



For Immediate Release

11 March 2011

Cairn Lanka to set up school libraries in Sri Lanka

The Government of Sri Lanka (GOSL) has signed a Memorandum of Understanding (MoU) with Cairn Lanka (Private) Limited ("Cairn Lanka") to help in the construction and setting-up of libraries at a number of schools identified by the GOSL in the Moneragala district for the benefit of children in the area.

Cairn Lanka will be funding the construction of the libraries and purchase of the required furniture and books.

The GOSL will build the facilities and ensure the proper running and use of the libraries by the school children.

Frontier exploration drilling in the SL 2007-01-001 block (Cairn Lanka - 100%, Operator) off the coast of Sri Lanka is expected to commence in July 2011. A drillship has been contracted and preparations for the exploration programme are ongoing.

David Ginger, Director, Cairn Lanka said

"Cairn is delighted to partner with the Government of Sri Lanka to help children have more access to books.

We continue to explore this frontier block with a view to identifying potential opportunities. With an absolute focus on safety in terms of the people working on the project, the local communities and the environment, we plan to commence exploration drilling in July 2011."

Notes to Editors

- Block SL 2007-01-001 was awarded to Cairn Lanka in the bid round held in 2008. The block lies offshore Gulf of Mannar, Sri Lanka. Water Depths range from 400 to 1,900m.
- Cairn Lanka (Private) Limited is a wholly owned subsidiary of Cairn India and holds a 100% participating interest in the block.
- The signing of the Petroleum Resource Agreement (PRA) to explore oil and natural gas in the Mannar Basin was held in July 2008 in Colombo.
- A full Environmental Impact Assessment (EIA) has been conducted, as required by the Sri Lanka Central Environmental Authority and Marine Pollution Prevention Authority.
- Processing of 1,750 km² of 3D seismic data, which was acquired earlier in 2010, has been completed.



Contacts:

Analysts/Investors

Anurag Mantri, Group Financial Controller

+919810301321

Media

Manu Kapoor, Director - Corporate Affairs & Communications

+919717890260

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 Tamil Nadu, 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 62.2% shareholding in Cairn India Limited.
- Cairn India holds material exploration and production positions in nine blocks in India and one in Sri Lanka.
- The focus on India has resulted in a significant number of oil and gas discoveries.
- 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 (822 km²) comprising of the Kaameshwari West Development Area, is also shared between Cairn India and ONGC in the same proportion.
- Cairn made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. To date, twenty five discoveries have been made in the Rajasthan block RJ-ON-90/1. Crude first flowed from the Mangala field in August 2009 and current production is currently 125,000 barrels of oil per day (bopd)
- The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.
- India currently imports more than 2.4 million bopd. The domestic production is approximately 0.7 million bopd of which approximately 170,000 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 Cairn India Limited
CY	Calendar Year
DoC	Declaration of Commerciality
E&P	Exploration and Production
FY	Financial Year
Gol	Government of India
Group	the Company and its subsidiaries
JV	Joint Venture
MBA	Mangala, Bhagyam and Aishwariya
MC	Management Committee
NELP	New Exploration Licensing Policy
ONGC	Oil and Natural Gas Corporation Limited
OC	Operating Committee
QoQ	Quarter on Quarter
YoY	Year on Year

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
mboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
mmt	million metric tonne
PSC	Production Sharing Contract



These materials contain forward-looking statements regarding Cairn Lanka, 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 Lanka undertake no obligation to revise any such forward-looking statements to reflect any changes in Cairn Lanka expectations with regard thereto or any change in circumstances or events after the date hereof. Unless otherwise stated the statement represent the views of Cairn Lanka 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.