



**Message from Indrajit Banerjee, Executive Director and CFO, Cairn India, post signing of exploration acreage in Sri Lanka**

On behalf of Cairn, I extend a very warm welcome to all of you at this press conference to announce the signing of the first exploration license in Sri Lanka. I take this opportunity to thank the Honourable Minister of Petroleum Mr. Fowzie, Deputy Minister Disanayake, DG Neil De Silva and Secretary Gunasekhara who have kindly agreed to participate in this joint press conference.

I would also like to place on record our gratitude for the support we have received from the President of Sri Lanka, His Excellency the President Mahinda Rajapakse.

Cairn has now been in South Asia for more than a decade and having developed a very good understanding of the regional geology, we have made over 40 oil and gas discoveries to date in India including the world class Mangala discovery onshore in the deserts of Rajasthan in North West India which currently has an estimated total oil in place of 3.7 billion barrels.

In 2007, Cairn India listed on the Bombay Stock Exchange and is now an autonomous Indian company with a market cap of over US\$11 billion and is a Top 25 company in India. Cairn Energy PLC of Scotland is a majority shareholder.

Today, Cairn India operates two processing plants, 11 offshore platforms, 200 kilometres of sub-sea pipelines and has exploration interests in 14 blocks across India with a net operated production of approximately 75,000 barrels of oil and gas equivalent.

We are currently in the midst of developing our Rajasthan project and are investing \$1.8 billion during 2008 and 2009. Once developed, the Rajasthan project will produce 175,000 barrels of oil per day when it reaches plateau production, accounting for over 20% of India's domestic crude oil production.

Cairn India's approach has been engineering-led with the innovative application of cutting-edge technologies across its assets. It has a proven track record of delivering development projects quickly and at low cost as well as for being a low-cost operator.

Cairn along with its joint venture partners has invested billions of dollars in a variety of projects and developments in South Asia in providing much needed energy to rapidly growing economies in an extremely volatile price environment.

I hasten to add that along with the success we have experienced, oil and gas exploration is a risk business and success is not always guaranteed.

Cairn India though is indeed delighted to be the first company to be awarded an exploration license by the Government of Sri Lanka. The Mannar basin has not been explored in Sri Lankan waters and as such represents a frontier petroleum province. Our company has extensive experience in the region and we expect to invest tens of millions of dollars exploring the block by applying the best in class technologies and industry practices in the search to establish whether commercial quantities of hydrocarbons can be found.

I would like to take this opportunity to compliment the Ministry of Petroleum & Petroleum Resources and other departments of the Government of Sri Lanka for running a very efficient bid process and all the support that has been provided to us.

We would also like to thank the Government of Sri Lanka for this opportunity as it seeks to explore the hydrocarbon potential of Sri Lanka and reduce its oil import dependence.

At all times we will aim to work with all stakeholders as we embark on our exploration programme.