



For Immediate Release

10 December 2009

Cairn Lanka commences seismic acquisition in Mannar Basin

Cairn Lanka Private Limited, a wholly owned subsidiary of Cairn India, has commenced its 3D seismic survey in the Mannar Basin in Sri Lanka. The programme will fulfil the commitment of 1450 km² of 3D seismic data acquisition and will be acquired by CGG Veritas AS using the seismic vessel "SR/V Viking II".

Completion of the data acquisition is expected by Q1 2010 with data processing scheduled to be complete by mid 2010. Drilling, based on the interpreted data and subject to regulatory approvals, is expected to commence in H1 2011.

Indrajit Banerjee, Director, Cairn Lanka said

"Cairn is delighted to be commencing this phase of the exploration programme, the first 3D seismic acquisition programme in Sri Lanka.

While there are no guarantees of success when exploring a frontier area such as the Mannar Basin, the block is under explored and we are encouraged by the studies we have conducted to date."

Notes to Editors

- Block SL 2007-01-001 was awarded to Cairn India in the bid round held in 2008. The block lies offshore northwest Sri Lanka. Water Depths range from 400 to 1,900m
- For the Sri Lankan entry, Cairn Lanka (Private) Limited was formed as a wholly owned subsidiary of Cairn India, which now holds a 100% participating interest in the block.
- The signing of the Petroleum Resource Agreement (PRA) to explore for oil and natural gas in the Mannar Basin took place in July 2008 in Colombo.
- A full Environmental Impact Assessment (EIA) has been conducted and approved as required by the Sri Lanka Central Environmental Authority and Marine Pollution Prevention Authority"



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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 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 56,000 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
CY	Cairn India Limited
DoC	Calendar Year
FY	Declaration of Commerciality
JV	Financial Year
MBA	Joint Venture
MPT	Mangala, Bhagyam and Aishwariya
MRPL	Mangala Processing Terminal
IOC	Mangalore Refinery and Petrochemicals Limited, (subsidiary of ONGC)
HPCL	Indian Oil Corporation
E&P	Hindustan Petroleum Corporation Limited
GoI	exploration and production
Group	Government of India
MC	the Company and its subsidiaries
ONGC	Management Committee
OC	Oil and Natural Gas Corporation Limited
	Operating Committee

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
mmboc	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 presentation 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.