



For Immediate Release

26 December 2011

Cairn Lanka announces successful completion of the First Phase of Exploration

Cairn Lanka (Private) Limited, a wholly owned subsidiary of Cairn India Limited, has successfully completed the first phase of the exploration campaign in Sri Lanka Block SL-2007-01-001.

The exploration programme involved the acquisition, processing and interpretation of 1,753 sq km of 3D seismic data and a three well deep water drilling programme. The seismic programme exceeded the phase I commitment by 20% and the drilling programme exceeded the drilling depth commitment by 50%.

This programme resulted in two successive gas and condensate discoveries: the CLPL-Dorado-91H/1z well and, the CLPL-Barracuda-1G/1 well. The third well, CLPL-Dorado North 1-82K/1 was plugged and abandoned as a dry hole on 14th December, 2011.

The operations were conducted safely, in accordance with the highest global standards, within schedule, budget and in compliance with Sri Lankan regulations.

Cairn Lanka's successful drilling programme - the first in Sri Lanka in 30 years - has established a working petroleum system in the frontier Mannar Basin.

Following this success, Cairn Lanka has notified the government of Sri Lanka of its intention to enter the second phase of exploration.

The support of the Government of Sri Lanka and an effective partnership with the relevant authorities in Sri Lanka, were instrumental in ensuring the successful completion of the first phase exploration programme.



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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. Vedanta Group currently holds a 59.0% shareholding in Cairn India Limited. Cairn India is headquartered in Gurgaon in the National Capital Region, with operational offices in Tamil Nadu, Gujarat, Andhra Pradesh, Rajasthan and Sri Lanka.

Cairn India is primarily engaged in the business of oil and gas exploration, production and transportation. Average daily gross operated production was 149,103 boe in FY2011. The Company sells its oil to major refineries in India and its gas to both PSU and private buyers.

The Company has a world-class resource base, with interest in nine blocks in India and one in Sri Lanka. Cairn India's resource base is located in three strategically focused areas namely one block in Rajasthan, three on the west coast of India and six on the east coast of India, including one in Sri Lanka.

The blocks are located in the Barmer Basin, Krishna-Godavari Basin, the Palar-Pennar Basin, the Kerala-Konkan Basin, the Cambay Basin, the Mumbai Offshore Basin and the frontier Mannar Basin. Cairn Lanka holds a 100% participating interest in the Mannar block in Sri Lanka.

Cairn India's focus on India has resulted in a significant number of oil and gas discoveries. 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.

In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a PSC signed on 15 May, 1995. The main Development Area (1,859 km²), which includes Mangala, Aishwariya, Raageshwari and Saraswati is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for

30%. The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.

Further Development Areas (430 km²), including the Bhagyam and Shakti fields and (822 km²) comprising of the Kaameshwari West Development Area, is also shared between Cairn India and ONGC in the same proportion. The Mangala, Bhagyam and Aishwariya (MBA) fields have gross recoverable oil reserves and resources of approximately 1 billion barrels, which includes proved plus probable (2P) gross reserves and resources of 656 mmbob with a further 300 mmbob or more of EOR resource potential. The MBA fields will contribute more than 20% of India's current domestic crude production when they reach the currently approved plateau rate of 175,000 bopd. The total resource base supports a vision to produce 240,000 bopd, (equivalent to a contribution of approximately 30% of India's current domestic crude production), subject to further investments and regulatory approvals.

In Andhra Pradesh and Gujarat, Cairn India on behalf of its JV partners operates two processing plants, 11 platforms and more than 200 km of sub-sea pipelines with a production of approximately 45,000 boepd.

India currently imports more than 2.4 million bopd of crude oil. The domestic crude oil 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 RJ-ON-90/1).

For further information on Cairn India Limited & Cairn Lanka (Pvt.) Limited see www.cairnindia.com & www.cairnlanka.com



Corporate Glossary

Cairn India/ CIL	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
CY	Calendar Year
DoC	Declaration of Commerciality
E&P	Exploration and Production
EBIT	Earnings before Interest and Tax
FY	Financial Year
GBA	Gas Balancing Agreement
GoI	Government of India
GoSL	Government of Sri Lanka
Group	The Company and its subsidiaries
JV	Joint Venture
MPT	Mangala Processing Terminal
MC	Management Committee
NELP	New Exploration Licensing Policy
ONGC	Oil and Natural Gas Corporation Limited
OC	Operating Committee
PRA	Petroleum Resources Agreement
PRDS	Petroleum Resources Development Secretariat
qoq	Quarter on Quarter
SL	Sri Lanka
yoy	Year on Year

Field Glossary

Barmer Hill Formation	Lower permeability reservoir which overlies the Fatehgarh
Dharvi Dungan	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, Bhagyam and Aishwariya
MBA	Mangala, Bhagyam and Aishwariya
Thumbli	Youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field

Technical Glossary

2P	Proven plus probable
3P	Proven plus probable and possible
2D/3D/4D	Two dimensional/three dimensional/ time lapse
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
MDT	Modular Dynamic Tester
Mmboe	million barrels of oil equivalent
Mmscfd	million standard cubic feet of gas per day
Mmt	million metric tonne
PSC	Production Sharing Contract



Disclaimer

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 document 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 partner.