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ABSTRACT

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Building a Business in South East Asia

Cairn Energy PLC is an independent, public oil and gas exploration and production company based in Edinburgh, Scotland and quoted on the London Stock Exchange. Cairn's strategy is exploration led, based on drilling wells with high equity in high potential plays. This strategy is further focused by concentrating on the geographic region of South Asia where the group holds material exploration and production positions in west and east India and Bangladesh along with new exploration rights in Northern India and Nepal.

This focus has resulted in a number of oil and gas discoveries highlighting the potential of South Asia.

In 1996, the company made a significant 1 Tcf gas discovery in Sangu, Bangladesh in 1996.

Cairn Energy's focus on Rajasthan, northeastern India, has resulted in a number of significant recent oil and gas discoveries. In January 2004 the company made the billion barrel STOIP Mangala discovery. Four additional discoveries made after the discovery of the Mangala field highlight the potential of the Barmer Basin, Rajasthan as an emerging oil province.

It was always Cairn's belief that both Bangladesh and Rajasthan held the potential for significant hydrocarbon resources, even prior to the discoveries. In both cases by being out of step with conventional thinking, by encouraging diversity of opinion and by recognising failure as a piece of the puzzle towards success created an opportunity by which to rapidly build the business.

The company along with its joint venture partners has invested \$1.9bn in South Asia over the past decade.