



For Immediate Release

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Cairn India

Cairn India makes oil and gas discovery adjacent to Raageshwari field in RJ-ON-90/1

In advance of the planned Mangala development drilling, the first exploration well in the 2008/09 exploration programme has been successful with the completion of the Raageshwari East 1/1Z well. The discovery is located approximately 1.5 km east of the Raageshwari 1 well in the southern part of the Mangala, Aishwariya Raageshwari and Saraswati development area. The adjacent Raageshwari field is commercial and has an approved field development plan. The well was spudded on 21 November and reached total depth (TD) on 24 November.

The well encountered approximately 10 metres (m) of net oil pay from a gross column of 81m in sands in the Thumbli formation below 1,425m. The open hole drill stem test flowed 40 degree API oil at a stabilised rate of 500 barrels of oil per day plus 0.4 mmscfd gas on 64/64" choke from a 4m Net pay interval in the Upper Thumbli Sand. In addition 1.4m of gas pay was identified in the Akli formation at 1247.8m MDBRT (1153.03m TVDSS).

Rahul Dhir, Chief Executive Officer of Cairn India, said:

"The success of this well on the eastern flank of the Raageshwari structure extends the productive reservoir in a new trapping style and proved a deeper oil column. The well also demonstrates the potential for the addition of incremental reserves from the areas around the discoveries already made in the licence. Future work on the Raageshwari East 1/1Z discovery includes field studies to determine the extent of the discovery as well as evaluate cost effective development options."

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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 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 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