



EMBARGOED FOR RELEASE AT 7AM

13 May 2008

CAIRN ENERGY PLC (“Cairn”)

Interim Management Statement

Cairn Energy PLC is today issuing its first Interim Management Statement as required by the Disclosure Rules and Transparency Rules of the Financial Services Authority. For the period up to 12 May 2008, Cairn reports the following:

Cairn India

- The Ministry of Petroleum and Natural Gas of the Government of India (GoI), has conveyed its agreement to shift the delivery point with respect to the contract area under the RJ-ON-90/1 Production Sharing Contract in Rajasthan to Salaya at the Gujarat coast.
- Larsen and Toubro Limited (L&T) were awarded the contract for the Engineering Procurement and Construction (EPC) services for the export crude oil insulated pipeline and gas pipeline from Barmer, Rajasthan to Salaya, Gujarat, which is due for completion in 2009.
- Bhagyam Field Development Plan (FDP) approved by Government of India - resource potential to support plateau production of 175,000 barrels of oil per day from Mangala, Bhagyam and Aishwariya (MBA) fields in Rajasthan.
- US\$ 625 million preferential allotment of equity to Petronas and Oriental Global Tamarind Fund Pte Ltd. was approved by shareholders at an Extraordinary General Meeting (EGM) and received in April 2008.
- Rick Bott appointed as Executive Director and Chief Operating Officer, effective 15 June 2008. Rick joins Cairn India from Devon Energy’s International division where he was vice president responsible for developing and implementing business growth and exploration strategy.
- Cairn India Q1 results released 29 April 2008.

Capricorn

- Contract for 2D seismic programme in Greenland awarded – work due to commence in H2 2008.
- Evaluation of rig tenders ongoing for exploration drilling in Tunisia in H2 2008.
- Appraisal plans submitted to the Government of Bangladesh (Petrobangla) for the Magnama and Hatia prospects.
- Three joint bids with Santos were submitted for the 3rd Licensing Round offshore Bangladesh.



Group Production

The figures in the table below show group production for Q1 2008 (including 100% of Cairn India's production).

Production (boepd)	Ravva	CB-OS/2	Sangu	Total
Gross field	58,761	12,006	9,946	80,713
Working interest	13,221	4,802	3,730	21,753
Entitlement interest	6,900	4,595	2,982	14,477
Average price realised \$/boe	\$84.12	\$56.50	\$17.54	\$61.85

Group Net Cash

Group net cash at 31st March 2008 was approximately US\$ 698 million (including 100% of Cairn India's net cash balances; US\$ 346 million).

The US\$ 625 million from the placement of shares in CIL was received in April 2008.

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Notes to Editors:

- Cairn Energy PLC (“Cairn”) is an Edinburgh-based oil and gas exploration and production company listed on the London Stock Exchange. Following the IPO of Cairn India in January 2007, there are two separate arms to the business:
- Cairn India limited (“Cairn India”) is now an autonomous business listed on the Bombay Stock Exchange and the National Stock Exchange of India and has interests in a total of 14 Indian acreage blocks. Cairn currently retains a 65% interest in Cairn India.
- Capricorn Energy Limited (“Capricorn”), a subsidiary of Cairn is the exploration focused arm. Capricorn now has assets in Bangladesh, Nepal, Northern India, Greenland, Tunisia, Peru, UK (West of Shetlands), Albania, Australia, and pending licence awards in Spain and Sicily.
- “Cairn” where referred to in this release means Cairn Energy PLC and/or its subsidiaries (including Cairn India and Capricorn), as appropriate.
- “Cairn India” where referred to in the release means Cairn India Limited and/or its subsidiaries, as appropriate.
- “Capricorn” where referred to in this release means Capricorn Energy Limited and/or its subsidiaries as appropriate.
- The Group holds material exploration and production positions in west India, east India and Bangladesh along with new exploration rights in India and Nepal.
- Cairn has focused its activities on the geographic region of South Asia, which 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. Cairn has now made more than 20 discoveries in Rajasthan block RJ-ON-90/1.
- The exploration-led business of Capricorn has, through the acquisitions of Plectrum Petroleum plc and medOil plc in September 2007, acquired new exploration interests in Tunisia, Peru, UK (West of Shetland), Albania, Australia and pending licence awards in Spain and Sicily. In addition, Capricorn has separately acquired licence interests offshore west Greenland.
- Cairn India is headquartered in Gurgaon on the outskirts of Delhi, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
- Cairn Energy PLC (including Capricorn) will continue to be run from Edinburgh with operational offices in Dhaka, Chittagong and Kathmandu.

For further information on Cairn see www.cairn-energy.plc.uk