

CAIRN INDIA LIMITED

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**For Immediate Release****30 March 2010****Cairn India receives “CARE AAA [Triple A]” rating for its INR financing**

Cairn India has been awarded a “CARE AAA” rating by the Credit Analysis and Research Limited (CARE) for its INR 4,000 crore domestic borrowing, which is helping to finance the development of its world class oil fields in Rajasthan.

In October 2009, Cairn India completed financing arrangements for a USD 1.6 billion deal to help fund the Rajasthan project. The overall facility was a combination of both US dollars and Indian rupees accessing both domestic and international markets.

The international borrowing of USD 750 million was provided by a consortium of overseas commercial banks led by Standard Chartered Bank and the International Finance Corporation, a member of the World Bank Group. The domestic borrowing of INR 4000 crore was underwritten by the State Bank of India, who have syndicated to other banks and financial institutions, including Canara Bank, Bank of India, Oriental Bank of Commerce, Bank of Baroda, HDFC Bank and Infrastructure Development and Finance Corporation.

The Triple A rating applies to the total facilities of up to INR 5,000 crore, of which INR 4,000 crore is already in place as set out above. With these existing financing arrangements, Cairn India is fully funded for the Rajasthan development project and there is no plan to put in place any additional borrowing for the Rajasthan project.

The tied-up financing arrangements of the INR 4,000 crore and an additional long term banking facility of INR 1,000 crore, provide additional flexibility to optimise the financing arrangements, if required.

Indrajit Banerjee, Executive Director and Chief Financial Officer, Cairn India said:

“Cairn India is very pleased to have been awarded the Triple A rating by CARE.

It is a further endorsement of the world class Rajasthan project, which has the potential to provide long term value to stakeholders across India.”

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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 62.39% shareholding in Cairn India Limited.
- Cairn India holds material exploration and production positions in 10 blocks in India and one in Sri Lanka.
- 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

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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
GBA	Gas Balancing Agreement

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

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 Dungan 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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