

press release

24 August 2010

Striking lucky in Greenland proves good news for Cairn Energy

- Cairn Energy finds gas and oil-bearing sands of the coast of Greenland
 - Revenue up 311% for the last six months to £216m
 - The Share Centre lists Cairn Energy as a 'buy' for the long term
- Cairn Energy and Premier Oil as The share Centre's preferred pick in the oil and gas sector.

Nick Raynor, investment adviser at The Share Centre, explains why investors looking for exposure to the oil and gas sector should 'buy' Cairn Energy.

"Results for the first half of 2010 up until 30 June secured Cairn Energy as our favourite in the sector - with revenue up 311% to £216m as the company swung to a profit after making a loss in 2009.

"News that Cairn Energy has discovered gas and oil-bearing sand off the coast of Greenland is good news for investors. Coupled with last week's news that Cairn will be selling a 51% stake in its Indian business, to Vedanta Resources, for £5.4bn this has confirmed to us that the stock could be a good long-term investment for those seeking growth. The funds raised will help go towards exploration in Greenland and shareholders are expected to receive a substantial amount of the proceeds in early 2011.

"We will be watching the situation carefully as Oil & Natural Gas Corporation could still decide to counter bid for Cairn India, which could lead to an even better result for investors."

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Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our Investment Research Policy

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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