

Cairn India Development Outcomes

Cairn India is an oil and gas company that focuses on exploration and production in India and Sri Lanka. The company is currently building the world's longest heated and insulated oil pipeline that will transport oil from Rajasthan to India's domestic market. The project is on schedule and oil will begin flowing in the pipeline by CY Q4 2009.

IFC has supported Cairn with numerous rounds of financing over the last five years, including purchasing an equity stake in the company. In addition to financing, IFC has established guidelines on issues like land compensation. Cairn adheres to those guidelines and provides advice on social issues such as land compensation and how to properly consult with local communities. As the majority of Cairn's operations are in Rajasthan, one of the poorer states in India, Cairn has partnered with IFC to design and operate an enterprise centre that provides training among other activities such as vendor development and stimulating small businesses among other things. This community training center helps spread the direct benefits of Cairn's operations to local communities.

Information about the company's operations and financial results can be accessed at its web site: www.cairnindia.com.

Update on Development Impact

Cairn is contributing to the development of India's energy supplies, paying significant revenues to the Government of India and positively affecting the citizens who live and work in the communities in which it operates.

Through its operations, the company has made important contributions to economic development in India. In 2008:

1. Cairn employed 507 professionals at its operations in India, of which 57 were women.
2. Cairn spent over \$700 million with Indian suppliers of goods and services.
3. Cairn paid over \$230 million to Indian national and local governments.
4. Cairn spent more than \$1.67 million on community development programs. One of the company's programs is a enterprise center that has been designed and operated in partnership with IFC. The center helps local businesses, rural dairy farmers and provides health advice to woman and children in Rajasthan. In the year 2008, over 796 women were trained in self employment programs and 2252 trainees (796 women and 1456 men) in skill enhancement programs. 68% of all the trainees have been linked with employment and income enhancement opportunities. Currently over 760 dairy farmers are registered in the 12 societies, recording a revenue of over 4.8 million INR for the year 2008. Last year the Health Melas (fairs) and camps organized served the health needs of over 11,500 villagers. Around 1800 women and children have been reached through the child and maternal health programs.