

CAIRN INDIA LIMITED

4th Floor | Vipul Plaza | Suncity | Sector 54 | Gurgaon | India - 122 002

T: +91 124 459 3000

www.cairnindia.com



**For Immediate Release**

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**Commencement of Exploration Drilling programme in the Rajasthan block - Spudding of the first well after a four year hiatus**

Following endorsement of the exploration Work Programme for the Rajasthan Block (RJ-ON-90/1) by the Management Committee less than two weeks ago, Cairn India has today commenced drilling of the first exploration well, after a gap of more than four years, in the prolific Barmer Basin. This is pursuant to the clarity in policy by the Government of India (GoI), allowing for exploration operations in development blocks. This has enabled Cairn India to commence its planned aggressive exploration drilling programme to help harness the full potential of the Barmer Basin in Rajasthan.

Renewed exploration activity in the block will be beneficial for all stakeholders and will help us realise the estimated half a billion barrels of oil equivalent of risked recoverable prospective resource which amounts to about a third of the Estimated Ultimate Recovery potential in the Rajasthan block. This will help the Joint Venture to realise the basin production potential of 300,000 bopd from the Rajasthan block.

The Joint Venture is currently producing 170,000 -175,000 bopd from the Rajasthan block with a strong focus on exiting the year FY 2013-14 at a production rate of 200,000-215,000 bopd from the block.



## Contact Details

### Analysts/Investors

Anurag Pattnaik, DGM-Geology & Investor Relations

+919910487716

### Media

Dr Sunil Bharati, Head, Corporate Affairs & Communications

+919910486055

## 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. Cairn India is now part of the Vedanta Group, a globally diversified natural resources group with wide ranging interests in aluminium, copper, zinc, lead, silver, iron ore, etc.

Cairn India is headquartered in Gurgaon in the National Capital Region, with operational offices in India - Andhra Pradesh, Gujarat, Rajasthan, Tamil Nadu and International - Colombo and London.

Cairn India is primarily engaged in the business of oil and gas exploration, production and transportation. Average daily gross operated production was 205,014 boe in Q3 FY2012-13. 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 eight blocks in India, one in Sri Lanka and one in South Africa. Cairn India's resource base is located in four strategically focused areas namely one block in Rajasthan, two on the west coast of India, six on the east coast of India (including one in Sri Lanka) and one in South Africa.

The blocks are located in the Barmer Basin, Krishna-Godavari Basin, the Palar-Pennar Basin, the Cambay Basin, the Mumbai Offshore Basin, Mannar Basin and Orange Basin.

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 km<sup>2</sup>), 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 km<sup>2</sup>), including the Bhagyam and Shakti fields and (822 km<sup>2</sup>) 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 636 mmboe with a further 300 mmboe or more of EOR resource potential. The

Rajasthan block is contributing more than one fifth of current domestic crude production. The total resource base supports a vision to produce 300,000 bopd, (equivalent to a contribution of more than 35% 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 30,000 boepd.

Block SL 2007-01-001 was awarded to Cairn Lanka in the bid round held in 2008. This offshore block is located in the Gulf of Mannar. The water depths range from 400 to 1,900 meter. 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 Resources Agreement (PRA) to explore oil and natural gas in the Mannar Basin was held in July 2008 in Colombo.

The farm-in agreement has been signed with PetroSA on 16 August, 2012 in the 'Block-I' located in Orange basin, South Africa. The block covers an area of 19,922 sq km. The assignment of 60% interest and operatorship has been granted by the South African regulatory authorities. Other regulatory approvals are on schedule.

India currently imports 3.4\* million bopd of crude oil. The current domestic crude oil production is approximately 0.76\*\* million bopd of which Cairn India operated assets (Ravva, CB/OS-2 and the RJ-ON-90/1) contribute around one-fourth.

For further information on Cairn India Limited & Cairn Lanka (Pvt) Limited see [www.cairnindia.com](http://www.cairnindia.com) & [www.cairnlanka.com](http://www.cairnlanka.com)

\*BP Statistical Review for CY 2011

\*\*MoPNG November 2012 data



Corporate Glossary	
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Cairn India	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
EBITDA	Earnings before Interest Tax Depreciation and Amortisation
EPS	Earnings Per Share
FY	Financial Year
GBA	Gas Balancing Agreement
Gol	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
PPAC	Petroleum Planning & Analysis Cell
qoq	Quarter on Quarter
SL	Sri Lanka
Vedanta Group	Vedanta Resources plc and/or its subsidiaries from time to time, but shall not include CIL
yoy	Year on Year

Technical Glossary	
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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
PRDS	Petroleum Resources Development Secretariat
PSC	Production Sharing Contract

Field Glossary	
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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, Aishwariya and Bhagyam
Mannar Basin	Located in the Gulf of Mannar, situated on the NE shallow continental shelf of Sri Lanka
MBA	Mangala, Bhagyam and Aishwariya
Thumbli	Youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field

**Disclaimer**

*This material contains forward-looking statements regarding Cairn India and its affiliates, 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.*