



For Immediate Release

7 July 2008

Cairn India

Signing of exploration acreage in Sri Lanka

The Government of Sri Lanka and Cairn India today signed the Petroleum Resources agreement for the exploration licence to explore for oil and natural gas in the Mannar Basin.

The signing took place in Colombo today with the Minister for Petroleum and Petroleum Development Resources A.H.M Fowzie from the Government of Sri Lanka and Indrajit Banerjee the Chief Financial Officer and Executive Director of Cairn India.

The Block SL 2007-01-001 which is offshore North West Sri Lanka and covers approximately 3,000 Km² in water depths of 200 metres to 1800 metres was awarded to Cairn India in the recent Sri Lanka bid round. The work programme includes proposals to acquire 5,000 kilometres (km) of 2D, 1,000 km² of 3D seismic and drill three wells in the initial three years of the eight year exploration period.

Cairn Lanka (Private) Limited, a wholly owned subsidiary of Cairn India has been formed which would hold a 100% participating interest in the block.

Indrajit Banerjee the Chief Financial Officer and Executive Director of Cairn India, said:

“Cairn India is delighted to be awarded the exploration licence 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. The company has extensive experience in the region and will aim to work with all stakeholders as it embarks on its exploration programme.”



Enquiries to:

Analysts/Investors

Anurag Mantri, Investor Relations Manager +919810301321

Media

About Cairn India Limited

- “Cairn India” where referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- Cairn India is headquartered in Gurgaon on the outskirts of Delhi, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
- On 9 January 2007, Cairn successfully concluded the flotation of its Indian business with the commencement of trading of Cairn India Limited on the Bombay Stock Exchange and the National Stock Exchange of India. Cairn Energy PLC currently holds a 65% shareholding in Cairn India Limited.
- Cairn India is currently focused on exploration and production in India where it has a working interest in 15 blocks, two of which are producing hydrocarbons and one is under development. The company holds material exploration and production positions in west India and east India along with new exploration rights elsewhere in India and Sri Lanka.
- This focus on India has already resulted in a significant number of oil and gas discoveries. In particular, Cairn made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. More than 20 discoveries have been made in Rajasthan block RJ-ON-90/1.
- In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a Production Sharing Contract (PSC) signed on 15 May 1995. The main Development Area (1,858 km²), which includes Mangala, Aishwariya, Saraswati and Raageshwari; is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%. A further Development Area (430 km²), including the Bhagyam and Shakti fields, is also shared between Cairn India and ONGC in the same proportion.
- The Operating Committee for Block RJ-ON-90/1 consists of Cairn India and ONGC.
- India currently imports approximately 2,000,000 barrels of oil per day (bopd). It produces approximately 700,000 bopd itself of which approximately 50,000 bopd comes from the Cairn India operated Ravva field on the east coast of India.
- For further information on Cairn India Limited see www.cairnindia.com