

CAIRN INDIA LIMITED

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For Immediate Release

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Cairn India Limited

Interim Dividend Declaration and Rajasthan Exploration Update

Cairn India Limited (CIL), the fastest growing energy company* in the world, today declares interim dividend and announces three new oil discoveries in Rajasthan block.

Interim Dividend Declaration

The Board of Directors at its meeting held today has declared interim cash dividend of ₹ 5 per Equity share of ₹ 10 face value. The dividend is proposed to be paid on or before 13th October, 2014 to shareholders on record as on 23rd September, 2014. This will entail an outflow of ₹ 1,097 crore including the dividend distribution tax of ₹ 159 crore.

Update on Rajasthan Exploration

Three new oil discoveries have been made in Block RJ-ON-90/1, taking the total number of discoveries in the block to date to 36. This further exemplifies the capabilities of Cairn's exploration team operating in this prolific onshore block.

Exploration well DP-1 has encountered 70m gross oil bearing interval in the Barmer Hill formation. The well has been fraced and tested, flowing oil @ 120 bopd. The DP structure is located 6 km NW of Mangala field and has an aerial extent of 21 km². This is a significant discovery, in view of its proximity to the Mangala oil field and fast track appraisal is planned to facilitate rapid commercialization of this discovery.

Exploration well Saraswati SW-1 has been tested in a Mesozoic sand interval and flowed oil @ 248 bopd.

Well Aishwariya-46 flowed oil @ 182 bopd in Dharvi Dungar formation, making it the 36th Discovery in RJ-ON-90/1. This well represents the first Dharvi Dungar oil discovery in the northern part of Barmer basin.

Mr. Sudhir Mathur, Interim CEO, Cairn India said:

"The objective of our dividend policy is to continuously enhance value to our shareholders. In line with this policy, we are delighted to announce an interim dividend of INR 5 per share."

* Source: 2013 Platts Top 250 Global Energy Rankings

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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.

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

Cairn India is one of the largest independent oil and gas exploration and production companies in India. Together with its JV partners, Cairn India accounted for ~28% of India's domestic crude oil production in FY14. Average gross operated production was 217,869 boepd in Q1 FY15. The Company sells its oil and gas to major PSU and private buyers in India.

The Company has a world-class resource base, with interest in seven 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, five 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, the Mannar Basin and Orange Basin.

Cairn India's focus on India has resulted in a significant number of oil and gas discoveries. Cairn India made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. To date, thirty six discoveries have been made in the Rajasthan block RJ-ON-90/1 and the exploration and appraisal drilling campaign is targeting over 3 billion barrels of gross oil in place resources.

In Rajasthan, Cairn India operates Block RJ-ON-90/1 under a PSC signed on 15 May, 1995 comprising of three development areas. DA 1 (1,859 km²) includes discoveries namely Mangala, Aishwariya, Raageshwari and Saraswati, DA 2 (430 km²), includes the Bhagyam and Shakti fields and DA 3 (822 km²) comprising of the Kaameshwari West Development Area, is shared between Cairn India and ONGC, with Cairn India holding 70% and ONGC having exercised their back in right for 30%.

The total resource base supports a long term vision to produce 300,000 boepd, subject to exploration success, further development 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 over 34,000 boepd as of Q1 FY 15.

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. The signing of the Petroleum Resources Agreement (PRA) to explore oil and natural gas in the Mannar Basin was undertaken in July 2008 in Colombo.

The farm-in agreement was signed with PetroSA on 16 August, 2012 in the 'Block-I' located in Orange basin, South Africa. The block covers an area of 19,898 sq km. The assignment of 60% interest and operatorship has been granted by the South African regulatory authorities.

India's gross imports of crude oil stood at 3.8* million bopd in 2013. India's domestic crude oil production for FY2013-14 was approximately 0.76** million bopd of which Cairn India operated assets (Ravva, CB/OS-2 and the RJ-ON-90/1) contributed ~28%.

For further information on Cairn India Limited, kindly visit www.cairnindia.com

*BP Statistical Review of World Energy 2014

**MoPNG March 2014 production statistics

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Corporate Glossary

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
Cash EPS	PAT adjusted for DD&A, impact of forex fluctuation, MAT credit and deferred tax
CFFO	Cash Flow from Operations includes PAT (excluding other income and exceptional item) prior to non-cash expenses and exploration costs.
CPT	Central Processing Terminal
CY	Calendar Year
DoC	Declaration of Commerciality
E&P	Exploration and Production
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation includes forex gain/loss earned as part of operations
EPS	Earnings Per Share
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
MC	Management Committee
MoPNG	Ministry of Petroleum and Natural Gas
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
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
Tcf	Trillion 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
PSU	Public Sector Utilities
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
MBARS	Mangala, Bhagyam, Aishwariya, Raageshwari, Saraswati
Thumbli	Youngest reservoirs encountered in the basin. The Thumbli is the primary reservoir for the Raageshwari field

Disclaimer

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