For Immediate Release 22nd April, 2016

# Cairn India Limited

## Annual Financial Results for the period ended 31st March, 2016

***Mangala EOR performance reaffirms potential in the Rajasthan block***

### Operational Highlights

- Polymer injection in Mangala continues in-line with guidance; average production from EOR at ~32 kboepd in Q4 with polymer injection at 400 kblpd
- RDG average gas production at 27 mmscfd for FY16, surpasses our guidance of 25 mmscfd. Successful hydro-frac campaign resulting in higher well productivity
- Successful execution of 20 well infill program in Aishwariya
- Rajasthan (RJ) water flood operating cost improved further, reduced by 11% YoY to US$ 5.2/boe
- Exploration campaign in Rajasthan yielded positive results, added 300 million boe to HIIP

### Financial Highlights

- In-line with our commitment, free cash flow of ₹ 2,485 crore (US$ 379 mn) generated at low oil prices. It resulted in strong Cash and Cash Equivalents position of ₹ 19,521 crore (US$ 2.9 bn)
- Revenue of ₹ 8,626 crore (US$ 1,317 mn); 41% lower YoY, primarily due to decline in crude prices
- EBITDA of ₹ 3,505 crore (US$ 535 mn); 60% lower YoY
- Net profit excluding exceptional items of ₹ 2,145 crore (US$ 328 mn); lower EBITDA and higher DD&A

### Corporate and Regulatory Developments

- Cairn India Board recommended a final dividend of ₹ 3 per Equity share, entailing an outflow of approximately ₹ 677 crore including dividend distribution tax. This is subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company scheduled to be held on 21st July, 2016. The Book closure dates for the purpose of ensuing AGM and dividend payment will be from 12th July, 2016 to 21st July, 2016. This payout amounts to around 31.6% of our annual consolidated normalized net profit which is in line with our stated dividend policy.
- The impairment of ₹ 11,674 crore largely reflects the lower crude price, prevailing discount of RJ crude as well as adverse long term impact of revised Cess. All the company's projects including Bhagyam and Aishwariya EOR, Aishwariya Barmer Hill as well as the RDG project remain viable at the price assumptions taken for impairment.
- We are committed to the Cairn - Vedanta Limited merger and continue to work towards its completion. The merger would generate value for the shareholders and de-risks Cairn India by providing access to a portfolio of diversified assets in a volatile market and deliver significant near term growth.
- The PSC extension and crude export writs are *sub judice* in the Hon'ble High Court of Delhi.
- The year saw series of reforms to attract investments and simplify governance of the sector. Ad-valorem Cess rate announced in the Union Budget, Gas price, Hydrocarbon Exploration Licensing Policy (HELP) and PSC extension for small, medium sized and discovered fields are policy announcements in the right direction. These policy reforms will provide greater clarity to the industry for planning their investments.


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**Mr. Mayank Ashar, Managing Director and CEO of Cairn India commented:**

*"The Cairn team has delivered a resilient performance in a challenging year. Drive for cost efficiency and rationalization of capital investment have aided free cash generation despite crude prices plummeting to a 12 year low. We are delighted to recommend a dividend of ₹ 3 per Equity share for the year.*

*Our commitment towards technology and innovation has enabled us to successfully execute one of the world's largest EOR project at Mangala. Adopting cutting edge fraccing technology in RDG field has demonstrated excellent results in tapping the gas potential for future growth. The company continues with its pre-development activities to be future ready to tap the resource base. Cairn India shares the country's vision for energy security and to pursue this goal, continues to engage with the Government on extension of PSC for further investment in the prolific Rajasthan block.*

*The management will continue to pursue innovations and technology in its asset portfolios, to maintain one of the lowest cost operations in the world and create substantial value for its stakeholders."*

## Operational Review

During FY16, Cairn had a gross production of 74.6 mmboe across all the assets, of which working interest production was 46.9 mmboe. Gross Sales was 74.5 mmboe averaging at 203,510 boepd. During Q4 FY16, gross production was at 17.9 mmboe with daily production at 197,039 boepd.

| Average Daily Production | Units | Q4 | | | Q3 | | Financial Year | | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY16 | FY15 | y-o-y (%) | FY16 | q-o-q (%) | FY16 | FY15 | y-o-y (%) |
| Total Gross operated* | Boepd | 206,170 | 224,294 | (8%) | 211,843 | (3%) | 212,552 | 220,876 | (4%) |
| **Gross operated** | **Boepd** | 197,039 | 215,553 | (9%) | 202,668 | (3%) | 203,703 | 211,670 | (4%) |
| Oil | Bopd | 190,271 | 208,019 | (9%) | 196,135 | (3%) | 196,955 | 204,761 | (4%) |
| Gas | Mmscfd | 41 | 45 | (10%) | 39 | 4% | 40 | 41 | (2%) |
| Working Interest | Boepd | 125,775 | 132,929 | (5%) | 128,402 | (2%) | 128,191 | 132,663 | (3%) |
| **Rajasthan (Block RJ-ON-90/1)** | | | | | | | | | |
| Total Gross operated* | Boepd | 176,039 | 181,711 | (3%) | 178,679 | (1%) | 177,669 | 182,824 | (3%) |
| **Gross operated** | **Boepd** | 167,650 | 174,206 | (4%) | 170,444 | (1.6%) | 169,609 | 175,144 | (3%) |
| Oil | Bopd | 164,826 | 172,683 | (5%) | 167,979 | (2%) | 167,266 | 173,649 | (4%) |
| Gas | Mmscfd | 17 | 9 | 85% | 15 | 15% | 14 | 9 | 57% |
| Gross DA 1 | Boepd | 150,918 | 150,489 | 0% | 150,496 | 0% | 149,623 | 147,558 | 1% |
| Gross DA 2 | Boepd | 16,732 | 23,717 | (29%) | 19,949 | (16%) | 19,986 | 27,585 | (28%) |
| Gross DA 3 | Boepd | - | - | - | - | - | - | - | - |
| Working Interest | Boepd | 117,355 | 121,944 | (4%) | 119,311 | (2%) | 118,726 | 122,601 | (3%) |
| **Ravva (Block PKGM-1)** | | | | | | | | | |
| Total Gross operated* | Boepd | 20,068 | 33,218 | (40%) | 22,975 | (13%) | 24,942 | 27,736 | (10%) |
| **Gross operated** | **Boepd** | 19,058 | 31,738 | (40%) | 21,703 | (12%) | 23,845 | 25,989 | (8%) |
| Oil | Bopd | 16,588 | 26,872 | (38%) | 19,056 | (13%) | 20,845 | 22,565 | (8%) |
| Gas | Mmscfd | 15 | 29 | (49%) | 16 | (7%) | 18 | 21 | (12%) |
| Working Interest | Boepd | 4,288 | 7,141 | (40%) | 4,883 | (12%) | 5,365 | 5,847 | (8%) |
| **Cambay (Block CB/OS-2)** | | | | | | | | | |
| Total Gross operated* | Boepd | 10,063 | 9,366 | 7% | 10,189 | (1%) | 9,940 | 10,316 | (4%) |


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| Average Daily Production | Units | Q4 | | | Q3 | | Financial Year | | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY16 | FY15 | y-o-y (%) | FY16 | q-o-q (%) | FY16 | FY15 | y-o-y (%) |
| **Gross operated** | **Boepd** | 10,331 | 9,609 | 8% | 10,521 | (2%) | 10,249 | 10,538 | (3%) |
| Oil | Bopd | 8,856 | 8,464 | 5% | 9,099 | (3%) | 8,844 | 8,547 | 3% |
| Gas | Mmscfd | 9 | 7 | 29% | 9 | 4% | 8 | 12 | (29%) |
| Working Interest | Boepd | 4,133 | 3,844 | 8% | 4,208 | (2%) | 4,100 | 4,215 | (3%) |

* Includes internal gas consumption

## Operations

### Rajasthan (Block RJ-ON-90/1)

For FY16, gross production from Rajasthan (RJ) block was 62.1 mmboe at an average of 169,609 boepd. Mangala EOR contributed an average of 14,000 boepd during FY16. The excellent performance by Mangala EOR and encouraging upside from Aishwariya infill program aided in arresting the decline to 3% YoY in Rajasthan. Reservoir management continued in the Bhagyam field to address the challenges. For the year, a total of 60.9 mn barrels of oil was sold, at an average rate of 166,509 bopd. Increase in gas production from RDG field to an average of 27 mmscfd from 16 mmscfd in FY15, amounted to 9.9 bcf for FY16. We started a 15 well hydro-frac campaign in December 2015 to sustain the growth level and have successfully completed about half the planned number of fracs resulting in better than expected initial well productivities. The campaign is expected to conclude by Q1 FY17. Total gas sales were 5.1 bcf, continuing at an average rate of 14 mmscfd. The expected ultimate recovery from the RDG field has been upgraded by over 25%.

The water-flood operating cost in Rajasthan was lowered by 11% YoY to US$ 5.2/boe for FY16 through cost reduction in crude processing and well maintenance activities. Blended operating cost was US$ 6.5/boe on account of polymer injection.

During Q4 FY16, the Rajasthan block produced 15.3 mmboe at an average rate of 167,650 boepd. Gas production from RDG field also remained firm at 31 mmscfd. A total of 85 new wells were brought online during the year, with 12 wells added in Q4 FY16. In addition, almost 66 wells have been converted into polymer injectors for Mangala EOR till the end of FY16.

With continued focus of safe operations, the average facility uptime for the year was ~98% in FY16. Lost Time Incident (LTI) free man-hours for Rajasthan Projects was at 29 million since last LTI.

### Ravva (Block PKGM-1)

Prudent reservoir management in Ravva for the past two decades has resulted in continued performance from the block. In FY16, Ravva produced 8.7 mmboe at an average rate of 23,845 boepd. Execution of a coil tubing campaign and deeper gas lift injection has helped partially offset the natural decline. For year FY16, 7.8 mmbbls of crude and 6.6 bcf of gas were sold, averaging 21,385 bopd of crude oil and 18 mmscfd of gas, respectively. Gross production for Q4 FY16 was 1.7 mmboe at an average rate of 19,058 boepd. Well stimulation in five water injectors has also helped in sustaining required water injection rates to support production from oil wells.


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Maintaining its high safety standards, the asset recorded an uptime of 99.7% in FY16 and Lost Time Incident (LTI) free man-hours at 4.5 million since last LTI.

**Cambay (Block CB/OS-2)**

For year FY16, Cambay's production was largely stable at 3.8 mmboe at an average rate of 10,249 boepd, aided by effective reservoir management practices offsetting its natural decline. During the year, 3.2 mmbbls of crude and 3.1 bcf of gas were sold, averaging 8,867 bopd of crude oil and 8.4 mmscfd of gas, respectively. Gross production in Q4 FY16 increased to 0.9 mmboe at an average rate of 10,331 boepd, driven by commissioning of an artificial gas lift system and better reservoir performance.

Facilities recorded an excellent uptime of 99.9% in FY16 and 3.1 million LTI free man-hours since last LTI.

**Development**

Following development projects and activities were carried out during the year FY16:

Mangala EOR: Successful execution of polymer flood has yielded positive results with an increase in oil production and stabilization of water cut. In Q4 2016, polymer injection ramped up to planned levels of 400,000 barrels of liquid per day and we plan to maintain the injection at this level going forward. EOR contribution increased to an average of about 32,000 boepd in Q4 FY16 from 19,000 boepd in Q3 FY16. The Integrated drilling program was completed for all the 93 new wells during the year. The central polymer facility was made fully operationalized with four trains preparing polymer solution, in October 2015. The MPT facilities modifications required to handle the back-produced polymer fluids are now in the final stages of commissioning. Common facilities for all well-pads including the E-houses are in place and injection is now ongoing at all the well-pads.

Aishwariya Infill: During FY16, the planned infill wells program in Aishwariya was successfully completed. All the 20 infill wells have been brought online and they are playing a key role in sustaining the field oil rates. These wells along with ramp up of injection and sector wise voidage management are leading to optimization of reservoir management and increase in production recovery.

Injection Water Upgrade: Water injection capacity at Mangala Processing Terminal has been upgraded through building a new 30" water pipeline from Thumbli and installing an additional injection water pump. Capacity of injection water system has been increased to around 700,000 barrels of water per day now. Intent of this additional facility is to increase Voidage Replacement Ratio through enhanced injection water capacity. A higher ratio will help to maintain field pressure resulting into an improvement in overall recovery.

Bhogat Commissioning: During Q3 FY16, Salaya Bhogat Pipeline (SBPL), storage terminal & marine export facilities at Bhogat were commissioned and consequently first cargo of Rajasthan crude oil was successfully loaded through the terminal for Mangalore Refinery Petroleum Ltd. We are generating superior realization through this sale.

Barmer Hill: The appraisal program for the tight oil developments has been completed with the results broadly as per our expectation. Gaining valuable data gathered through the campaign is now being used


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for a full field development plan. For Aishwariya Barmer Hill, we have achieved sub-surface technical alignment with our JV partner and are also progressing on technical alignment for surface facility.

Gas Development at RDG Field: Ramp-up of gas production in a phased manner through low cost augmentation of the existing facility and installation of additional gas compressor stations is underway. A very successful ongoing hydro-frac campaign in the RDG field has resulted in higher than expected well productivity that will aid in future growth. About half the planned number of fracs to sustain the growth level has been completed and the campaign is expected to conclude by the end of current quarter. Tendering process for new gas processing terminal and rig services is also progressing well. As a result of the successful application of hydro frac technology and better reservoir characterisation, the expected ultimate recovery from the RDG field has been upgraded by over 25%. During this hydro frac campaign, Cairn has successfully placed the largest Frac in India in one of the RDG wells.

Bhagyam EOR: In view of sustained low oil prices, various development options to improve the viability of the project are being looked into; it includes leveraging the existing facilities built for the Mangala EOR project. Plans are being drawn up to conduct further polymer injection test program in multiple wells to demonstrate modelled injection rates. Techno commercial proposal for multi well injectivity test has been submitted to JV for review and approval. Currently, technical and cost alignment with JV is ongoing.

## Exploration

### Rajasthan

During FY16, activity continued to be focused upon appraisal of new discoveries and processing of the new 3D seismic data over high priority areas, in-line with our re-phased exploration program.

Earlier in the year, oil was discovered in volcanic reservoirs, in three zones in well Raageshwari Deep North and in two zones in well Raageshwari Deep Main. The subsurface data pertaining to the deeper layers within the volcanic reservoirs in the Raageshwari area were analyzed during the fourth quarter. This led to an increase of over 300 million barrels in oil in-place volumes (OIIP) during the year. Since resumption of exploration in the Rajasthan block in 2013, Cairn India has discovered 1.7 billion boe of drilled and tested HIIP with an additional 0.45 billion boe drilled but yet to be tested. Exploration successes in Rajasthan have led to the addition of over 200 mmboe of 2C Resources since 2013.

The data obtained from fraccing and testing of wells NL-2, Vandana-10A and V2Y Down Dip are being analyzed, with the objective of progressing these discoveries to development. The processing of newly acquired 3D seismic data is ongoing with a focus upon identification of additional prospects that will act to replenish the exploration prospect inventory.

### Other India and International Assets

KG Offshore (Block KG-OSN-2009/3): Cairn is engaging with the MoPNG for an extension contingent upon full life clearances. Phase-I expired on 8th March 2016. Interpretation of the new seismic volumes has resulted in identification of four prospects and a number of smaller leads over different play types.

KG Onshore (Block KG-ONN-2003/1): ONGC, the development operator, has submitted a Field Development Plan to the Management Committee and it is under review. The project is in the pre-development phase.

Mumbai Offshore (Block MB-DWN-2009/1): Due to lack of prospectivity, Cairn will exit the block at the end of the current license term in April, 2016.

Palar-Pennar (Block PR-OSN-2004/1): Preparation for drilling the three commitment wells in 2017-18 is in progress. Cairn India has made a request to the Government in order to seek an extension of the current exploration license period by two years.

Sri Lanka (SL 2007-01-001): The exploration license for the block expired on 15th October, 2015. Cairn India has completed exit formalities related to the block with the Sri Lankan Government.

South Africa (Block 1): De-risking of inboard leads and prospects is finalized. We are awaiting a decision on the proposed legislative changes to the Mineral and Petroleum Resources Development Act 2002 and the consequently applicable fiscal regime before considering a decision to progress into the second exploration license phase.

**Reserves update**

We started the year with Working Interest 2P reserves of 242 mmboe, and ended the year with Working Interest 2P reserves of 175 mmboe. Excluding production, our Working Interest 2P reserves for the year declined by approximately 18 mmboe. We made some additions from reservoir performance and projects in Aishwariya and Offshore fields. However, project deferrals and Bhagyam under-performance resulted in this downward revision in the reserves. Most of this revision has been reclassified as 2C resources, and it would be restored to the reserves category upon the granting of a Rajasthan PSC extension. The project deferrals are the result of the uncertainty regarding PSC extension coupled with the prevailing low oil prices.

**Financial Review**

| | Q4 | | | Q3 | | Financial Year | | |
|---|---|---|---|---|---|---|---|---|
| **₹ Crore** | **FY16** | **FY15** | **y-o-y (%)** | **FY16** | **q-o-q (%)** | **FY16** | **FY15** | **y-o-y (%)** |
| Net Revenue | 1,717 | 2,677 | (36%) | 2,039 | (16%) | 8,626 | 14,646 | (41%) |
| EBITDA | 571 | 727 | (21%) | 665 | (14%) | 3,505 | 8,660 | (60%) |
| *Margin (%)* | *33%* | *27%* | | *33%* | | *41%* | *59%* | |
| Normalized PAT | 628 | 193 | 225% | 9 | - | 2,145 | 6,541 | (67%) |
| Reported PAT | -10,948 | -241 | NA | 9 | NA | -9,432 | 4,480 | NA |
| *Margin (%)* | *-638%* | *-9%* | | *0%* | | *-109%* | *31%* | |
| EPS (₹) – Diluted | -58.25 | -1.28 | NA | 0.05 | NA | -50.17 | 23.77 | NA |
| Cash EPS (₹) | 6.76 | 4.94 | 37% | 4.06 | 66% | 24.71 | 47.65 | (48%) |

Note: EBITDA includes forex gain/(loss) on operating activities


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| Average Price Realization | Units | Q4 | | | Q3 | | Financial Year | | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY16 | FY15 | y-o-y (%) | FY16 | q-o-q (%) | FY16 | FY15 | y-o-y (%) |
| Cairn India | US$/boe | 28.2 | 48.4 | (42%) | 35.2 | (20%) | 40.9 | 76.0 | (46%) |
| Oil | US$/bbl | 27.8 | 48.6 | (43%) | 35.0 | (21%) | 40.8 | 76.8 | (47%) |
| Gas | US$/mscf | 7.4 | 6.2 | 19% | 7.2 | 3% | 7.1 | 6.4 | 11% |

Net revenue for FY16 decreased 41% YoY to ₹ 8,626 crore on account of a significant decline in Brent prices and a lower production. Brent prices witnessed a decline of 44% during the year, resulting into a 46% YoY decline in the overall realization to US$ 40.9/boe. Discount to Brent for Rajasthan crude was at US$ 7.2/bbl compared to US$ 9/bbl in FY15, resulting in an average realization for RJ crude at US$ 40.4/bbl in FY16. However, 7% depreciation in average rate of Rupee vs Dollar partially negated the impact. During the year, net profit petroleum was ₹ 2,364 crore (US$ 361 million) including ₹ 1,983 crore (US$ 303 million) for Rajasthan block. Net royalty was ₹ 1,532 crore (US$ 234 million) with Rajasthan share of ₹ 1,517 crore (US$ 232 million).

Our focus towards reducing operating expenses has resulted into decreasing our already low Rajasthan water-flood operating cost by 11% YoY to US$ 5.2/boe. We have realized the cost saving from reduction in uneconomic work-overs, decrease in requirement of well-intervention units and lower unit rentals. Polymer injection in the later part of year raised our blended operating cost for Rajasthan to US$ 6.5/boe. However, it was contained through our ongoing interventions which resulted in almost 20% reduction in the polymer cost. We have also started purchasing 10MW power from open exchange at about 25% lower costs during the last year.

EBITDA for the year was reported at ₹ 3,505 crore with an EBITDA margin of 41%. Lower revenue, higher operating cost due to polymer injection and excessive Cess burden led to decline in EBITDA. DD&A charges increased 21% YoY to ₹ 3,107 crore due to faster depreciation of the latest capex incurred since PSC is expiring in 2020. A favourable movement in Rupee of 6% depreciation versus US Dollar resulted into a forex gain of ₹ 714 crore on our investments and operating activities.

Normalized profit after tax was low at ₹ 2,145 crore due to lower EBITDA and higher DD&A charges. Exceptional items for the year amounted to ₹ 11,674 crore primarily on account of Impairment of goodwill due to a significant decline in oil prices last year. Net loss after exceptional items was reported at ₹ 9,432 crore resulting into an Earning per share of ₹ (50.3) for FY16. Cash EPS was also down 48% YoY to ₹ 24.7 due to lower EBITDA.

Cash flow from operations for FY16 was ₹ 4,134 crore. Net capital expenditure incurred for the year was ₹ 1,626 crore (US$ 248 million) with 78% of the investment made in development activities and 22% on exploration work. Our closing cash and cash equivalent position was robust at ₹ 19,521 crore (US$ 2.9 billion), of which 69% is invested in rupee funds and 31% in dollar funds.

For the fourth quarter, revenue declined 16% QoQ to ₹ 1,717 crore due to 22% decrease in Brent prices which was partially made-up by improvement in discount to Brent for Rajasthan crude to US$ 6.8/bbl from US$ 9.2/bbl in third quarter. EBITDA was also lower by 14% QoQ to ₹ 571 crore, which was partly offset by reduction in Cess charges post revision and forex gain on operating activities. DD&A charges were 47% lower QoQ at ₹ 473 crore due to increase in proved and developed reserves. Other income


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increased to ₹ 650 crore as gains from certain investments are recognized on realization as per Accounting Standards. Normalized profit after tax was higher sequentially at ₹ 628 crore, aided by lower DD&A charges and higher other income.

## Health, Safety, Environment and Sustainability

Cairn India's continued focus on health and safety has helped build an excellent HSES record over the years. This year Mangala Field was conferred First (Gold) Prize in the prestigious FICCI Safety System Excellence Award for Large Scale Category. Pursuing our 'Zero Injuries' goal, we have significantly lowered the Lost Time Injury Frequency (LTIF) in FY16 to 0.19 as compared to 0.26 in FY15. Rajasthan (RJ) Projects, MBA and Raageshwari Operations clocked 29, 17.1 & 11.5 million LTI free man-hours respectively till Q4 FY16. To improve the HSE induction process, the RJ HSE Learning & Development Centre has been set up in compliance to DGMS requirements. We launched SAP EHS Audit Management and Occupational Health Modules for managing and tracking of HSEQ audits, inspections and recommendations and occupational health records respectively.

## Corporate Social Responsibility

As part of our ongoing engagements with the local community, significant progress has been achieved in establishing ~70 water purification plants under our 'safe drinking water' initiative and helped generate awareness amongst ~12,000 people in Barmer. Cairn Centre of Excellence witnessed excellent campus placement as certificates were distributed by Cairn CSR and TUV senior management to the ~160 trainees. Taking forward the MoU between Vedanta and the Ministry of Women and Child Development, several anganwadis were established in Barmer. The NRM project saw setting-up of a strong market linkage for cumin famers and 18 water harvesting systems.

## FY17 Outlook

Continuing with our commitment to create long term value, Cairn India will maintain its focus on its Rajasthan asset in FY16. We aim to maintain production from Rajasthan asset broadly at FY16 level. With an estimated net capex of US$ 100 million, we plan to invest 80% in development (primarily RDG Gas and Mangala EOR completion activities) and 20% in exploration. We will continue investing in pre-development activities of our key projects in Core MBA fields, Barmer Hills and Satellite fields, to ensure project readiness for development with rebound in oil prices and grant of extension of PSC. We maintain the flexibility to raise our capital investment as oil prices improve and aim to generate a healthy cash flow post capex so as to retain the ability to pay dividends.

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## Cairn India Limited Fact Sheet

On 9 January, 2007, Cairn India Limited was listed on the Bombay Stock Exchange and the National Stock Exchange of India. Cairn India is now a subsidiary of Vedanta Limited; part of the Vedanta Group, a globally diversified natural resources group.

Cairn India is headquartered in Gurgaon in the National Capital Region. The Company has operational offices in India including Andhra Pradesh, Gujarat, Rajasthan, Tamil Nadu and International offices in Colombo and Houston.

Cairn India is one of the largest independent oil and gas exploration and production companies in India. Together with its JV partners, Cairn India accounted for ~28% of India's domestic crude oil production target of Government for FY16. Average gross operated production was 203,703 boepd for FY16. The Company sells its oil and gas to major PSU and private buyers in India.

The Company has a world-class resource base, with interest in seven blocks in India and one in South Africa. Cairn India's resource base is located in four strategically focused areas namely one block in Rajasthan, two on the west coast of India, four on the east coast of India and one in South Africa.

The blocks are located in the Barmer Basin, Krishna-Godavari Basin, the Palar-Pennar Basin, the Cambay Basin, the Mumbai Offshore Basin and Orange Basin.

Cairn India's focus on India has resulted in a significant number of oil and gas discoveries. Cairn India made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. To date, thirty eight discoveries have been made in the Rajasthan block RJ-ON-90/1

In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a PSC signed on 15 May, 1995 comprising of three development areas. The main Development Area (DA-1; 1,859 km2), which includes discoveries namely Mangala, Aishwariya, Raageshwari and Saraswati is shared between Cairn India and ONGC. Further Development Areas (DA-2; 430 km2), including the Bhagyam, NI and NE fields and (DA-3; 822 km2) comprising of the Kaameshwari West Development Area, is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%.

In Andhra Pradesh and Gujarat, Cairn India on behalf of its JV partners operates two processing plants, with a production of over 34,000 boepd for FY16.

The farm-in agreement was signed with PetroSA on 16th August, 2012 in the 'Block-I' located in Orange basin, South Africa. The block covers an area of 19,898 sq km. The assignment of 60% interest and operatorship has been granted by the South African regulatory authorities.

For further information on Cairn India Limited, kindly visit www.cairnindia.com


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| Corporate Glossary | |
|---|---|
| Cairn India | Cairn India Limited and/or its subsidiaries as appropriate |
| Company | Cairn India Limited |
| Cairn Lanka | Refers to Cairn Lanka (Pvt) Ltd, a wholly owned subsidiary of Cairn India |
| Cash EPS | PAT adjusted for DD&A, impact of forex fluctuation, MAT credit and deferred tax |
| CFFO | Cash Flow from Operations includes PAT (excluding other income and exceptional item) prior to non-cash expenses and exploration costs. |
| CPT | Central Processing Terminal |
| CY | Calendar Year |
| DoC | Declaration of Commerciality |
| E&P | Exploration and Production |
| EBITDA | Earnings before Interest, Taxes, Depreciation and Amortisation includes forex gain/loss earned as part of operations |
| Normalized net profit | Net profit before exceptional items |
| EPS | Earnings Per Share |
| FY | Financial Year |
| GBA | Gas Balancing Agreement |
| GoI | Government of India |
| GoR | Government of Rajasthan |
| Group | The Company and its subsidiaries |
| JV | Joint Venture |
| MC | Management Committee |
| MoPNG | Ministry of Petroleum and Natural Gas |
| NELP | New Exploration Licensing Policy |
| NRM | National Rural Mission |
| ONGC | Oil and Natural Gas Corporation Limited |
| OC | Operating Committee |
| PPAC | Petroleum Planning & Analysis Cell |
| qoq | Quarter on Quarter |
| Vedanta Group | Vedanta Resources plc and/or its subsidiaries from time to time |
| yoy | Year on Year |

| Technical Glossary | |
|---|---|
| 2P | Proven plus probable |
| 3P | Proven plus probable and possible |
| 2D/3D/4D | Two dimensional/three dimensional/ time lapse |
| Blpd | Barrel(s) of (polymerized) liquid per day |
| 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 |
| Tcf | Trillion standard cubic feet of gas |
| EOR | Enhanced Oil Recovery |
| FDP | Field Development Plan |
| LTI | Lost Time Incident |
| MDT | Modular Dynamic Tester |
| Mmboe | million barrels of oil equivalent |
| Mmscfd | million standard cubic feet of gas per day |
| Mmt | million metric tonne |
| PSU | Public Sector Utilities |
| SPM | Single Point Mooring |
| PSC | Production Sharing Contract |

| Field Glossary | |
|---|---|
| Barmer Hill Formation | Lower permeability reservoir which overlies the Fatehgarh |
| Dharvi Dungar | Secondary reservoirs in the Guda field and is the reservoir rock encountered in the recent Kaameshwari West discoveries |
| Fatehgarh | Name given to the primary reservoir rock of the Northern Rajasthan fields of Mangala, Aishwariya and Bhagyam |
| MBARS | Mangala, Bhagyam, Aishwariya, Raageshwari, Saraswati |
| Thumbli | Youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field |

***Disclaimer***

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