



Earnings Presentation Annual Results FY16

22nd April, 2016



Disclaimer



This material contains forward-looking statements regarding Cairn India and its affiliates, its corporate and business strategies and plans, future financial condition and results of operations. All such forward- looking statements are based on the 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.

All data points in the presentation are for the period ended 31st March 2016, unless otherwise specified.

Agenda



Global Development & Strategic Priorities

Performance Highlights

Policy Updates

Asset Performance

Financial Results

Progress on Key Projects & Exploration

Guidance

Mayank Ashar
Managing Director &
Chief Executive
Officer

Sudhir Mathur
Chief Financial
Officer

Mayank Ashar
MD & CEO

Key Global Themes Emerging in the Current Environment



Deferment of major capital investment, cut in dividend

Right-sizing of operating cost base

Driving efficiency through focus on technology and innovation

Impairment and asset write-down

Strategy: Delivering a Sustained Performance



Positive Free Cash Flows

- Healthy cash flows post Capex

Core fields continue to generate cash

- MBA, Ravva, Cambay – Best – in class Opex, high margin, resilient to price volatility

Optionality for Growth

- Gas, Barmer Hill, Satellite Fields, Bhagyam & Aishwariya EOR, Exploration

Resilience

- Robust balance sheet, low cost operations, world class resource base

Unique Leverage

- Geology, technology, people, strong partnerships and financial discipline

Key Performance Highlights



Gross Average Production: 203,703 boepd

- Rajasthan production strong at 169,609 boepd in FY16
- Successful execution of Mangala EOR polymer contributed ~32 kbpoed in Q4 FY16
- Encouraging results from Aishwariya infill program
- Average gas production ramped-up in RDG to 27 mmscfd; surpasses guidance of 25 mmscfd
- Crude dispatch to MRPL through Bhogat terminal commenced, superior price realization

FY16 Exploration: 38th discovery in RJ

- 38th discovery in Q1 - Raageshwari North; also found oil in Raageshwari Deep Main wells
- Added 300 mmboe of HIIP in FY16, 450 mmboe of HIIP drilled but yet to be tested
- Working Interest 2P reserves decline by 18 mmboe excluding production
 - Some addition from reservoir performance and projects in Aishwariya and Offshore fields
 - Project deferrals due to PSC uncertainty and low crude price; mostly reclassified to 2C resources, will be restored to 2P on PSC extension

Net revenue: INR 86 billion; Normalized PAT*: INR 21 billion

- Gross contribution to exchequer of INR 108 billion
- Cash & Cash equivalent position of INR 195 billion
- Total dividend of INR 3/share for FY16

*Normalized PAT is net profit excluding exceptional items

Policy & Other Updates



Rajasthan PSC extension and crude export

- The matters are *sub judice*

Cairn – Vedanta Ltd Merger

- Remain committed, continue to work towards completion

Revision in Cess policy to ad-valorem

- Engaging with the Government along with peers
- Hopeful of positive outcome

PSC extension for small, medium sized and discovered

- Applicable only to Ravva field

Gas marketing and pricing freedom

- Not applicable to Rajasthan PSC, already has market pricing freedom

Hydrocarbon Exploration Licensing Policy (HELP)

- Applicable only to new contracts

Continue to Demonstrate Production Resilience...



203,703

Gross Production in FY16 (boepd)

400,000

Polymer injection in Mangala (blpd)

5.2

RJ Water-flood Opex (US\$/bbl) FY16

27

RDG avg gas production in FY16 (mmscfd)

~49%

Recovery Rate in Ravva

Rajasthan

- Gross production of 62.1 mmboe in FY16
- Avg production rate of 169,609 boepd in FY16
 - Mangala EOR contributes ~14,000 boepd
 - Aishwariya infill well program concluded
 - RDG Gas volumes ramp up to 27 mmscfd
- Reservoir management continued in Bhagyam
- Excellent well productivity result from ongoing 15 well hydro-frac campaign in RDG
- Facility uptime of 98%

Offshore Assets

- Gross production in Ravva at 23,845 boepd
 - Offsetting natural decline through
 - Rig less well intervention in 2 producer wells
 - Deeper gas lift injection
 - Well stimulation in 5 water injectors
 - Facility Uptime of 99.7%
- Gross production in Cambay at 10,249 boepd
 - Gas lift compressor commissioned
 - Coil tubing campaign successfully concluded
 - Facility Uptime of 99.9%

Ongoing Optimization of Operating Cost



Price realization

46%

Lower price realization

- Brent price declined by 44% YoY, overall realization at US\$ 40.9/boe
- RJ discount to Brent at US\$ 7.2/bbl vs US\$ 9.0/bbl in FY15

Opex/boe

11%

Rajasthan water-flood (WF) operating cost/boe reduced further

- Further lowered the WF cost from \$5.8/boe in FY15 to \$5.2/boe
- Reduction in uneconomic work-overs
- Effective deployment of well intervention units, 40% units demobilized
- Reduction in units rental up to 15% through contract re-negotiation
- Purchasing 10MW power from open exchange at 25% lower costs

~20%

Rajasthan blended operating cost including polymer at \$6.5/boe

- Remains well below our estimated cost
- Ongoing interventions resulted in 20% reduction in polymer cost

Financial Performance

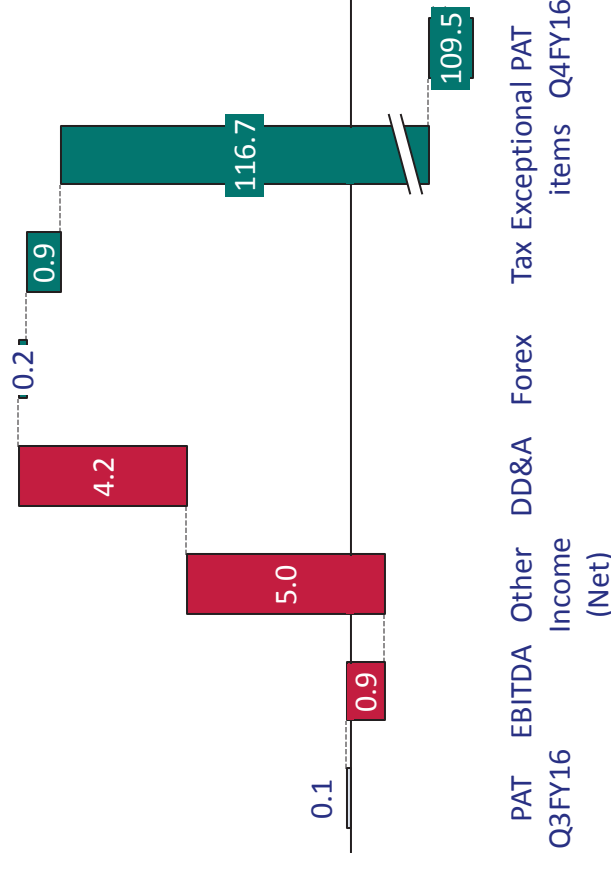


INR billion	Annual Performance			Quarterly Performance		
	FY16	FY15	y-o-y (%)	Q4 FY16	Q3 FY16	q-o-q (%)
Net Revenue	86.3	146.5	(41%)	17.2	20.4	(16%)
EBITDA	35.0	86.6	(60%)	5.7	6.7	(14%)
Other Income	12.9	12.8	1%	6.5	1.4	358%
DD&A	(31.1)	(25.7)	21%	(4.7)	(8.9)	(47%)
Forex (Gain/Loss)	7.1	3.9	84%	1.0	0.5	107%
Tax	(0.9)	(12.0)	(92%)	(1.3)	0.5	NA
Normalized PAT	21.4	65.4	(67%)	6.3	0.1	-
Exceptional Items	(115.8)	(20.6)	NA	(115.8)	-	-
PAT	(94.3)	44.8	NA	(109.5)	0.1	NA
EPS-INR (diluted)	(50.17)	23.77	NA	(58.25)	0.05	NA
Cash EPS-INR	24.71	47.65	(48%)	6.76	4.06	66%

Note: EBITDA includes forex gain/(loss) on operating activities

- ~41% decrease in Revenue YoY; sharp decline in crude prices
- ~3.5x increase in other income QoQ; higher gain recognition following realization
- 47% decrease in DD&A QoQ; increase in proved and developed reserves
- ~67% decrease in Normalized PAT YoY; lower EBITDA, higher DD&A
- Exceptional items are on account of mainly impairment of goodwill arising on consolidation
- Net capital expenditure of USD 248 mn; 78% in development
- Gross Contribution to Exchequer of INR 108 bn
- Strong balance sheet with Cash and cash equivalents of INR 195 bn

PAT Variance v/s Q3 FY16 (INR bn)



Oil Price Realisation (\$/bbl)

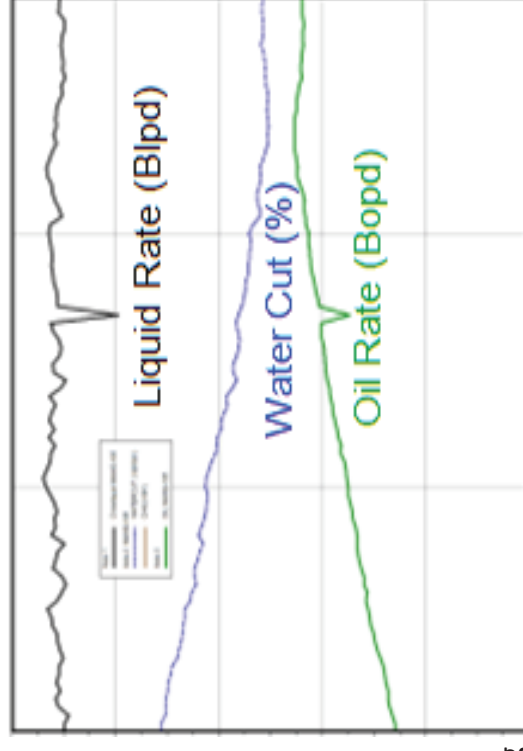
	FY16	FY15
Rajasthan	40.4	76.4
Ravva	47.7	82.5
CB/OS-2	46.2	81.9

Mangala EOR & Aishwariya Infill



Mangala EOR Program – a Technological Feat

- Polymer volume ramped-up to planned level of 400,000 blpd
- Average production at ~32,000 boepd for Q4 FY16
- Additional production is attributed to
 - Improvement in sweep efficiency
 - Increase in reservoir pressure
- Result shows stabilizing water cut and increasing oil rate
- All the 93 wells completed, four polymer trains preparing solution
- Most of the producer wells converted into polymer injectors
- Skim tanks for processing polymerized output in final stages of commissioning
- Modification in well pads and surface facilities nearing completion



Central Polymer Facility – Silos and Trains



Aishwariya Infill Successfully Completed - Adds to Production

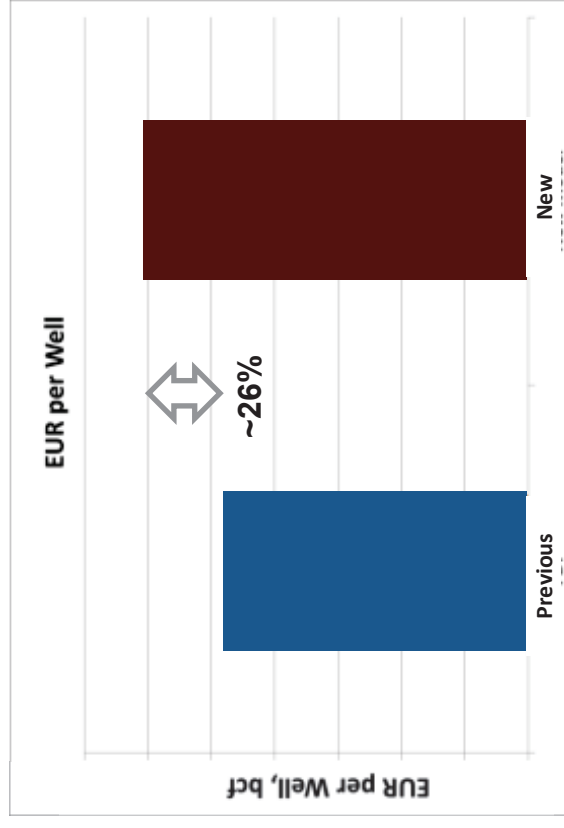
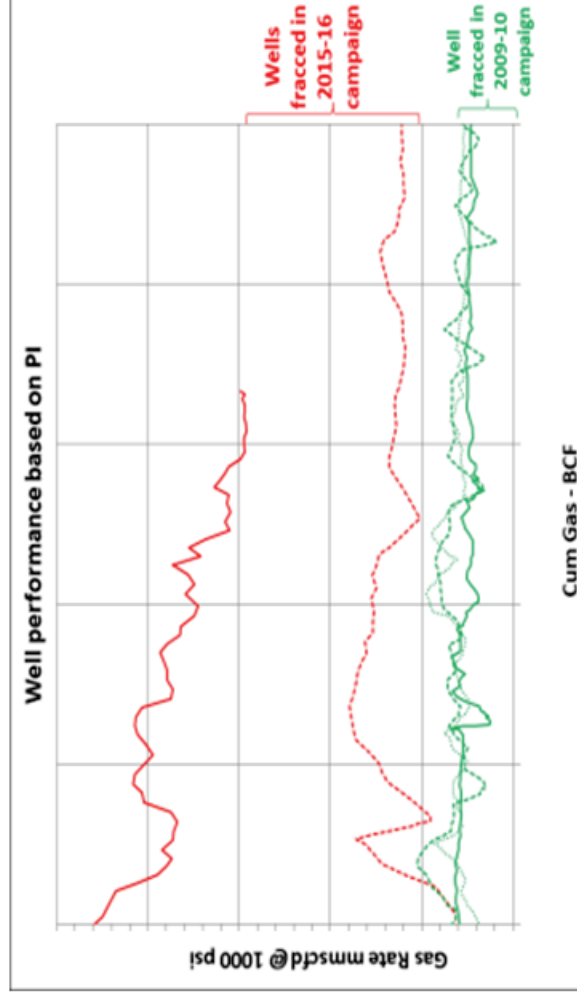
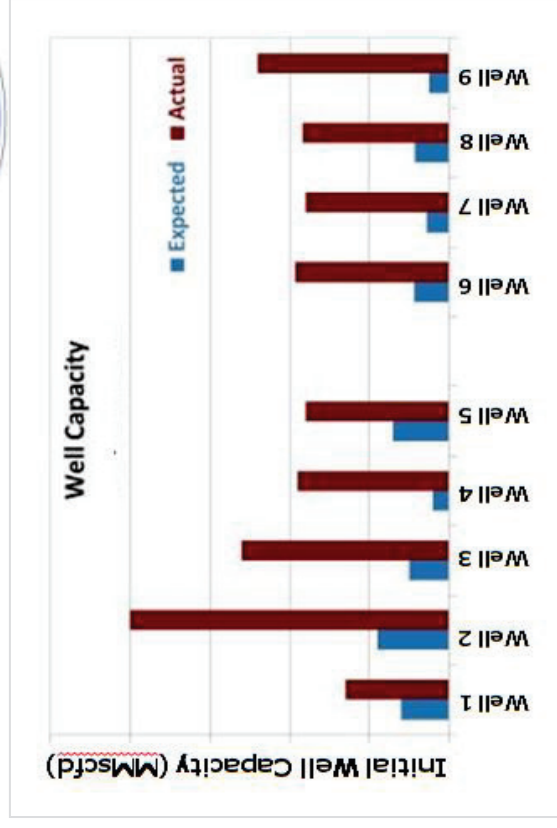
- Aided the production while helping in arresting the natural decline
- All 20 wells are online with the last 3 wells going online in Q4 FY16
- Achieved mechanical completion of associated surface facilities

RDG Gas – Encouraging Upside from Hydro-Fracking



Limited entry frac using multiple perforation in single stage resulted in :-

- ~30% increase in reservoir coverage with less number of stages
- ~100% increase in initial productivity observed in new wells as compared to wells fraced during 2009-10 campaign
- 26% increase in field EUR as compared to FDP estimate till 2030
- Improved operation efficiency - days per frac reduced from 4.5 to 2.2
- Self sufficient using non potable ground water for frac operations
- ~50% reduction in per frac cost



Exploration Update



Rajasthan Exploration

Appraisal Testing

- Discovery of Raageshwari North
- Appraisal concluded for the prioritized discoveries, found oil in Raageshwari Deep Main; increased drilled and tested HIIP by 300 mmboe in FY16
- Since resumption of exploration activities, added gross 2C contingent resources of 200 mmboe; An additional prospective gross, un-risked 2C of 70 mmboe awaits testing
- FDP preparation in progress

Seismic Acquisition

- 432 sq km of 3D data acquired in FY16
- Covered key areas with 3D seismic data
- Application of new technique “Sparse Layer Inversion” for better resolution
- Focus on identification of additional exploration prospects

Other India and International Assets

- In Palar-Pennar block, preparation for drilling the three commitment wells in 2017-18 in progress
- Completed the closure formalities for Sri Lanka block with the regulatory authority
- Cairn will exit the Mumbai Offshore block due to poor prospectivity

Projects' Readiness for Favourable Oil Price Environment



Bhagyam EOR – Pre-development activities ongoing

- Field Development Plan submitted to JV in Q1 FY16
- Exploring option for leveraging the Mangala EOR facilities to reduce development time and cost
- Plan to conduct multi-well injectivity test to demonstrate modelled injection rates
- Front End Engineering Design is ongoing
- Tenders floated for rigs, services, drilling & completion long lead items
- Estimated recovery of 40-50 million barrels of oil

Mangala & Aishwariya Barmer Hill – Appraisal results

- Appraisal program completed with results broadly on expected lines
- Looking at options to improve recovery while reducing the cost
- For Aishwariya Barmer Hill: -
 - Sub-surface alignment on STOIP and production profile achieved with JV partner
 - Discussion and alignment with JV on surface facility ongoing
 - Estimated recovery of 20-30 million barrels of oil

Guidance



FY17 Guidance

- Rajasthan Production
 - Despite record low oil prices and substantial cut in capex, we will maintain the production broadly at FY16 level
- Net Capex
 - Investment of US\$ 100 mn- 80% in Development including RDG Gas and Mangala EOR completion activities, and 20% in Exploration
 - Continue to invest in pre-development activities of key projects in Core MBA fields, Barmer Hills and Satellite fields to ensure their readiness for development on rebound in oil prices and grant of extension of PSC
- Cash Flow
 - Aim to have healthy cash flows post capex to retain the ability to pay dividends subject



Q&A