



**Chairman Speech for AGM - 15 September 2010**

**Ladies and Gentlemen,**

On behalf of the Board of Directors of Cairn India, I extend a warm welcome to each and every one of you at the Fourth Annual General Meeting of the company.

The excellent support and confidence shown by you in your Company has allowed us to cross numerous milestones in the past 12 months and in turn create value for all our stakeholders.

With GDP in India predicted to continue at its current rate the country will need increasing energy to help meet its economic growth. Your company is helping to play an important part in meeting the energy security needs of India with the potential to produce 20 percent of India's oil production.

On Monday I had the pleasure of seeing for myself the scale and achievement of the Rajasthan development at the Mangala Processing Terminal. Oil is now being transported by pipeline to refiners and the development is delivering value for the Government of India, the Rajasthan government and the people of India and you as shareholders.

On 29 August, 2009, Dr Manmohan Singh, the Honourable Prime Minister of India, inaugurated the Company's first oil from the Mangala Processing Terminal at Barmer, and dedicated the field to the nation. It was a historic day for Cairn India and India our joint venture partners ONGC and for the people of Rajasthan. It was a culmination of years of hard work with partners and stakeholders..

Today's production of 125,000 barrels of oil per day is I believe testament to the ability of your Company and its partners to achieve goals in the face of challenges, be it engineering, regulatory, or weather. All these challenges have brought out the best in the Cairn team and have demonstrated your Company's ability to execute and deliver!

As you know the first quarter of the current financial year showed profits for your company and given the ramp up of production from Rajasthan I expect the current year to be significantly profitable for your company.

You will be aware that after the end of financial year 2009-10 Vedanta plc and others acting in concert has made an offer to Cairn Energy PLC, the largest shareholder of your company, for the acquisition of shares. As of now the proposed transaction has not been closed and is subject to consents and approvals in India and in the United Kingdom.

It is not for me as the chairman of Cairn India Limited to speak further on this offer. All I can and must say is that your company has world class resources and the ability to generate significant income and wealth for India and the shareholders.

Let me now talk about the Rajasthan operations.

The results from the ongoing development drilling campaign in the Mangala Field confirm the excellent reservoir quality of the Fatehgarh Formation to support an increase in the production potential to 150,000 bopd, subject to Government of India approvals.



In addition the current estimate of the resource base in Rajasthan provides a basis for our vision to produce at least 240,000 bopd from the block, subject to regulatory approvals and additional investments.

**Elsewhere in India** the Company's oil and gas fields at Ravva in Andhra Pradesh and CB/OS-2 in the Cambay basin in Gujarat continue to provide valuable oil and gas production.

### **Health and Safety and CSR**

Let me say a few words on our CSR activities based around the principles of Respect, Relationships and Responsibility.

More than 16,000 people were working in the deserts of Rajasthan and northern Gujarat where the day temperature soars to between 46°C and 51°C. Ensuring each of the many thousand processes and parts were up and ready in time, despite large infrastructure constraints, was a huge achievement.

Your Company is committed to the highest standards of health and safety in its business activities. In keeping with Cairn India's dual commitment to maintain the highest HSE standards as well as building local capacity, top quartile HSE standards have been achieved against global benchmarks and more than 60,000 individuals have been trained in HSE principles and skills in the project.

Ensuring we look after the people in the communities near our operations has been a key focus of the past year with a number of Corporate Social Responsibility initiatives launched and developed

### **Outlook**

Underpinning the strategy for growth is the sequential development of Bhagyam and Aishwariya and a further twenty two oil discoveries in Rajasthan.

We are entering a period of transformational production growth with the phased build up of oil production, followed by a sustainable plateau, from our world class oil fields in Rajasthan.

Cairn has a long history of working with all its stakeholders to provide a development that will enhance India's energy supplies. Collaboration and Teamwork have brought us to where we are today and Cairn India is working with all its stakeholders to create the best possible working environment.

The Rajasthan project is one of the biggest onshore oil and gas developments undertaken in India in recent years and the production from Rajasthan at the current envisaged rates has the potential to create significant value for all of our stakeholders.

Our vision is to take the production in Rajasthan to at least 240,000 barrels of oil per day subject to further investment and approvals.

I would say therefore that this is an exciting and transformational time for your company.

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Your Company would like to thank its Joint venture partner in Rajasthan, ONGC, and the contractors who along with the Government of India and the state governments have provided excellent and invaluable support to bring the asset to production.

On a personal note I would like to thank all the Cairn India employees and management for their hard work and dedication in their terrific achievements to date.

I thank you for your confidence in Cairn India and look forward to your continued support in our pursuit to discover and produce more oil and gas for the nation.

I now propose the resolution for adoption of the Accounts and Reports.