CAIRN INDIA LIMITED
3rd & 4th Floors | Vipul Plaza | Suncity | Sector 54 | Gurgaon 122 002
T: +91 124 270 3000
www.cairnindia.com

For Immediate Release **27 July 2010**

Cairn India Limited
First Quarter Financial Results
for the period ended 30 June 2010

The following commentary is provided in respect of the unaudited financial results and operational achievements of Cairn India Limited and its subsidiary companies (referred to as "Cairn India") during the financial year 2010-11. Please note that the financial year 2010-11 (FY 2010-11) refers to the period April 2010 - March 2011.

FINANCIAL HIGHLIGHTS

- Cash flow from Operations INR 4,928 million (USD 108 million); more than four fold increase on the corresponding quarter for the previous year of INR 1,076 million (USD 22 million) due to strong Rajasthan volumes
- Profit after tax INR 2,814 million (USD 62 million); more than six fold increase on the corresponding quarter for the previous year of INR 454 million (USD 9 million)
- Gross cumulative Rajasthan development capital expenditure USD 2,469 million, of which USD 177 million was spent during Q1 FY 2010-11

OPERATIONAL HIGHLIGHTS

- Gross operated production in Q1 FY 2010-11 was 94,950 barrels of oil equivalent per day (boepd); 73% higher than the corresponding quarter of the previous year (59,461 boepd). The working interest production was 44,812 boepd; 182% higher than the corresponding quarter of the previous year (15,917 boepd)

Rajasthan

- Pipeline sales started through the ~ 590 km Barmer - Salaya section to private refiners and IOC
- Train Three commissioned in June 2010 to attain Mangala Processing Terminal (MPT) processing capacity of 130,000 barrels of oil per day (bopd)
- Trains Two and Three at the MPT now operational and in ramp up phase; currently processing >100,000 bopd
- Sales arrangements in place for 143,000 bopd
- Mangala production to ramp up to currently approved plateau of 125,000 bopd during H2 CY 2010; development drilling indicates production potential of 150,000 bopd, subject to Government of India (GoI) approval
- Mangala development drilling progresses as planned; 81 development wells drilled to date of which 65 are complete
- Fatehgarh Formation reservoir continues to perform well; nine horizontal wells drilled, which tested at an average production rate of more than 11,500 bopd

- Mangala Enhanced Oil Recovery (EOR) pilot progressing well; first phase consisting of four injectors and one producer drilled

Other Assets

- Production Sharing Contract (PSC) signed for the two blocks, KG-OSN-2009/3 and MB-DWN-2009/1, awarded under New Exploration Licensing Policy (NELP) – VIII bidding round

- Processing of 4D seismic data in Ravva underway; to help identify bypassed oil zones and potentially new targets for infill drilling

- Cambay basin (CB/OS-2) operations achieved more than eight million safe work hours over last six years

- Exploration campaigns progressing well; five well exploration drilling campaign in KG-ONN-2003/1 progresses on schedule; data interpretation ongoing for 3D seismic data acquired for the Palar-Pennar Basin (offshore East Coast of India) and Mannar Basin in Sri Lanka

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

"Cairn India is fully focused on ramping up production from the Rajasthan fields with delivery from the Mangala field demonstrating potential to go above the currently approved plateau production of 125,000 bopd.

With volumes being delivered to private and public refiners, the revenue generation from Rajasthan will provide significant growth and benefits for all stakeholders including the Government of India, State Government of Rajasthan and our joint venture partner, ONGC.

The signing of the PSC for the two offshore blocks awarded under NELP-VIII provides us additional growth opportunities."

CAIRN INDIA LIMITED
3rd & 4th Floors | Vipul Plaza | Suncity | Sector 54 | Gurgaon 122 002
T: +91 124 270 3000
www.cairnindia.com

FINANCIAL REVIEW

In Q1 FY 2010-11, the gross production of the operating units was 94,950 boepd (59,461 boepd in the corresponding quarter of the previous year) and working interest production was 44,812 boepd (15,917 boepd in the corresponding quarter of the previous year). Current quarter production numbers include gross production of 44,381 boepd and working interest production of 31,067 boepd from the Rajasthan block.

The average oil price realisation in Q1 FY 2010-11 was USD 72 per bbl and for the corresponding quarter of the previous year was USD 60.2 per bbl. The gas price realisation in Q1 FY 2010-11 was USD 4.6 per mscf versus USD 4.0 per mscf for the corresponding quarter of the previous year.

Average price realisation per boe was USD 67.1 in Q1 FY 2010-11 and for the corresponding quarter of the previous year was USD 51.2.

The consolidated revenue of Cairn India for Q1 FY 2010-11 was INR 8,406 million (USD 184 million); higher by 310% as compared to INR 2,049 million (USD 42 million) in the corresponding quarter of the previous year.

Cash flow from Operations INR 4,928 million (USD 108 million); increased by 358% (corresponding quarter of previous year: INR 1,076 million (USD 22 million))

The consolidated profit after tax (PAT) for Q1 FY 2010-11 was INR 2,814 million (USD 62 million); higher by 520% as compared to INR 454 million (USD 9 million) for the corresponding quarter of the previous year.

“Cash flow from operations”, worked out as profit after tax (excluding other income and Forex revaluation gain/loss) prior to non-cash expenses (non-cash employee cost, depreciation, depletion, amortization, MAT and deferred tax) and exploration cost was INR 4,928 million (USD 108 million) for Q1 FY 2010-11; higher by 358% as compared to INR 1,076 (USD 22 million) for the corresponding quarter of the previous year.

Cash available as at 30 June 2010 was INR 25,439 million (USD 545 million) and the loan drawn down to 30 June 2010 against the loan facility of USD 1.6 billion was INR 39,906 million (USD 856 million).

Amounts shown in USD are converted based on average exchange rate for the Q1 FY 2010-11 of INR 45.68 for revenue items and at the closing exchange rate as on 30 June 2010-11 of INR 46.65 in respect of cash balance (average rate of the corresponding quarter of the previous year was INR 48.71).

OPERATIONAL REVIEW

Gross operated production in Q1 FY 2010-11 was 94,950 boepd (working interest 44,812 boepd). The average crude oil price realisation in Q1 FY 2010-11 was USD 72 per bbl and the average gas price was USD 4.6 per mscf resulting in an average price realisation of USD 67.1 per boe.

Rajasthan (Block RJ-ON-90/1) (Cairn India 70% (Operator); ONGC 30%)

Average gross production from the Mangala field for Q1 FY 2010-11 was 44,381 bopd.

Cairn India and its joint venture (JV) partner ONGC have an area of 3,111 km^2, under long term contract on the Rajasthan licence spread across the districts of Barmer and Jalore. Current gross production is >100,000 bopd.

The Mangala Field, which was discovered in January 2004, is the largest onshore oil discovery in India in more than 20 years. The Mangala Bhagyam and Aishwariya (MBA) fields have gross recoverable oil reserves and resources of over 1 billion barrels, which includes proven plus probable (2P) gross reserves and resources of 694 million barrels of oil equivalent (mmboe) with a further 300 mmboe or more of EOR resource potential. An EOR pilot project in the Mangala field has started in 2010.

The twenty other fields (including the Barmer Hill Formation) are estimated to hold approximately 1.9 billion boe in place of which the gross 2P recoverable resource is estimated to be 140 mmboe. Evaluation work is underway for these fields. A pilot hydraulic fracturing programme in the Barmer Hill is planned in FY 2010-11, subject to GoI approval.

In keeping with Cairn India’s dual commitment to maintain the highest Health, Safety and Environment (HSE) standards as well as building local capacity, top quartile HSE standards have been achieved against global benchmarks and more than 60,000 people have been trained in HSE principles and skills in the Rajasthan project.

Development – Upstream

The MPT is designed to process crude from the Rajasthan fields and has a capacity to handle 205,000 bopd of crude with scope for further expansion. Four processing trains are being built to ensure that the JV is able to produce and process the approved peak plateau production of 175,000 bopd in 2011.

While Train One, with a capacity to process 30,000 bopd, was commissioned in August 2009, Trains Two and Three with a capacity of 50,000 bopd each commenced production in May 2010 and June 2010 respectively. Mangala production will continue to build during the ramp up phase.

The Raageshwari Gas Terminal, the Thumbli water field (saline aquifer) and the captive power plant at MPT have been commissioned and are operational.

Development drilling and the well completion activities are progressing with three drilling rigs and one completion rig operating in the Mangala development area. 81 Mangala development wells have been drilled of which 65 wells have been completed and made ready for initial production.

In addition to the success of the first horizontal well at Mangala, which tested more than 11,500 bopd, Cairn has successfully drilled and completed eight more horizontal wells in Mangala. Six horizontal wells have been put on production. Water injection has started and will be further ramped up in the coming months. A total of 30 Mangala wells are currently producing and the other wells will be brought on stream in a staged manner during the ramp-up period.

The results from all the wells drilled to date confirm the good reservoir quality and the high deliverability potential of the Fatehgarh Formation reservoir.

Mangala production is expected to ramp up to 125,000 bopd during H2 CY 2010. The ongoing development drilling results indicate a production potential of 150,000 bopd from Mangala, subject to GoI approval.

Development - Midstream (Pipeline)

Of the total length of the MPT to Bhogat pipeline of ~670 km which passes through the states of Rajasthan and Gujarat, the MPT to Salaya section of ~590 km is now operational along with the final delivery infrastructure to each buyer.

Pipeline sales started to private refiners in June 2010 and to IOC in July 2010.

In-principle approvals for the Salaya to Bhogat section have been obtained and the necessary land purchase has been completed. The contracting process is well underway with some key contracts already placed. Bhogat lies on the Gujarat coast and provides further flexibility in respect of future offtake volumes.

Crude - Sales

The initial crude oil sales arrangements to Public Sector Undertakings have now been supplemented by sales to private refiners following the decision of the GoI to allow private refiners to qualify as additional offtakers of the Rajasthan crude.

To date, more than seven million barrels (mmbbls) of crude from Mangala has been delivered to the refiners.

The commercial terms and pricing negotiations have been concluded with all the buyers. In accordance with the Production Sharing Contract, this pricing is based on comparable low sulphur crude frequently traded in the region – Bonny Light - with appropriate adjustments for crude quality.

The implied price realisation represents an average 10-15% discount to Brent on the basis of prices prevailing for the twelve months to June 2010.

Sales arrangements are now in place for 143,000 bopd. With the pipeline and related facilities becoming operational, sales to both public and private refiners are expected to ramp up to the currently approved plateau of 125,000 bopd in H2 CY 2010. In addition, a request has been made to the GoI to allow access to more refining capacity by allowing sales to Special Economic Zones and to overseas refineries.

Resource base including enhanced oil recovery (EOR)

The current assessment of the EOR resource base is more than 300 mmbbls of incremental recoverable oil from the MBA fields. An EOR pilot project has been initiated this year. The first phase of EOR pilot consisting of four Injectors and one producer has been drilled, with production and water injection in the pilot to start this year, followed by polymer and Alkali Surfactant Polymer injection. If the trials are successful, the intention is to implement chemical flooding on a field scale in Mangala, followed by Bhagyam and Aishwariya.

Cairn India is also in the final stages of planning to carry out pilot work to evaluate the low permeability Barmer Hill formation. The pilot programme is expected to demonstrate the appropriate cost effective technology for the optimised development of this resource base. A declaration of commerciality for the Barmer Hill has been submitted to the GoI and a Field Development Plan is under preparation.

Cairn India will also continue to consider low cost development options for smaller fields through the use of cost effective technologies and by leveraging the existing infrastructure.

Exploration - RJ-ON-90/1 (Cairn India is the Operator - 70% holding in the Mangala, Bhagyam and Kaameshwari West Development Areas)

The updated exploration portfolio now consists of a most-likely risked mean estimate of 2.5 billion boe in place. The results of the successful Tukaram 2 and Tukaram SE-1 wells drilled in Q1 CY 2010, both of which encountered oil and gas, are under review.

Technical evaluation work continues to assess existing and new plays in the basin to generate further prospects in Rajasthan.

Cairn India - Producing Assets

Krishna-Godavari Basin - Eastern India
Ravva (Cairn India 22.5% (Operator))

Average gross production from the Ravva field for Q1 FY 2010-11 was 37,043 boepd (comprising an average oil production of 28,871 bopd and average gas production of 49 mmscfd).

Originally estimated to produce 101 million barrels of crude oil, the field has to date produced more than 225 million barrels; and following a comprehensive assessment of remaining potential the Gross Proved plus Probable (2P) reserves have increased by 20%, from 60 mmboe last year, to 72 mmboe. Cairn is confident of the field’s considerable remaining reserve potential and of producing more oil from this block.

The Ravva block’s direct operating cost per barrel is amongst the lowest in the world. This has been possible only through life-cycle planning, continuous monitoring and the innovative application of operating technologies.

Cairn and its joint venture partners have completed a 4D seismic campaign to identify bypassed oil zones and locate infill well locations.

Cambay Basin - Western India
Block CB/OS-2: (Cairn India 40% (Operator))

Average gross production from the CB/OS-2 block for Q1 FY 2010-11 was 13,527 boepd (comprising an average oil / condensate production of 8,229 bopd and average gas production of 32 mmscfd).

The application of advanced geophysical tools has helped map thin oil sands which are beyond seismic resolution. These techniques have transformed CB/OS-2 block from a predominantly gas field to an oil field following the discovery of an oil leg. An infill drilling campaign is planned later this year to increase production. The asset recorded more than eight million safe work hours over the last six years, which reinstates our commitment to operate safely.

Cairn India – Exploration – Other Assets

In addition to the ongoing exploration activities in the three producing blocks and the recently awarded two NELP VIII blocks, Cairn India currently has exploration interests in five blocks in India and one in Sri Lanka, three of which are operated by the Company. These blocks are located in the Krishna-Godavari Basin, the Palar-Pennar Basin, Kerala Konkan Basin, Cambay Basin, Gujarat Saurashtra Basin, Barmer Basin, Jaisalmer Basin and the Mannar Basin offshore Sri Lanka.

The Company was successful with two bids in the New Exploration Licensing Policy (NELP) VIII licensing round, and was awarded the KG-OSN-2009/3 and MB-DWN-2009/1 blocks. The PSCs for these blocks were signed on 30 June, 2010. The PSCs are expected to become effective in the next couple of months, once the Petroleum Exploration Licences have been issued.

The drilling of five exploration wells in KG-ONN-2003/1 (Cairn India - 49%, operator) commenced in Q1 CY 2010 with Nagaram-1. The second well, Daliparu-1 commenced drilling in March 2010 and was immediately followed by the third well Lankepalli-1. Gas shows were observed during drilling and all the three wells have been plugged and abandoned. The other commitment wells Krishna-1 and Nagalyanka-1 are currently drilling. These wells will be completed by early Q3 CY 2010.

The northern area of the KG-DWN-98/2 (Cairn India - 10%, ONGC is the operator) is now in an appraisal phase following completion of the Exploration Period. The second and third appraisal wells are currently drilling.

In KK-DWN-2004/1 (Cairn India - 40%, ONGC is the operator), 300 km^2 of 3D seismic data acquisition is being planned.

In PR-OSN-2004/1 (Cairn India – 35%, operator), the newly acquired and processed 811 km^2 of 3D seismic data is now ready for interpretation. Drilling of three wells is expected to commence in CY 2011.

In RJ-ONN-2003/1 (Cairn India – 30%, ENI is the operator), Cairn India has relinquished its interest in the block.

In SL 2007-01-001, Cairn Lanka Private Limited, the wholly owned subsidiary of Cairn India, is currently processing the 1750 km^2 3D seismic data, with data completion expected over the next few months. A detailed Metocean study is ongoing in preparation for the exploration drilling of three wells planned to commence in Q2 CY 2011.

CAIRN INDIA LIMITED
3rd & 4th Floors | Vipul Plaza | Suncity | Sector 54 | Gurgaon 122 002
T: +91 124 270 3000
www.cairnindia.com

Cairn India Limited

Registered Office: 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025

Corporate Office: 3rd & 4th Floors, Vipul Plaza, Sun City, Sector-54, Gurgaon - 122002

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH JUNE 2010

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Sr. No.	Particulars	Quarter ended		Previous Financial year ended
		30-June-10	30-June-09	31-Mar-10
		Unaudited	Unaudited	Audited
1	a) Income from operations	84,060	20,495	162,303
	b) Other operating income	-	-	-
2	Expenditure			
	a) (Increase)/Decrease in stock-in-trade	(6,699)	(1,550)	(3,660)
	b) Operating expenses	21,881	4,401	42,483
	c) Employee costs	1,891	2,152	11,016
	d) Depreciation, depletion & amortization	16,595	4,133	14,851
	e) Administration costs	2,270	2,280	14,412
	f) Foreign exchange fluctuation	4,125	-	-
	g) Exploration costs	3,215	3,088	20,853
	h) Total	43,278	14,504	99,955
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**40,782**	**5,991**	**62,348**
4	Other Income	2,807	12,897	40,766
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**43,589**	**18,888**	**103,114**
6	Interest and finance costs	4,926	73	1,480
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**38,663**	**18,815**	**101,634**
8	Exceptional Items	-	(16,371)	-
9	**Profit/(Loss) from Ordinary Activities before tax (7+8)**	**38,663**	**2,444**	**101,634**
10	Tax expense			
	a) Current tax	10,977	1,386	22,164
	b) MAT credit entitlement	(8,015)	-	(13,722)
	c) Deferred tax	7,560	(4,184)	(10,866)
	d) Fringe benefit tax	-	698	(1,052)
	e) Total	10,522	(2,100)	(3,476)
11	**Net Profit/(Loss) from Ordinary Activities after tax (9-10)**	**28,141**	**4,544**	**105,110**
12	Extraordinary items (net of tax expense)	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**28,141**	**4,544**	**105,110**

Sr. No.	Particulars	Quarter ended		Previous Financial year ended
		30-June-10	30-June-09	31-Mar-10
		Unaudited	Unaudited	Audited
14	Paid-up Equity Share Capital (Face value of Rs.10 each)	189,735	189,667	189,697
15	Reserves excluding Revaluation Reserves			3,192,496
16	Earnings per share in rupees (not annualized)			
	a) Basic earnings per share	1.48	0.24	5.54
	b) Diluted earnings per share	1.48	0.24	5.52
17	Public Shareholding			
	- Number of shares	714,103,443	669,824,025	713,730,341
	- Percentage of shareholding	37.64%	35.32%	37.62%
18	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	-Number of shares	-	-	-
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	-	-	-
	-Percentage of shares (as a % of the total share capital of the Company)	-	-	-
	b) Non-encumbered			
	-Number of shares	1,183,243,791	1,226,843,791	1,183,243,791
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	62.36%	64.68%	62.38%

Notes:-

1. The above unaudited financial results for the current quarter were reviewed and recommended by the Audit Committee in its meeting held on 26^{th} July 2010 and approved by the Board of Directors at its meeting held on 27^{th} July 2010 and have been subjected to a limited review by the auditors of the Company.

2. Employee costs for the current quarter include stock option charge of INR 467 lakhs, computed under the Intrinsic Value Method. The said charge for the current quarter would have been INR 1,635 lakhs, if computed under the Fair Value (Black Scholes) Method.

3. Employee costs and Administration costs are net of amounts cross charged to oil and gas blocks where the Group is the operator. The Group's share of such expenses in oil and gas blocks is treated as exploration, development or operating costs, as the case may be.

4. Exploration costs include costs pertaining to geological/geophysical studies, seismic studies, other surveys and unsuccessful wells and have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting.

5. The shareholders of the Company have approved a Scheme of Arrangement between the Company and some of its wholly owned subsidiaries, to be effective from 1st January 2010. The Scheme of Arrangement has been approved by the Hon'ble High Court of Madras and the Hon'ble High Court of Bombay; however, it is pending for approval from other regulatory authorities. Pending receipt of such approvals, no accounting impact of the scheme has been given in the above results.

6. The Group operates in only one segment i.e. "Oil and Gas Operations".

7. Previous quarter / year figures have been regrouped / rearranged wherever necessary to confirm to the current quarter's presentation.

For and on behalf of the Board of Directors

Place: Edinburgh
Date: 27th July 2010

Rahul Dhir
Managing Director and Chief Executive Officer

CAIRN INDIA LIMITED
3rd & 4th Floors | Vipul Plaza | Suncity | Sector 54 | Gurgaon 122 002
T: +91 124 270 3000
www.cairnindia.com

Cairn India Limited

Registered Office: 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025

Corporate Office: 3rd & 4th Floors, Vipul Plaza, Sun City, Sector-54, Gurgaon - 122002

UNAUDITED STANDALONE FINANCIAL RESULTS

FOR THE QUARTER ENDED 30TH JUNE 2010

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Sr. No.	Particulars	Quarter ended		Previous financial year ended
		30-June-10	30-June-09	31-Mar-10
		Unaudited	Unaudited	Audited
1	a) Income from operations	116	25	320
	b) Other operating income	-	-	-
2	Expenditure			
	a) Operating expenses	-	257	338
	b) Employee costs	514	547	1,759
	c) Depreciation, depletion & amortization	1	1	5
	d) Legal & professional charges	373	237	2,123
	e) Administration costs	162	195	907
	f) Foreign exchange fluctuation	211	-	-
	g) Exploration costs	1,159	1,356	11,912
	h) Total	2,420	2,593	17,044
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**(2,304)**	**(2,568)**	**(16,724)**
4	Other Income	1,838	5,736	16,016
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**(466)**	**3,168**	**(708)**
6	Interest and finance costs	3,811	2	6,628
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**(4,277)**	**3,166**	**(7,336)**
8	Exceptional Items	-	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7+8)**	**(4,277)**	**3,166**	**(7,336)**
10	Tax expense			
	a) Current tax	-	1,020	440
	b) Fringe benefit tax	-	287	(881)
	c) Total	-	1,307	(441)
11	**Net Profit/(Loss) from Ordinary Activities after tax (9-10)**	**(4,277)**	**1,859**	**(6,895)**
12	Extraordinary items (net of tax expense)	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**(4,277)**	**1,859**	**(6,895)**

Sr. No.	Particulars	Quarter ended		Previous financial year ended
		30-June-10	30-June-09	31-Mar-10
		Unaudited	Unaudited	Audited
14	Paid-up Equity Share Capital (Face value of Rs.10 each)	189,735	189,667	189,697
15	Reserves excluding Revaluation Reserves			2,999,337
16	Earning/(Loss) per share in rupees (not annualized)			
	a) Basic earnings/(loss) per share	(0.23)	0.10	(0.36)
	b) Diluted earnings/(loss) per share	(0.23)	0.10	(0.36)
17	Public Shareholding			
	- Number of shares	714,103,443	669,824,025	713,730,341
	- Percentage of shareholding	37.64%	35.32%	37.62%
18	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	-Number of shares	-	-	-
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	-	-	-
	-Percentage of shares (as a % of the total share capital of the Company)	-	-	-
	b) Non-encumbered			
	-Number of shares	1,183,243,791	1,226,843,791	1,183,243,791
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	62.36%	64.68%	62.38%

Notes:-

1. The above unaudited financial results for the current quarter were reviewed and recommended by the Audit Committee in its meeting held on 26th July 2010 and approved by the Board of Directors at its meeting held on 27th July 2010 and have been subjected to a limited review by the auditors of the Company.

2. Employee costs for the current quarter include stock option charge of INR 223 lakhs, computed under the Intrinsic Value Method. The said charge for the current quarter would have been INR 1,395 lakhs, if computed under the Fair Value (Black Scholes) Method.

3. Exploration costs include costs pertaining to geological/geophysical studies, seismic studies, other surveys and unsuccessful wells and have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting.

4. The shareholders of the Company have approved a Scheme of Arrangement between the Company and some of its wholly owned subsidiaries, to be effective from 1st January 2010. The Scheme of

Arrangement has been approved by the Hon'ble High Court of Madras and the Hon'ble High Court of Bombay; however, it is pending for approval from other regulatory authorities. Pending receipt of such approvals, no accounting impact of the scheme has been given in the above results.

5. The Company operates in only one segment i.e. "Oil and Gas Operations".

6. Information on investors' complaints for the quarter: opening-Nil, received-14, disposed-14 and closing-Nil.

7. Previous quarter / year figures have been regrouped / rearranged wherever necessary to confirm to the current quarter's presentation.

For and on behalf of the Board of Directors

Place: Edinburgh
Date: 27th July 2010

Rahul Dhir
Managing Director and Chief Executive Officer

CAIRN INDIA LIMITED
3rd & 4th Floors | Vipul Plaza | Suncity | Sector 54 | Gurgaon 122 002
T: +91 124 270 3000
www.cairnindia.com

Contact:

Analysts/Investors
Anurag Mantri, Group Financial Controller +919810301321

Media
Manu Kapoor, Director - Corporate Affairs & Comm. +919717890260

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 in Sri Lanka.
- "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 Tamilnadu, 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 eleven 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 km^2), which includes Mangala, Aishwariya, Raageshwari and Saraswati is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%. Further Development Areas (430 km^2), including the Bhagyam and Shakti fields and (822 $km^{2)}$ comprising of the Kaameshwari West Development Area, 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 150,000 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	Cairn India Limited and/or its subsidiaries as appropriate
Company	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
GoI	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.

These materials contain forward-looking statements regarding Cairn India, our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time. These forward looking statements are by their nature subject to significant risks and uncertainties; and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions. Cairn India undertakes no obligation to revise any such forward-looking statements to reflect any changes in Cairn India's expectations with regard thereto or any change in circumstances or events after the date hereof. Unless otherwise stated the reserves and resource numbers within this document represent the views of Cairn India and do not represent the views of any other party, including the Government of India, the Directorate General of Hydrocarbons or any of Cairn India's joint venture partners.