For Immediate Release 29 October 2008

Cairn India Limited (Consolidated) Third Quarter Results 2008

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 collectively as "Cairn India") during the third quarter of 2008.

OPERATIONAL

- Development of the Mangala field in Rajasthan, on track with adequate liquidity in place to deliver first oil in H2 2009
- Revised Mangala Field Development Plan (FDP) submitted and represents a 30% increase in 2P reserves and an increase in peak off take to 125,000 barrels of oil per day(bopd)
- Two custom built rigs deployed for development drilling in Rajasthan and ongoing exploration
- Four appraisal/exploration wells planned for Q4 2008 in Rajasthan and Bihar
- Exploration licence to explore for oil and natural gas in the Mannar Basin awarded by the Government of Sri Lanka
- Gross operated production for Q3 2008 was 65,566 barrels of oil equivalent per day (boepd) (working interest 17,111 boepd)

FINANCIAL

The consolidated Profit before tax for Q3 2008 was Rs. 3,600 million (US$ 82.5 million) and for Q3 2007 was Rs. 674 million (US$ 16.6 million).

The consolidated Profit after providing for tax (including deferred tax and FBT) for Q3 2008 was Rs. 2,933 million (US$ 67.2 million) and for Q3 2007 was Rs. 232 million (US$ 5.7 million). Tax (including current tax and deferred tax) is calculated at entity level and not on a consolidated basis; losses arising within one jurisdiction are not available for offset against profits arising in another.

"Cash flow from operations", worked out as profit after tax (excluding other income) prior to non-cash expenses (non-cash employee cost, depreciation, depletion, amortisation and deferred tax) and exploration cost, was Rs. 2,169 million (US$ 49.7 million) for Q3 2008 and for Q3 2007 was Rs. 1,850 million (US$ 45.6 million).

Cash (net of borrowings) available as at 30 September 2008 was Rs. 31,284 million (US$ 667.5 million). In addition Cairn India has a loan facility of US$ 850 million.

The gross production of the operating units was 65,566 barrels of oil equivalent per day (boepd) in Q3 2008 (75,280 boepd in Q3 2007).The working interest production was 17,111 boepd in Q3 2008 (18,871 boepd in Q3 2007).

The consolidated revenue of Cairn India Limited for Q3 for 2008 was Rs. 3,206 million (US$ 73.5 million) and for Q3 2007 was Rs. 2,658 million (US$ 65.6 million)

The average oil price realisation in Q3 2008 was US$ 116.3/bbl and for Q3 2007 was US $77.2/bbl. The gas price realisation in Q3 2008 was US $ 4.1/mscf, at par with the corresponding quarter last year.

Average price realisation per barrel of oil equivalent (boe) was US$ 87.3 in Q3 2008 against US$ 58.4 in Q3 2007.

Amounts shown in US$ are converted based on an average exchange rate for the Q3 2008 of 43.65 (Q3 2007 average rate was 40.53) and a closing exchange rate as on 30th September 2008 of 46.87 (Q3 2007 closing rate was 39.85).

Rahul Dhir, Chief Executive Officer said:

"Cairn India continues to focus efforts on driving forward the Rajasthan upstream and midstream developments and remains on track with adequate financial liquidity to deliver first oil from Mangala in H2 2009.

OPERATIONAL REVIEW

Gross operated production in India for the third quarter of 2008 was 65,566 boepd (17,111 working interest boepd).

RAJASTHAN BASIN - North West India

Block RJ-ON-90/1

Development - Upstream (Cairn India 70% (Operator); ONGC 30%)

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Oil field development work at Cairn India's world class discovery in Rajasthan is in full flow. The integrated upstream and midstream development is on course to produce first oil from Mangala in H2 2009.

Two custom made highly mobile super single 1,000 HP, Alternate Current drive drilling rigs from Weatherford and built by NOV, Houston, Texas, have arrived in India to drill more than 300 development wells in the Rajasthan block.

The rigs are the first of their kind with the wheels attached on the base structure. Unlike conventional rigs, these purpose built rigs can move easily without rigging down, which in turn cuts well construction time in order to deliver greater productivity and a reduction in costs.

A revision to the approved Mangala FDP has been submitted to the Operating Committee. Included in the revised FDP is the comprehensive data available from the appraisal programme, the latest techniques and workflows in geosciences and reservoir engineering, the export option to transport the oil from Barmer to the Gujarat coast and technical inputs from geoscientists and engineers from Director General Hydrocarbons (DGH) and ONGC.

The addendum includes the following:

- The 2P (P50) stock tank oil initially in place (STOIIP) re-assessed to 1,293 million barrels (MMbbls), an increase of more than 20% over the original FDP STOIIP of 1,071 MMbbls.

- The base development plan remaining a hot waterflood, with expected ultimate recovery of ~478 MMbbls (~37% 2P STOIIP) through to 2041. This is an increase of ~30% over the initial FDP life of field waterflood recovery of 368 MMbbls.

- Considering the potential increase in the ultimate recoverable oil from the Mangala Field, a proposal to produce the field at a plateau rate of 125,000 bopd, which is considered to be a technically and economically prudent oil plateau rate.

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- A focus on realising the full potential through conventional and enhanced oil recovery (EOR) techniques. Laboratory and simulation work to date suggest an incremental recovery of reserves via the field-wide application of chemical EOR methods (either polymer or alkaline-surfactant-polymer (ASP) flooding). Included in the revised Mangala FDP is the pilot project, which will begin in H2 2009, simultaneously with the start up of the field.

The latest Field Development Plans for the three main fields assume a sustainable peak plateau production of 175,000 bopd: Mangala 125,000 bopd, Bhagyam 40,000 bopd and Aishwariya 10,000 bopd.

As part of its preparation to meet the production commitment from Rajasthan in H2 2009, Cairn India had embarked upon an intensive recruitment campaign during Q3 2008. A variety of posts were available targeting several key operational areas at Cairn India's Rajasthan project – one of the biggest in the country. The recruitment campaign received 6,000 applications for the 300 positions advertised to assist with the operations and the maintenance of mechanical plant and equipment associated with the Rajasthan wells, production, utilities and pipeline facilities.

Development - Midstream (Cairn India 70% (Operator); ONGC 30%)

Cairn India is confident that it will be able to deliver first oil from Mangala in H2 2009 with the bulk of major contracts works awarded, and long lead time items either ordered or procured.

Construction has commenced on the 24" Insulated Crude Oil Pipeline, 8" Gas Pipeline and Above Ground Installations (AGI). Larsen and Toubro are well advanced with the detailed engineering and procurement for the pipeline construction activity.

32 MW of electrical power is required for the heating system along the pipeline in the form of single 1MW gas engine units and GE Jenbacher in Austria have been awarded the full supply contract. The first units have been dispatched from Austria and are expected to arrive in Q4 2008.

Obtaining access to the land on which the pipeline will be built is well advanced under the Rights of Use process in Gujarat and Rajasthan. The land for all the AGIs has been acquired through direct negotiation with land owners and construction at these locations has started.

The GoI communication of 30th April 2008 accorded their consent to shift the delivery point from the outlet flange of the crude oil processing facility in Barmer to the Gujarat Coast. Consequently the pipeline project infrastructure is included in the revision to the Mangala FDP for cost recovery purposes.

Subsequently the Management Committee of RJ-ON-90/1 on 30th Sept 2008 has also approved the shifting of the delivery point from Barmer to the Gujarat Coast.

The proposed routing of the pipeline will allow access to an extensive existing pipeline infrastructure and refinery network, with a final coastal delivery point that also affords access to the majority of India's refining capacity.

Exploration Overview

The 2008 exploration programme is ongoing and new acreage has been awarded in Sri Lanka.

Our forward exploration drilling programme consists of four exploration wells in near future with three of these in Rajasthan. The rigs and services been used for the Rajasthan development drilling have been brought in early to drill the exploration wells thereby saving costs by leveraging long term contracts .

Seismic acquisition which commenced at the beginning of the year continues to make good progress and will lead to drilling opportunities.
The Government of Sri Lanka has awarded an exploration licence to explore for oil and natural gas in the Mannar Basin, to Cairn India. The block covers approximately 3,000 Km^2 in water depths of 200 metres to 1800 metres.

Cambay Basin - Western India

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

The average gross production for Q3 2008 was 13,478 boepd (comprising average gas production of 38.7 mmscfd and average oil/condensate production of 7,020 bopd).

In the CB/OS-2 block, oil production has been increased from the new wells that were added during the recent infill/development drilling campaign that concluded in Q1 2008.

A field development plan for the Ambe field has been submitted.

CB-ONN-2002/1 (Cairn India 30% (ONGC Operator))

A three well drilling programme started in the last quarter with the first well being completed with the rig being released on 28th August 2008. A small quantity of oil with a flow rate of 100 bopd on 13th July 2008 was recovered from a 2483-2479m zone. Two further wells are expected to be drilled during Q4 2008.

Krishna-Godavari Basin - Eastern India

Ravva (Cairn India 22.5% (Operator))

Average gross production from the Ravva field for Q3 2008 was 52,088 boepd (comprising average oil production of 40,111 bopd and average gas production of 71.8 mmscfd). Earlier this year, the JV partners reached the milestone of producing 200 million barrels of oil from the Ravva block.

Three new infield sub sea pipelines have been installed in the last quarter. Commissioning is planned for later in the year to help sustain production in the field.

Production has now commenced from four new infill wells and two work over wells. In addition, one water injection well has been put into service to enhance the reservoir water-flood scheme, while one more is planned to start injection after testing the upper zone (LM6) in Q3 2008.

A further two exploration wells were drilled during the last drilling campaign. Four small sized oil and gas discoveries were made from four stratigraphic intervals. Currently one of the intervals is under extended test and producing approximately 500 bopd through a 24" choke. Further technical evaluation together with the extended well test is ongoing to convert the discoveries into commercially producible fields.

KG-ONN-2003/1 (Cairn India 49% (Operator – exploration phase))

Two seismic programmes have been undertaken in this block. The acquisition of a 500 km 2D seismic programme commenced in January 2008 followed by the acquisition of a 255km^2 3D programme.

KG-DWN-98/2 (Cairn India 10% (ONGC Operator))

The JV has approved a three well appraisal programme for 2008, together with additional 3D seismic acquisition. Approval of an appraisal period up to July 2010 under the PSC for appraisal of the discoveries made in the block to date has been given by the GoI.

PR-OSN-2004/1 (Cairn India 35%, (Operator))

The acquisition of an offshore 3,100 km 2D seismic programme has been successfully completed and processing of the data is complete.

Ganga Basin- Northern India

GV-ONN-2002/1 (Cairn India 50% (Operator) Capricorn 50%)

An exploration well is expected to spud during Q4, 2008 in order to meet the remaining work programme commitment in the first exploration phase of the PSC.

GV-ONN-2003/1 (Cairn India 49% (Operator – exploration phase) Capricorn 25%)

The acquisition of a 550 km 2D seismic programme is expected to commence in Q4 2008.

Rest of India

VN-ONN-2003/1 (Cairn India 49% (Operator – exploration phase))

The acquisition of a 500 km 2D seismic programme commenced in August and is expected to be complete by mid Q4 2008.

KK-DWN-2004/1 (Cairn India 40% (ONGC, Operator))

A 3,500 km 2D seismic programme has started and is expected to be completed in Q4 2008.

Mannar Basin – Sri Lanka

SL 2007-01-001 (Cairn Lanka 100% (Wholly owned subsidiary of Cairn India))

A Petroleum Resource Agreement (PRA) for Block SL 2007-01-001 was signed in July 2008. The block was awarded to Cairn India in the recent Sri Lanka bid round early in 2008 and the work programme includes the acquisition of 5,000 km of 2D, 1,000 km^2 of 3D seismic and the drilling of three wells in the initial three years of the eight year exploration period. The Petroleum Exploration Licence has been signed with an effective date of 16th October 2008.

The Sri Lankan part of the Mannar basin is an un-explored frontier petroleum province. Subject to the required approvals Cairn India intends to acquire initial seismic data early in 2009.

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Cairn India Limited

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Mumbai – 400025
Corporate Office: 3rd & 4th Floors, Vipul Plaza, Sun City, Sector-54
Gurgaon – 122002

Unaudited consolidated financial results for the quarter ended 30 September 2008

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

Sr. No.	Particulars	3 months ended 30-Sep-08 (Unaudited)	3 months ended 30-Sep-07 (Unaudited)	9 months ended 30-Sep-08 (Unaudited)	9 months ended 30-Sep-07 (Unaudited)	Previous accounting year ended 31-Dec-07 (Audited)
1	a) Income from operations	32,063	26,581	104,010	74,552	101,226
	b) Other operating income	-	-	-	-	-
2	Expenditure					
	a) (Increase)/decrease in stock-in-trade	(559)	1	915	(610)	(1,117)
	b) Operating expenses	4,477	5,085	14,155	13,224	19,458
	c) Employee costs	1,596	2,378	7,037	8,343	12,574
	d) Depreciation, depletion & amortization	6,499	5,121	19,292	14,443	20,771
	e) Other expenditure – administration cost	1,723	467	7,063	1,272	3,596
	f) Share issue expenses	2,040	-	2,040	-	-
	g) Exploration cost	793	7,204	6,818	19,354	25,123
	h) Foreign exchange fluctuation	-	3,005	-	18,441	21,200
	i) Total	16,569	23,261	57,320	74,467	101,605
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**15,494**	**3,320**	**46,690**	**85**	**(379)**
4	Other Income	20,554	3,430	28,320	10,558	13,241
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**36,048**	**6,750**	**75,010**	**10,643**	**12,862**
6	Interest and finance cost	47	10	367	103	270
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**36,001**	**6,740**	**74,643**	**10,540**	**12,592**
8	Exceptional Items	-	-	(1,557)	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7-8)**	**36,001**	**6,740**	**76,200**	**10,540**	**12,592**
10	Tax expense					
	a) Current tax	1,912	1,139	4,338	3,331	3,877
	b) Deferred tax	5,703	3,162	15,927	7,976	7,642
	c) Fringe benefit tax	(946)	115	1,103	297	3,527
11	**Profit/(Loss) from Ordinary Activities after tax (9-10)**	**29,332**	**2,324**	**54,832**	**(1,064)**	**(2,454)**
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**29,332**	**2,324**	**54,832**	**(1,064)**	**(2,454)**
14	Paid-up Equity Share Capital (Face value of Rs.10 each)	189,443	177,840	189,443	177,840	177,840
15	Reserves excluding Revaluation Reserves					2,756,269
16	Earning/(Loss) per share in rupees (not annualized)					
	a) Basic earnings/(loss) per share	1.55	0.13	2.97	(0.06)	(0.14)
	b) Diluted earnings/(loss) per share	1.54	0.13	2.96	(0.06)	(0.14)
17	Public Shareholding					
	- Number of shares	667,585,947	551,555,629	667,585,947	551,555,629	551,555,629
	- Percentage of shareholdings	35.24%	31.01%	35.24%	31.01%	31.01%

Notes:-

1. The above unaudited financial results of the current quarter have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29th October 2008. The limited review of the consolidated financial results for the quarter ended 30th September 2008 was conducted by the auditors of the Company. However, the results for the quarter ended 30th September 2007 were not reviewed by the auditors.

2. The Company and its subsidiaries operate in only one segment i.e. "Oil and Gas Operations".

3. Employee costs for the current quarter include a net credit of Rs.83 lakhs (after adjusting for cancellation of options for employees who have left the organization) and a charge of Rs.2,228 lakhs for nine months ended 30th September 2008, representing the amortization of employee compensation expenses pertaining to Employee Stock Option Schemes. Following is the summary of options existing, granted, exercised and cancelled during the quarter:

	Particulars	**Equity-settled Employee Stock Option Schemes**	**Cash-settled Employee Stock Option Schemes**
(a)	Options outstanding at the beginning of the quarter	17,295,578	Nil
(b)	New options granted during the quarter	4,563,423	1,147,415
(c)	Options exercised during the quarter	Nil	Nil
(d)	Options cancelled during the quarter (excluding 653,880 equity-settled options pending approval from remuneration committee)	2,143,229	Nil
(e)	Options outstanding at the end of the quarter	19,715,772	1,147,415

During the current year, the Company decided to retrospectively account for stock option using the Intrinsic Value Method as against the Fair Value Method (Black Scholes) followed till the financial year ended 31st December 2007. Accordingly, the excess stock option provision up to 31st December 2007 was reversed during the quarter ended 31st March 2008, resulting in an exceptional gain of Rs.1,557 lakhs. Further, the stock option charge for the current quarter and nine months ended 30th September 2008 (included in employee cost) is lower by Rs.514 lakhs and Rs.1,876 lakhs respectively due to this change.

4. The share issue expenses incurred on the preferential allotment of 113,000,000 equity shares have been charged to the Profit & Loss Account and not adjusted from the securities premium account on conservative basis.

5. Exploration costs include costs pertaining to geological/geophysical studies, seismic and other surveys. These costs have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting for acquisition, exploration and development costs prescribed under the Guidance Note on Accounting for Oil and Gas Producing Activities, issued by the Institute of Chartered Accountants of India.

6. Other income for the quarter and nine months ended 30th September 2008 includes:
   (a) Income from investments Rs.11,820 lakhs and Rs.17,237 lakhs, respectively.
   (b) Foreign exchange fluctuation of Rs.8,734 lakhs and Rs.11,083 lakhs, respectively, representing the net gain arising on settlement and translation of foreign currency monetary items at the rate prevailing at the end of the reporting date and the cost arising on the USD/INR options (taken for hedging the foreign currency risks of the group) settled or marked-to-market as at 30th September 2008.

7. The current tax and deferred tax provisions have been computed on the basis of standalone financials of those foreign subsidiaries, which have operations in India i.e. not based on consolidated financials of Cairn India Limited and all its subsidiaries. The fringe benefit tax includes the provision made on employee stock options, which is worked out on the basis of number of options outstanding and the share price prevailing on the reporting date.

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

For and on behalf of the Board

Place: Gurgaon
Date: 29th October 2008

Rahul Dhir
Managing Director and Chief Executive Officer

Cairn India Limited

Registered Office: 101, West View, Veer Sarvarkar 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 30 September 2008

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

Sr. No.	Particulars	3 months ended 30-Sep-08 (Unaudited)	3 months ended 30-Sep-07 (Unaudited)	9 months ended 30-Sep-08 (Unaudited)	9 months ended 30-Sep-07 (Unaudited)	Previous accounting year ended 31-Dec-07 (Audited)
1	a) Income from operations	55	28	241	114	127
	b) Other operating income	-	-	-	-	-
2	Expenditure					
	a) (Increase)/decrease in stock-in-trade	-	-	-	-	-
	b) Operating expenses	-	-	363	-	-
	c) Employee costs	(203)	1,146	1,932	4,543	6,234
	d) Depreciation, depletion & amortization	1	-	1	-	-
	e) Other expenditure – administration cost	921	463	2,597	800	1,748
	f) Share issue expenses	2,040	-	2,040	-	-
	g) Exploration cost	230	24	3,941	44	89
	h) Foreign exchange fluctuation	502	1	909	1	-
	i) Total	3,491	1,634	11,783	5,388	8,071
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**(3,436)**	**(1,606)**	**(11,542)**	**(5,274)**	**(7,944)**
4	Other Income	10,728	766	13,509	2,825	3,269
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**7,292**	**(840)**	**1,967**	**(2,449)**	**(4,675)**
6	Interest and finance cost	-	-	-	2	2
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**7,292**	**(840)**	**1,967**	**(2,451)**	**(4,677)**
8	Exceptional Items	-	-	(1,557)	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7-8)**	**7,292**	**(840)**	**3,524**	**(2,451)**	**(4,677)**
10	Tax expense					
	a) Current tax	377	-	377	-	-
	b) Deferred tax	-	-	-	-	-
	c) Fringe benefit tax	(1,229)	-	545	-	3,205
11	**Profit/(Loss) from Ordinary Activities after tax (9-10)**	**8,144**	**(840)**	**2,602**	**(2,451)**	**(7,882)**
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**8,144**	**(840)**	**2,602**	**(2,451)**	**(7,882)**
14	Paid-up Equity Share Capital (Face value of Rs.10 each)	189,443	177,840	189,443	177,840	177,840
15	Reserves excluding Revaluation Reserves					2,750,037
16	Earning/(Loss) per share in rupees (not annualized)					
	a) Basic earnings/(loss) per share	0.43	(0.05)	0.14	(0.14)	(0.44)
	b) Diluted earnings/(loss) per share	0.43	(0.05)	0.14	(0.14)	(0.44)
17	Public Shareholding					
	- Number of shares	667,585,947	551,555,629	667,585,947	551,555,629	551,555,629
	- Percentage of shareholdings	35.24%	31.01%	35.24%	31.01%	31.01%

Notes:-

1. The above unaudited financial results of the current quarter have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29th October 2008. The limited review was carried out by the auditors of the Company.

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

3. Employee costs for the current quarter include a net credit of Rs.411 lakhs (after adjusting for cancellation of options for employees who have left the organization) and a charge of Rs.1,387 lakhs for the nine months ended 30th September 2008, representing the amortization of employee compensation expenses pertaining to equity-settled Employee Stock Option Schemes.

   The Company has offered certain share options to some of the employees of one of its subsidiary companies and it was bearing the charge in its profit & loss account till 31st March 2008. With effect from 1st April 2008, the management has decided that this charge would be borne by the immediate employer company of those employees. Accordingly, the stock option charge for the current quarter and nine months ended 30th September 2008 is lower by Rs.230 lakhs and Rs.744 lakhs respectively. Following is the summary of options existing, granted, exercised and cancelled during the quarter-

	Particulars	**Equity-settled Employee Stock Option Schemes**
(a)	Options outstanding at the beginning of the quarter	17,295,578
(b)	New options granted during the quarter	4,563,423
(c)	Options exercised during the quarter	Nil
(d)	Options cancelled during the quarter (excluding 653,880 equity-settled options pending approval from remuneration committee)	2,143,229
(e)	Options outstanding at the end of the quarter	19,715,772

   During the current year, the Company decided to retrospectively account for stock option using the Intrinsic Value Method as against the Fair Value Method (Black Scholes) followed till the financial year ended 31st December 2007. Accordingly, the excess stock option provision up to 31st December 2007 was reversed during the quarter ended 31st March 2008, resulting in an exceptional gain of Rs.1,557 lakhs. Further, the stock option charge for the current quarter and nine months ended 30th September 2008 (included in employee cost) is lower by Rs.489 lakhs and Rs.1,851 lakhs respectively due to this change.

4. The share issue expenses incurred on the preferential allotment of 113,000,000 equity shares have been charged to the Profit & Loss Account and not adjusted from the securities premium account on conservative basis.

5. Exploration costs include costs pertaining to geological/geophysical studies, seismic and other surveys. These costs have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting for acquisition, exploration and development costs prescribed under the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

6. Other income represents income from investments made by the Company in mutual funds and bank deposits.

7. The fringe benefit tax includes the provision made on employee stock options, which is worked out on the basis of options outstanding and the share price prevailing on the reporting date.

8. The number of investors' complaints received and disposed of during the quarter ended 30th September 2008 were as follows-

(a)	Pending at the beginning of the quarter	27
(b)	Received during the period	69
(c)	Disposed of during the period	94
(d)	Pending at the end of the quarter	2

9. As at 30th September 2008, the Company and its subsidiaries together have utilized Rs. 855,174 lakhs for the purposes listed in the Prospectus, as against the projected utilization of Rs.882,489 lakhs. The funds utilized till 30th September 2008 were as follows-

		Rupees in lakhs
(a)	Acquisition of shares of Cairn India Holdings Limited from Cairn UK Holdings Limited	595,808
(b)	Exploration and Development expenses	241,073
(c)	General corporate purposes	2,297
(d)	Issue expenses	15,996

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

For and on behalf of the Board

Place: Gurgaon
Date: 29th October 2008

Rahul Dhir
Managing Director and Chief Executive Officer

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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 on the outskirts of Delhi, with 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 65% 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 and Sri Lanka.
- 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.
- 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, 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 km^2), 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 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

Glossary
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
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.