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For Immediate Release **25 May, 2011**

Cairn India Limited
Consolidated Financial Results
for the twelve month period ended 31 March, 2011

The following commentary is provided in respect of the audited financial results and operational highlights of Cairn India Limited and its subsidiary companies (referred to as "Cairn India") during the financial year 2010-11 (FY 2010-11). Please note that FY 2010-11 refers to the period April 2010 - March 2011.

FINANCIAL HIGHLIGHTS

- Revenue in Q4 FY 2010-11 at ₹ 36,545 million (US$ 808 million); FY 2010-11 at ₹ 102,779 million (US$ 2,255 million)

- Profit after tax (PAT) in Q4 FY 2010-11 at ₹ 24,578 million (US$ 543 million); FY 2010-11 at ₹ 63,344 million (US$ 1,390 million)

- Cash Flow from Operations in Q4 FY 2010-11 at ₹ 26,110 million (US$ 577 million); FY 2010-11 at ₹ 67,122 million (US$ 1,473 million)

- Net Cash of ₹ 29,070 million (US$ 651 million) as on 31 March, 2011

- Gross cumulative Rajasthan development capital expenditure at US$ 2,995 million of which US$ 703 million was spent during FY 2010-11

OPERATIONAL HIGHLIGHTS

- Average Daily Sales (Working Interest) for Q4 FY 2010-11 at 96,417 barrels of oil equivalent (boe); FY 2010-11 at 81,254 boe

- Average Daily Gross operated production for Q4 FY 2010-11 at 161,194 boe; FY 2010-11 at 149,103 boe

- Maintained low cost operations; field direct opex at US$ 2.3 per barrel (bbl) for FY 2010-11

- Gross crude oil production in excess of 13 million barrels (mmbbls) from operated assets in Q4 FY 2010-11; contributing ~20% of India's current domestic crude production

- Won the "Golden Peacock Award for Corporate Social Responsibility" for the year 2011

Rajasthan

- Mangala Field
  - Current production at 125,000 barrels of oil per day (bopd); cumulative crude sales in excess of 39 mmbbls to Indian refiners

  - Development drilling progresses as planned; 143 wells drilled to date, 85 completed and 62 producing

  - Reservoir performance and surface facilities ready to support production of 150,000 bopd, subject to Joint Venture (JV) and Government of India (GoI) approval

  - Enhanced Oil Recovery (EOR) pilot on track; water injection phase progressing well; preparations ongoing for polymer injection phase

- Bhagyam development on track with 30 wells drilled to date; expected to commence production in H2 CY 2011 and achieve approved plateau rate of 40,000 bopd by end CY 2011

- Assessment of higher production potential and design optimisation of Aishwariya field currently underway; plan to commence production in H2 CY 2012, subject to JV and GoI approval

- Mangala Processing Terminal (MPT) Train Four construction on track; commissioning expected in H2 CY 2011 to take MPT nameplate capacity to 205,000 bopd; Train One, Train Two and Train Three commissioned

- Barmer to Salaya pipeline section (~590 km) operational; construction ongoing on the Salaya to Bhogat pipeline section (~80 km) and the marine facility; expected to be operational in H2 CY 2012

- Sales arrangements in place for 155,000 bopd with Public Sector Undertaking (PSU) and private refiners

Other Assets

- Ravva infill drilling and workover campaign in progress; four infill wells including one horizontal well drilled and one workover well completed

- CB/OS-2 operations achieved more than eight million safe work hours over the last six years

- Significant preparatory work for the Sri Lanka frontier exploration drilling campaign in the SL 2007-01-001 block completed; a drillship has been contracted with the expected spud date in August 2011

Rahul Dhir, Managing Director and Chief Executive Officer, Cairn India said:

"Cairn India's continued focus on safe and efficient operations has helped us to quickly ramp up the Mangala production to 125,000 bopd and deliver almost 40 mmbbls of crude oil to Indian refineries.

The successful delivery of the large scale Rajasthan project, the continued focus on life cycle planning and low cost operations in Rajasthan, Ravva and CB/OS-2 along with the application of innovative technologies has created a strong foundation for our future growth.

We are therefore, well placed for the exploration drilling campaign in the frontier Mannar Basin in Sri Lanka later this year."

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CHIEF EXECUTIVE'S REVIEW

The successful completion of the first phase of the Rajasthan development represents a significant milestone in the growth and development of Cairn India. The Mangala field is now producing at the currently approved plateau rate of 125,000 bopd - a substantial contribution to the energy security of our nation.

The successful development of the complex Rajasthan Project further underscores Cairn India's capabilities to develop world-class projects.

Rajasthan crude is now transported to a number of refineries in India by the world's longest continuously heated and insulated pipeline. This infrastructure is strategically important as all the remaining fields and discoveries can be quickly connected to the market.

With the production from Mangala at 125,000 bopd and the commencements of pipeline sales, Cairn India has taken the first major step for transformational, multi-year production and sales growth.

The first phase of the Rajasthan development including three processing trains, multiple well pads and the pipeline infrastructure is complete. The operations have achieved very high global standards of efficiency with more than 98% uptime.

In addition, our commitment to health, safety and environment standards has helped us achieve top quartile benchmarking in safe operations.

The development of the Mangala Processing Terminal in Barmer has transformed this part of the Thar Desert and placed the state of Rajasthan on the global hydrocarbon map.

All this was achieved through the application of innovative technologies:
- Application of 3D seismic surveys for the mitigation of geological risk;
- Drilling of high capacity horizontal wells to ensure delivery from Mangala;
- Application of skin effect heat management technology for transporting crude oil efficiently.

We are now focussed on the second phase of the Rajasthan development to reach the currently approved plateau production of 175,000 bopd, which will account for 20% of the country's crude production.

The development of the Bhagyam field, the second largest discovery in Rajasthan is well underway, and we expect to achieve plateau production by the end of this calendar year.

Our enhanced understanding of the Mangala reservoirs, following development drilling in the field, indicates a production potential of 150,000 bopd, subject to JV and GoI approval.

The construction of the fourth processing train at the MPT is progressing well. Upon completion of this train, the total crude processing capacity at the MPT will be 205,000 bopd.

Work on the pipeline extension from Salaya to Bhogat and the marine facility is ongoing. Completion of this segment will provide the Rajasthan crude access to more than 75% of our nation's refining capacity.

In addition to the above, the EOR pilot project in Mangala which commenced in early 2010 is progressing as per expectations. The successful implementation of EOR in Rajasthan has the potential to increase recoverable reserves by more than 300 million barrels of oil equivalent (mmboe), and materially extend the duration of the plateau production.

Strengthened by the subsurface capability and the infrastructure development, the Company is focused on tying up the necessary sales volumes with various refiners. To date, sales arrangements are in place for 155,000 bopd and discussions continue for additional volumes.

Our current understanding of the resource base in Rajasthan supports a vision to produce 240,000 bopd; equivalent to a contribution of ~35% of India's current crude production, subject to further investments, JV and regulatory approvals. However, it should be noted that our ability to ramp up to these levels requires active support of the GoI and JV partners.

Our success in Ravva and Cambay highlight our ability to maximise recovery and manage costs in mature assets. Our operations here have also helped us develop our talent. The Ravva field completed 16 years of successful operations in October 2010. The results of the recent 4D seismic programme have helped us identify bypassed oil and highlight the future potential in Ravva. The current infill drilling and workover programme in Ravva will help access this potential. The gas balancing agreement in Cambay is a unique way to monetise our share of gas from the shared reservoir. This is a first of its kind arrangement in India and has generated gross revenues in excess of US$ 30 million to date.

Exploration is another key driver of the future growth of the Company. Cairn India continues to optimise its exploration portfolio by adding new prospective blocks and relinquishing some, thereby increasing its net unrisked potential resource base. The discovery in the Nagayalanka-1z well in the KG-ONN-2003/1 block in the east coast of India may help determine the onshore extent of the hydrocarbon potential of the prolific Krishna-Godavari basin. The Company will also start an exploration drilling campaign in the frontier Mannar Basin in Sri Lanka this year.

Regarding the Rajasthan block, ONGC, the JV partner, has raised a dispute that the royalty payable under the Production Sharing Contract (PSC) should be considered as contract cost for cost recovery purposes. As per the PSC provisions, the cost of royalty shall be borne by the licensee, which under the PSC, is ONGC. Based on the PSC provisions and legal advice received, we are of the view that royalty is not a contract cost eligible for cost recovery.

With increasing cash inflows, the Company replaced its earlier Rupee financing facility with Unsecured Non-convertible Debentures of ₹ 22.5 billion (US$ 500 million) in October 2010. Cairn India's ability to raise finance at competitive costs demonstrates the robustness of its assets and the growth in cash flows. As on 31 March, 2011, the Company's net cash was at ₹ 29,070 million (US$ 651 million).

In order to facilitate a dividend policy, a scheme of reorganisation for the demerger of 'Indian Undertakings' of certain foreign subsidiaries in favour of Cairn India was approved by the shareholders and courts. However, the implementation of this scheme of reorganisation is still awaiting regulatory and JV approvals.

The later part of the year saw the announcement of a shareholder level transaction between Cairn Energy PLC and Vedanta Resources Plc. Cairn India awaits the outcome of the ongoing transaction.

Cairn India's achievements have been widely acknowledged. The Rajasthan Operations received nine safety awards in the 24th "Mine Safety Awards" organised under the aegis of the Directorate General of Mines Safety, Rajasthan. In recognition of our community engagement initiatives, Cairn India was awarded the "Golden Peacock Award for Corporate Social Responsibility" for 2011. Also, the Bombay Stock Exchange recognised Cairn India as the "Company offering the Best Investor Returns". All of these are a testament of what defines Cairn India – uncompromising safety at our work place, working with communities where we operate in whilst enhancing long term shareholder value and securing energy for our nation.

FINANCIAL REVIEW

The average daily gross production for FY 2010-11 was 149,103 boe and average daily working interest production was 83,474 boe. In FY 2009-10, average daily gross production was 69,059 boe and average daily working interest production was 24,957 boe.

The consolidated revenue of the company for FY 2010-11 was ₹ 102,779 million (US$ 2,255 million) compared to ₹ 16,230 million (US$ 342 million) in FY 2009-10. The Q4 FY 2010-11 revenue was at ₹ 36,545 million (US$ 808 million), up by 18% QoQ.

"Cash flow from operations", worked out as profit after tax (excluding other income) prior to non-cash expenses (non-cash employee cost, depreciation, depletion, amortisation, and deferred tax) and exploration cost for FY 2010-11 was ₹ 67,122 million (US$ 1,473 million) compared to ₹ 8,084 million (US$ 171 million) in FY 2009-10.

The consolidated profit after tax (PAT) for FY 2010-11 was ₹ 63,344 million (US$ 1,390 million) compared to ₹ 10,511 million (US$ 222 million) in FY 2009-10. The PAT for Q4 FY 2010-11 was at ₹ 24,578 million (US$ 543 million), up by 22% QoQ.

The Basic earnings per share (EPS) for FY 2010-11 was at ₹ 33.3 compared to ₹ 5.5 for FY 2009-10.

Cash available as at 31 March, 2011 was ₹ 55,792 million (US$ 1,249 million) and the loan draw down till 31 March, 2011 was ₹ 26,722 million (US$ 598 million).

During the FY 2010-11, the company replaced its Rupee facility of ₹ 40,000 million (US$ 850 million) with a lower financing facility of ₹ 22,500 million (US$ 500 million). The new financing facility was raised through INR Unsecured Non-convertible Debentures at competitive commercial terms.

N.B.: Amounts shown in US$ are conversions based on average exchange rate for FY 2010-11 at ₹ 45.570 for revenue items vs. ₹ 47.390 for FY 2009-10. The average Q4 FY 2010-11 exchange rate is at ₹ 45.233. The closing exchange rate as at 31 March, 2011 was ₹ 44.685.

CORPORATE

The holding company of Cairn India Limited, Cairn UK Holdings Limited, along with its holding company, Cairn Energy PLC (Company's ultimate holding company) has agreed to sell a substantial part of its shareholding in the Company to Vedanta Resources Plc and Twin Star Holdings Limited (a wholly owned subsidiary of Vedanta Resources Plc). This transaction has been approved by the shareholders of Cairn Energy PLC and Vedanta Resources Plc.

Sesa Goa Limited (a subsidiary of Vedanta Resources Plc) has completed the Open Offer for Cairn India shares on 30 April 2011. A total of approximately 155 million Cairn India shares, representing 8.1 percent of the shareholding, have been tendered*. Following the acquisition of both the 10.4* percent stake from PETRONAS International Corporation Limited announced on 19 April 2011 and the Open Offer shares, Sesa Goa Limited holds 18.5 percent of the shareholding of Cairn India.

Accordingly, on completion of the transaction, Cairn Energy PLC will sell 40 percent stake in Cairn India to Vedanta Resources Plc, following which Cairn Energy PLC will hold a residual interest of 21.7 percent of the shareholding.

*Figures are quoted on a fully diluted basis

OPERATIONAL REVIEW

Average daily gross operated production in FY 2010-11 was 149,103 boe (average daily working interest 83,474 boe). The average crude oil price realisation in FY 2010-11 was US$ 79.1/bbl and the average gas price was US$ 4.55/mscf resulting in an average price realisation of US$ 76.8/boe.

In Q4 FY 2010-11, average daily gross production of the operating units was 161,194 boe (68,960 boe in Q4 FY 2009-10) and average daily working interest production was 94,129 boe (26,332 boe in Q4 FY 2009-10).

The average oil price realisation in Q4 FY 2010-11 was US$ 94.2 per bbl compared to US$ 71 per bbl in Q4 FY 2009-10. The gas price realisation in Q4 FY 2010-11 was US$ 4.5 per thousand standard cubic feet (mscf) compared to US$ 4.6 per mscf in Q4 FY 2009-10. The average price realisation per boe was US$ 91.9 in Q4 FY 2010-11 compared to US$ 65.1 in Q4 FY 2009-10.

Rajasthan (Block RJ-ON-90/1) (Cairn India 70%, Operator)

Average daily gross production from the Rajasthan block for FY 2010-11 was 100,993 bbls and average daily working interest production was 70,695 bbls, whilst the average daily gross production for Q4 FY 2010-11 was 118,151 bbls (average daily working interest 82,706 bbls) as compared to 17,532 bbls (average daily working interest 12,273 bbls) for Q4 FY 2009-10.

Following the commencement of Mangala production in August 2009, the field ramped up to its plateau of 125,000 bopd in less than a year. The field continues to produce at the currently approved rate of 125,000 bopd. Since production start-up, the MPT has had efficient and safe operations and has processed more than 39 mmbbls of crude oil, which has been sold to PSU and private refiners. The plant uptime stood at over 99% during the year.

Cairn India is committed to maintaining the highest Health, Safety and Environment (HSE) standards and has achieved top quartile global benchmarking. Cairn India has built a strong foundation for the future and will continue to focus on maintaining the safety culture in all the activities the company undertakes.

Upstream

The MPT is designed to process crude from the Rajasthan fields and will have a capacity to handle 205,000 bopd of crude with scope for further expansion. Three processing trains are commissioned whilst construction activities for Train Four have commenced and it is on track for delivery in H2 CY 2011. Key pressure vessels for Train Four have been received at site, all major contracts have been awarded and construction work is progressing well.

To augment gas production from the Raageshwari Deep Gas field and water production from the Thumbli Water field (saline aquifer), additional drilling and completion activities were carried out during the year.

Development drilling and well completion activities are progressing well.

The use of highly mobile skid mounted rigs with smaller footprint and self deploying designs utilising a pad based concept has helped optimise rig movement times. This has increased the efficiency of the drilling process in terms of a reduced environmental footprint and lower infrastructure and drilling costs.

Cairn India has successfully drilled and completed 11 horizontal wells in the Mangala field and all have been put on production. A total of 143 Mangala development wells have been drilled, of which 85 are complete and 62 are producing. The other wells will be brought on stream in a staged manner. The focused effort on drilling of high capacity horizontal wells in Mangala and the reservoir performance supports higher plateau levels. Surface facilities and midstream infrastructure are ready to support production of 150,000 bopd from the Mangala field, subject to JV and GoI approval.

Work on the development of the Bhagyam field, the second largest discovery in Rajasthan, is ongoing. Construction work is in full swing and crude oil production is expected to commence in H2 CY 2011 and achieve currently approved plateau rate of 40,000 bopd by end CY 2011. A total of 30 Bhagyam development wells have been drilled to date. The surface facility development work progresses as planned with detailed engineering nearing completion and completion of award of all major contracts. The well results from Bhagyam development drilling have been as per expectations.

Construction work for Bhagyam trunk line to connect Bhagyam field with Mangala Processing Terminal is ongoing with completion targeted in June 2011.

Assessment of higher production potential and design optimisation of Aishwariya field, due to increased reserves and resources, is currently underway. Crude oil production is expected to commence in H2 CY 2012, subject to JV and GoI approval. The tendering process for award of contracts has commenced.

Cairn India and its JV partner ONGC, continue to develop the hydrocarbon resources in the state of Rajasthan with a continued focus on cost and the application of innovative technologies. The use of high density 3D seismic surveys has enhanced the understanding of the reservoir and helped to precisely identify well locations.

The application of new fracture stimulation and completion technology proven in the Raageshwari Deep Gas wells will provide the opportunity to replicate and thereby exploit the lower permeability Barmer Hill formation.

Midstream (Pipeline)

The MPT to Salaya pipeline section (~590 km) started operations during the year and commenced sales on 15 June, 2010. The pipeline system availability at around 98% underscores Cairn India's execution capability of building and operating the world's longest continuously heated and insulated crude oil pipeline.

The MPT to Salaya section with the final delivery infrastructure continues to safely deliver crude oil to various buyers and has recorded over 1.78 million safe manhours to date. In FY 2010-11, more than 33 mmbbls of crude oil was safely delivered through the pipeline.

Construction work on the ~80 km Salaya to Bhogat section of the pipeline including the Bhogat terminal and marine facility is in progress with completion targeted for H2 CY 2012.

Crude – Sales

Crude sales were ramped up to 125,000 bopd in line with the production ramp up. Since start of crude production from Mangala, cumulative revenue in excess of US$ 3 billion has been realised.

In accordance with the RJ-ON-90/1 PSC, the pricing is based on Bonny Light, comparable low sulphur crude that is frequently traded in the region, with appropriate adjustments for crude quality. The implied crude price realisation represents an average 10-15% discount to Brent on the basis of the prices prevailing for the twelve months to March 2011.

Sales arrangements are in place for 155,000 bopd with PSU and private refiners and discussions continue with GoI for further nominations.

Resource base including enhanced oil recovery (EOR)

The Mangala, Bhagyam and Aishwariya (MBA) fields have gross recoverable oil reserves and resources of over 1 billion barrels, which includes proven plus probable (2P) gross reserves and resources of 694 mmboe with a further 300 mmboe or more of EOR resource potential. The MBA fields will contribute more than 20% of 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 ~ 35% of India's current crude production), subject to further investments and regulatory approvals.

The first phase of EOR pilot consisting of four injectors, one producer and three observation wells are drilled, completed and hooked up to the facilities. The water injection and production phase has commenced in December, 2010 and preparations are ongoing for the polymer injection phase.

A pilot hydraulic fracturing programme to test the potential of the Barmer Hill Formation is planned, subject to GoI approval. The pilot programme will allow evaluation of the appropriate cost effective technology for a fully optimised development of this low permeability oil resource base. A declaration of commerciality for the Barmer Hill was submitted to the GoI in March, 2010 and a Field Development Plan is under preparation.

Krishna-Godavari Basin - Eastern India
Block PKGM-1 - Ravva field (Cairn India – 22.5%, Operator)

Average daily gross production from the Ravva field for FY 2010-11 was 36,942 boe (comprising an average oil production of 27,950 bopd and average gas production of 54 million standard cubic feet per day (mmscfd)). The Ravva Asset achieved 5 million safe manhours in April 2011. The Ravva facilities had an uptime of over 97% in FY 2010-11.

The Ravva field celebrated its 16^{th} year of successful operations during the year and has produced more than 232 mmbbls of crude and 278 billion cubic feet of gas, more than double the initial expectations. Being a mature asset, numerous steps viz., 4D seismic survey and infill drilling and work over campaign were undertaken during the year to help slow production decline.

Cairn India and its joint venture partners have completed infill drilling of four wells at Ravva including one horizontal well to augment oil production. Drilling of one production and two injector wells is in progress at Ravva. The purpose of the infill campaign is to help slow production decline and add incremental reserves. The infill campaign is also targeted to increase the water injection capacity in the field. The initial production rates are as per expectations.

The first ever horizontal well in Ravva was landed, drilled, completed and tested with a combination of sliding sleeve standalone screens, screens with ICDs and swell packers to successfully complete the entire oil pay with ICDs, and an additional gas zone. For the first time in Ravva, oil production wells were completed as open hole with multi-zone selective stand alone screens and swell packers technology.

Cambay Basin - Western India
Block CB/OS-2 (Cairn India - 40%, Operator)

Average daily gross production from the CB/OS-2 block for FY 2010-11 was 11,169 boe (comprising an average oil / condensate production of 6,869 bopd and average gas production of 26 mmscfd). To date, the asset has produced more than 200 billion cubic feet of gas and 12 mmbbls of commingled oil (crude +

condensate). The block recorded more than eight million safe work hours over the last six years, which reinforces our commitment to operate safely. The CB/OS-2 facilities had an up-time of over 99% in FY 2010-11.

To sustain oil production from the block, an infill drilling campaign is planned in the Lakshmi field. The Term Sheet Agreement executed in December, 2009 to produce Gauri's share of GBA (Gas Balancing Agreement - for sharing gas from the shared reservoir) gas through the Hazira facilities was extended up to March 2012. Gross revenue of more than US$ 30 million has been realised from the sale of Gauri share of GBA gas.

Exploration

Cairn India has a total of 10 blocks in its portfolio in three strategically focussed 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. Out of these, eight including the three producing blocks are operated by Cairn India. Exploration activities are ongoing at different stages in the exploration blocks. Over the years, Cairn India has continuously optimised its exploration portfolio by adding new prospective blocks and relinquishing low graded blocks after full evaluation and completion of work programmes, thereby increasing the Company's net unrisked potential resource base.

The exploration blocks are located in the Krishna-Godavari Basin, the Palar-Pennar Basin, the Kerala-Konkan Basin, the Cambay Basin, the Mumbai Offshore Basin and the frontier Mannar Basin. The Company continues to use leading-edge geophysical and geological technologies to enhance its probability of exploration success and monetise hydrocarbon resources.

Block Updates:

KG-ONN-2003/1 (Cairn India – 49%, Operator)
The Company has drilled the five commitment wells and completed the Minimum Work Programme (MWP) for this license. There was a hydrocarbon discovery in the Nagayalanka-1z well and a Discovery Notice was issued to the Directorate General of Hydrocarbons (DGH) and subsequently, an appraisal plan was submitted to the GoI, which is currently under review. Based on the well results, the JV opted to enter Phase-II of the Exploration License. An exploration cum appraisal well Nagayalanka SE-1 is planned to be drilled during FY 2011-12.

KG-OSN-2009/3 (Cairn India – 100%, Operator)
This block, covering 1988 km^2, was awarded under the NELP VIII licensing round and is located on-trend with recent discoveries in the Krishna-Godavari Basin. The PSC was signed on 30 June, 2010 and the Petroleum Exploration License (PEL) was granted in August 2010. A bathymetry survey covering the license area was completed in May 2011. Work to obtain environmental clearance for a 3D survey, which is planned to start by end 2011, is underway.

KG-DWN-98/2 (Cairn India – 10%, Operator ONGC)
Three appraisal wells were drilled in the Northern Discovery Area in 2010. The Declaration of Commerciality (DoC) was submitted in July 2010, by the operator for the Northern Discovery Area. The Southern Area appraisal period was completed in December 2009, with the DoC submitted to the DGH. The Operator is in discussion with the DGH and GoI to secure an extension in the exploration and appraisal period for the block to carry out additional exploration drilling.

MB-DWN-2009/1 (Cairn India – 100%, Operator)
This block, covering 2961 km^2, was awarded under the NELP VIII licensing round and is located in the Mumbai Offshore Basin. The PSC was signed on 30 June, 2010 and the PEL was granted in August 2010. Environmental clearance is being sought to enable acquisition of a 2D survey during Q1 CY 2012. As part of the Company's west coast exploration strategy, a detailed regional technical study is being undertaken.

KK-DWN-2004/1 (Cairn India – 40%, Operator ONGC)
A 3,840 line km 2D seismic programme was completed in 2009 and following mapping and interpretation of the seismic data, 300 km^2 of 3D seismic data has been acquired and processing is in progress. Interpretation of the data is expected to be completed by Q3 CY 2011.

PR-OSN-2004/1 (Cairn India – 35%, Operator)
This block, covering 9,400 km^2, is located between discoveries in the Krishna-Godavari and Cauvery basins. Following interpretation of 2D and 3D seismic data, three prospects were identified for drilling to fulfill the MWP. However, post denial of permission to drill in a restricted area defined by the Department of Space, GoI, Force Majeure has been declared by Cairn India and this has been accepted by the DGH, under the terms of the PSC. Cairn India and the other partners to the PSC are actively pursuing a resolution of this matter with the GoI.

SL 2007-01-001 (Cairn Lanka – 100%, Operator)
Cairn Lanka (Private) Limited, a wholly owned subsidiary of Cairn India, acquired 1,750 km^2 3D seismic data in the frontier Mannar Basin in the December 2009 to January 2010 period. The programme fulfills the minimum work commitment of 1,450 km^2 of 3D seismic data acquisition. The Mannar Basin is an under-explored frontier basin. Based on the 3D seismic interpretation, several prospects and leads have been identified and technical work to understand the petroleum system in this basin is ongoing. A drill ship has been contracted and the final preparations for the exploration drilling, planned to commence in August 2011, are ongoing.

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AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2011

(All amounts are in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended		Financial year ended	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Unaudited	Unaudited	Audited	Audited
1	a) Income from operations	365,447	69,283	1,027,793	162,303
	b) Other operating income	-	-	-	-
2	Expenditure				
	a) (Increase)/Decrease in stock-in-trade	888	7,001	(2,636)	(3,660)
	b) Operating expenses	41,492	18,429	151,703	42,483
	c) Employee costs	3,007	2,683	11,046	11,016
	d) Depreciation, depletion & amortization	46,434	3,816	119,296	14,851
	e) Administration costs	6,240	4,386	15,388	14,412
	f) Foreign exchange fluctuation	4,637	-	11,118	-
	g) Exploration costs	7,074	12,191	16,668	20,853
	h) Total	109,772	48,506	322,583	99,955
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**255,675**	**20,777**	**705,210**	**62,348**
4	Other Income	3,836	8,791	12,879	40,766
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**259,511**	**29,568**	**718,089**	**103,114**
6	Interest and finance costs	3,934	188	29,091	1,480
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**255,577**	**29,380**	**688,998**	**101,634**
8	Exceptional Items	-	-	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7+8)**	**255,577**	**29,380**	**688,998**	**101,634**
10	Tax expense				
	a) Current tax	49,867	4,782	156,107	22,164
	b) MAT credit entitlement	(48,425)	(2,698)	(112,136)	(13,722)
	c) Deferred tax	8,356	2,777	11,587	(10,866)
	d) Fringe benefit tax	-	-	-	(1,052)
	e) Total	9,798	4,861	55,558	(3,476)
11	**Net Profit/(Loss) from Ordinary Activities after tax (9-10)**	**245,779**	**24,519**	**633,440**	**105,110**
12	Extraordinary items (net of tax expense)	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**245,779**	**24,519**	**633,440**	**105,110**

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Sr. No.	Particulars	Quarter ended		Financial year ended	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Unaudited	Unaudited	Audited	Audited
14	Paid-up Equity Share Capital (Face value of ₹ 10 each)	190,192	189,697	190,192	189,697
15	Reserves excluding Revaluation Reserves			3,833,584	3,192,496
16	Earnings per share in ₹ (not annualized)				
	a) Basic earnings per share	12.93	1.29	33.36	5.54
	b) Diluted earnings per share	12.87	1.29	33.20	5.52
17	Public Shareholding				
	- Number of shares	718,673,310	713,730,341	718,673,310	713,730,341
	- Percentage of shareholding	37.79%	37.62%	37.79%	37.62%
18	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
	b) Non-encumbered				
	-Number of shares	1,183,243,791	1,183,243,791	1,183,243,791	1,183,243,791
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	62.21%	62.38%	62.21%	62.38%

Notes:-

1. The above audited financial results for the year ended 31st March, 2011 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 25th May 2011.

2. The individual items in the above financial results are net of amounts cross charged to oil and gas blocks where the Group is the operator. The Group's share of such net expenses in oil and gas blocks is treated as exploration, development or operating costs, as the case may be.

3. Employee costs for the current quarter and year include stock option charge of ₹ 1,124 lakhs and ₹ 4,164 lakhs respectively, computed under the Intrinsic Value Method. The said charge for the current quarter and year would have been ₹ 1,995 lakhs and ₹ 8,649 lakhs respectively, if computed under the Fair Value (Black Scholes) Method.

4. 1,180,695 additional equity shares were issued during the current quarter on exercise of stock options by the employees of the Cairn India Group.

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5. Exploration costs include costs pertaining to geological/geophysical studies, seismic studies, other surveys and unsuccessful wells and have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting.

6. During the year, Cairn India Group has changed the accounting policy for valuation of oil and condensate inventory from “net realizable value” to “cost or net realizable value, whichever is lower”. Accordingly, value of inventory as at 31st March 2011 is lower by ₹ 32,205 lakhs and profit after tax for the year is lower by ₹ 31,437 lakhs.

7. The shareholders of the Company have approved a Scheme of Arrangement between the Company and some of its wholly owned subsidiaries, to be effective from 1st January 2010. The Scheme of Arrangement has been approved by the Hon’ble High Court of Madras and the Hon’ble High Court of Bombay; however, it is pending for approval from other regulatory authorities. Pending receipt of such approvals, no accounting impact of the scheme has been given in the above results.

8. The holding company of Cairn India Limited, Cairn UK Holdings Limited, along with its holding company, Cairn Energy Plc. (Company’s ultimate holding company) has agreed to sell a substantial portion of its investment in the Company to Twin Star Holdings Ltd. and Vedanta Resources Plc. This transaction has been approved by shareholders of both Cairn Energy Plc. and Vedanta Resources Plc. However, pending receipt of certain regulatory approvals, Cairn Energy Plc. continues to be treated as the promoter of the Company.

9. The Group operates in only one segment i.e. "Oil and Gas Operations".

10. Summary of Assets and Liabilities-

Particulars	As at 31st Mar 2011 (Audited)	As at 31st Mar 2010 (Audited)
SOURCES OF FUNDS		
Shareholders’ funds		
Share capital	190,192	189,697
Stock options outstanding	5,547	4,640
Reserves and surplus	3,833,584	3,192,496
Loan funds		
Secured loans	132,822	340,071
Unsecured loans	135,000	-
Deferred tax liabilities (net)	57,503	46,194
TOTAL	**4,354,648**	**3,773,098**
APPLICATION OF FUNDS		
Fixed assets	592,356	12,695
Cost of producing properties	208,496	49,948
Exploration, development and capital work in progress	398,188	916,346
Goodwill	2,531,927	2,531,927
Investments	109,445	171,241
Deferred tax assets (net)	1,384	1,662
Current assets, loans and advances		

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Particulars	As at 31st Mar 2011 (Audited)	As at 31st Mar 2010 (Audited)
Inventories	32,770	29,094
Sundry debtors	148,286	30,675
Cash and bank balances	448,474	92,942
Other current assets	3,864	1,446
Loans and advances	162,691	65,657
Less: Current liabilities and provisions		
Current liabilities	126,376	98,686
Provisions	166,283	49,370
Net current assets	503,426	71,758
Miscellaneous Expenditure to the extent not adjusted	9,426	17,521
TOTAL	**4,354,648**	**3,773,098**

11. Previous quarter / year figures have been regrouped / rearranged wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: 25 May, 2011

Rahul Dhir
Managing Director and Chief Executive Officer

Cairn India Limited

Registered Office: 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025

Corporate Office: 3rd & 4th Floors, Vipul Plaza, Sun City, Sector-54, Gurgaon – 122002

AUDITED STANDALONE FINANCIAL RESULTS

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2011

(All amounts are in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Quarter ended		Financial year ended	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Unaudited	Unaudited	Audited	Audited
1	a) Income from operations	19	128	239	320
	b) Other operating income	-	-	-	-
2	Expenditure				
	a) Data acquisition cost	78	-	200	338
	b) Employee costs	311	559	2,170	1,759
	c) Depreciation, depletion & amortization	2	1	3	5
	d) Legal & professional charges	414	1,126	1,717	2,123
	e) Administration costs	287	308	1,191	907
	f) Foreign exchange fluctuation	-	-	-	-
	g) Exploration costs	2,520	6,138	6,827	11,912
	h) Total	3,612	8,132	12,108	17,044
3	**Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)**	**(3,593)**	**(8,004)**	**(11,869)**	**(16,724)**
4	Other Income	2,729	3,026	9,271	16,016
5	**Profit/(Loss) before Interest & Exceptional Items (3+4)**	**(864)**	**(4,978)**	**(2,598)**	**(708)**
6	Interest and finance costs	1,828	3,768	18,669	6,628
7	**Profit/(Loss) after Interest but before Exceptional Items (5-6)**	**(2,692)**	**(8,746)**	**(21,267)**	**(7,336)**
8	Exceptional Items	-	-	-	-
9	**Profit/(Loss) from Ordinary Activities before tax (7+8)**	**(2,692)**	**(8,746)**	**(21,267)**	**(7,336)**
10	Tax expense				
	a) Current tax	-	(501)	-	440
	b) Fringe benefit tax	-	-	-	(881)
	c) Total	-	(501)	-	(441)
11	**Net Profit/(Loss) from Ordinary Activities after tax (9-10)**	**(2,692)**	**(8,245)**	**(21,267)**	**(6,895)**
12	Extraordinary items (net of tax expense)	-	-	-	-
13	**Net Profit/(Loss) for the period (11-12)**	**(2,692)**	**(8,245)**	**(21,267)**	**(6,895)**

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Sr. No.	Particulars	Quarter ended		Financial year ended	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Unaudited	Unaudited	Audited	Audited
14	Paid-up Equity Share Capital (Face value of ₹ 10 each)	190,192	189,697	190,192	189,697
15	Paid up debt capital			135,000	134,500
16	Reserves excluding Revaluation Reserves			2,985,717	2,999,337
17	Debenture redemption reserve			-	-
18	Earning/(Loss) per share in ₹ (not annualized)				
	a) Basic earnings/(loss) per share	(0.14)	(0.43)	(1.12)	(0.36)
	b) Diluted earnings/(loss) per share	(0.14)	(0.43)	(1.12)	(0.36)
19	Debt equity ratio			0.04	0.04
20	Debt service coverage ratio				
21	Interest service coverage ratio				
22	Public Shareholding				
	- Number of shares	718,673,310	713,730,341	718,673,310	713,730,341
	- Percentage of shareholding	37.79%	37.62%	37.79%	37.62%
23	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	-Number of shares	-	-	-	-
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
	b) Non-encumbered				
	-Number of shares	1,183,243,791	1,183,243,791	1,183,243,791	1,183,243,791
	-Percentage of shares (as a % of the total share shareholding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	62.21%	62.38%	62.21%	62.38%

Notes:-

1. The above audited financial results for the year ended 31st March, 2011 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 25th May 2011.

2. Employee costs for the current quarter and year include stock option charge of ₹ 29 lakhs and ₹ 715 lakhs respectively, computed under the Intrinsic Value Method. The said charge for the current quarter and year would have been ₹ 956 lakhs and ₹ 5,282 lakhs respectively, if computed under the Fair Value (Black Scholes) Method.

3. 1,180,695 additional equity shares were issued during the current quarter on exercise of stock options by the employees of the Cairn India Group.

4. Exploration costs include costs pertaining to geological/geophysical studies, seismic studies, other surveys and unsuccessful wells and have been charged to the profit and loss account as per the provisions of the Successful Efforts Method of accounting.

5. The shareholders of the Company have approved a Scheme of Arrangement between the Company and some of its wholly owned subsidiaries, to be effective from 1st January 2010. The Scheme of Arrangement has been approved by the Hon'ble High Court of Madras and the Hon'ble High Court of Bombay; however, it is pending for approval from other regulatory authorities. Pending receipt of such approvals, no accounting impact of the scheme has been given in the results.

6. The holding company of Cairn India Limited, Cairn UK Holdings Limited, along with its holding company, Cairn Energy Plc. (Company's ultimate holding company) has agreed to sell a substantial portion of its investment in the Company to Twin Star Holdings Ltd. and Vedanta Resources Plc. This transaction has been approved by shareholders of both Cairn Energy Plc. and Vedanta Resources Plc. However, pending receipt of certain regulatory approvals, Cairn Energy Plc. continues to be treated as the promoter of the Company.

7. Paid up debt capital comprises of secured and unsecured loans.

8. Ratios have been computed as follows:

Debt equity ratio	=	Total debt / Shareholders' fund
Debt service coverage ratio (DSCR)	=	EBIDTA / Interest expense + Principal payment of debt
Interest service coverage ratio (ISCR)	=	EBIDTA / Interest expense

Debt = Secured loans + unsecured loans
Shareholders' fund = Share capital + Stock options outstanding + Reserves and surplus
EBIDTA = Earnings before interest, depreciation and tax

DSCR and ISCR have not been furnished as there is a loss before interest, depreciation and tax.

9. Summary of Assets and Liabilities-

Particulars	As at 31st Mar 2011 (Audited)	As at 31st Mar 2010 (Audited)
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	190,192	189,697
Stock options outstanding	5,547	4,640
Reserves and surplus	3,019,260	3,011,612
Loan funds		
Secured loans	-	134,500
Unsecured loans	135,000	-

Particulars	As at 31st Mar 2011 (Audited)	As at 31st Mar 2010 (Audited)
TOTAL	**3,349,999**	**3,340,449**
APPLICATION OF FUNDS		
Fixed assets	247	2
Exploratory work in progress	2,188	2,421
Investments	3,256,825	3,312,909
Current assets, loans and advances		
Inventories	287	98
Sundry debtors	17	157
Cash and bank balances	65,293	19,279
Other current assets	2,053	124
Loans and advances	6,087	3,441
Less: Current liabilities and provisions		
Current liabilities	16,726	14,807
Provisions	90	301
Net current assets	56,921	7,991
Miscellaneous Expenditure to the extent not adjusted	275	4,851
Profit & Loss account	33,543	12,275
TOTAL	**3,349,999**	**3,340,449**

10. The Company operates in only one segment i.e. "Oil and Gas Operations".

11. Information on investors' complaints for the quarter: opening-Nil, received-10, disposed-10, and closing-Nil.

12. Previous quarter / year figures have been regrouped / rearranged wherever necessary to confirm to the current year’s presentation.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: 25 May, 2011

Rahul Dhir
Managing Director and Chief Executive Officer

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Contact:

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Anurag Mantri, Group Financial Controller +919810301321

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Manu Kapoor, Director - Corporate Affairs & Comm. +919717890260

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 in Sri Lanka.
- "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 signed on 15 May, 1995. The main Development Area (1,859 km^2), 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%. Further Development Areas (430 km^2), including the Bhagyam and Shakti fields and (822 $km^{2)}$ 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.
- The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.
- 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 Rajasthan block)
- For further information on Cairn India Limited see www.cairnindia.com

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Glossary

Corporate

Cairn India/CIL	Cairn India Limited and/or its subsidiaries as appropriate
Company	Cairn India Limited
CY	Calendar Year
DoC	Declaration of Commerciality
E&P	Exploration and Production
FY	Financial Year
GBA	Gas Balancing Agreement
GoI	Government of India
Group	the Company and its subsidiaries
JV	Joint Venture
MBA	Mangala, Bhagyam and Aishwariya
MPT	Mangala Processing Terminal
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
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet of gas per day
mmt	million metric tonne
PSC	Production Sharing Contract

The Fatehgarh is the name given to the primary reservoir rock of the Northern Rajasthan fields of Mangala, Aishwariya and Bhagyam.

The Barmer Hill Formation is a lower permeability reservoir which overlies the Fatehgarh.

The Dharvi Dungar forms the secondary reservoirs in the Guda field and is the reservoir rock encountered in the recent Kameshwari West discoveries.

The Thumbli forms the youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field.

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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 partners.