



Rajasthan Joint Venture starts oil production in Bhagyam

19 January 2012

ONGC and Cairn (Rajasthan Joint Venture) have commenced production from the Bhagyam Field in Rajasthan. Bhagyam is the second largest of 25 discoveries made so far by Cairn in the Barmer Basin in Block RJ-ON-90/1.

The Bhagyam reservoir and facilities will entail a gradual and safe ramp up to reach the currently approved plateau rate of 40,000 barrels of oil per day (bopd). The commissioning of Bhagyam is a key milestone towards achieving the target production rate of 175,000 bopd by end FY 2011-12.

The Mangala, Bhagyam and Aishwariya (MBA) fields have gross recoverable oil reserves and resources of approximately one billion barrels. The Rajasthan Joint Venture will contribute more than 20 percent of current domestic crude production when they reach the currently approved plateau rate of 175,000 bopd.

Sudhir Vasudeva, Chairman & Managing Director, ONGC said:

“Our joint venture is well placed to further increase production from Rajasthan.

Beginning of oil production from Bhagyam field is a significant step towards further development of the MBA fields. This underlines our continued commitment to the optimal development of the Barmer basin in Rajasthan and determination to create value for the people of Rajasthan as well as the country.

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

“The commencement of production from the Bhagyam field is yet another significant milestone for the Rajasthan Joint Venture.

The commissioning of Bhagyam illustrates how supportive policies are enabling companies to unlock the hydrocarbon potential and create significant value for our Nation.

At this momentous occasion, we would like to thank all our partners, stakeholders and the people of Barmer, for their continuous support. We would like to reiterate our commitment to continue to explore, discover and produce more oil to support our country’s growth!”

Jointly issued by ONGC Limited and Cairn India Limited



Contact Details

Analysts/Investors

Anurag Mantri, Group Financial Controller, CIL +91981030132
1

Media

Manu Kapoor, Director - Corporate Affairs & Communications, CIL +91971789026
0

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 Tamil Nadu, Gujarat, Andhra Pradesh, Rajasthan and Sri Lanka.

Cairn India is primarily engaged in the business of oil and gas exploration, production and transportation. Average daily gross operated production was 149,103 boe in FY2011. 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 nine blocks in India and one in Sri Lanka. Cairn India's resource base is located in three strategically focused 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.

The blocks are located in the Barmer Basin, Krishna-Godavari Basin, the Palar-Pennar Basin, the Kerala-Konkan Basin, the Cambay Basin, the Mumbai Offshore Basin and the frontier Mannar 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 km²), 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 km²), including the Bhagyam and Shakti fields and (822 km²) 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 656 mmboe with a further 300 mmboe or more of EOR resource potential. The MBA fields will contribute more than 20% of India's current 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 approximately 30% 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 45,000 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 1,900m. 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 Resource Agreement (PRA) to explore oil and natural gas in the Mannar Basin was held in July 2008 in Colombo.

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 RJ-ON-90/1).

For further information on Cairn India Limited & Cairn Lanka (Pvt.) Limited see www.cairnindia.com & www.cairnlanka.com



Corporate Glossary

Cairn India/ CIL	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
EBIT	Earnings before Interest and Tax
FY	Financial Year
GBA	Gas Balancing Agreement
GoI	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
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

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

Barmer Hill Formation	Lower permeability reservoir which overlies the Fatehgarh
Dharvi Dungar	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.