probable and possible
2D/3D	two dimensional/three dimensional
boe	barrel(s) of oil equivalent
boepd	barrels of oil equivalent per day
bopd	barrels of oil per day
Bscf	billion standard cubic feet of gas
EOR	enhanced oil recovery
FDP	field development plan
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
mmt	Million metric tonne
PSC	Production Sharing Contract

The Fatehgarh is the name given to the primary reservoir rock of the Northern Rajasthan fields of Mangala, Aishwariya and Bhagyam.

The Barmer Hill is a lower permeability reservoir which overlies the Fatehgarh.

The Dharvi Dungar forms the secondary reservoirs in the Guda field and is the reservoir rock encountered in the recent Kameshwari West discoveries.

The Thumbli forms the youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field.



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