

# Cairn Oil & Gas to begin offshore drilling in Kutch Basin

● Offshore assets have advantages of higher reserves and fewer land buy hurdles

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CAIRN OIL & Gas, part of the Vedanta group, plans to double down on its offshore exploration, particularly in the deep-water Kutch Basin in October 2025 and the Krishna-Godavari (KG) Basin over the next year, according to sources.

The company aims to

unlock significant growth potential in these basins, with a target of contributing 50% to India's crude production by 2030.

"Cairn has firm plans to start drilling in the Kutch Basin starting October this year. This is part of the larger plan to invest in increasing oil and gas exploration and production in the West Coast," said a source.

Cairn operates one PSC, 14 OALP, and one DSF Blocks offshore on the West Coast of India, covering the Gujarat Kutch-Saurashtra Basin in the West, and the offshore Cambay and Mumbai Basins in the South.

As Vedanta looks at restruc-

turing the oil & gas business as an independent entity post demerger, it is expected to streamline Cairn's operations, attract focused investments, and accelerate deep-water drilling initiatives. This will help in enhancing the company's valuation in the long term, as opposed to operating as part of a diversified group, sources said.

"Oil & gas pure play companies with a robust mix of exploration, development and producing assets are an attractive value proposition for potential global operators eyeing India entry or private entity players," said an analyst with a leading brokerage firm who did not



wish to be identified.

In the KG Basin, Cairn has teamed up with Norway's EMGS to deploy state-of-the-art 3D Controlled Source Electromagnetic (CSEM) technology over a 3,600 sq km deepwater block. This advanced technology enhances subsurface data accuracy, allowing Cairn to identify the promising drilling zones, with multi-trillion cubic feet (TCF) gas potential.

Drilling in the KG Basin is scheduled to begin in 2026, targeting high-potential prospects, sources said.

The company is scaling up its capabilities with deepwater drilling programs and inte-

grated subsea infrastructure, with support from global partners like TechnipFMC.

In Gujarat's Cambay Basin, Cairn operates the Lakshmi and Gauri fields and has already submitted its first Field Development Plan under OALP for the Jaya field. The company is also digitising operations in the basin with a "digital oilfield" model that integrates real-time performance data to optimize production.

Offshore assets offer several strategic advantages, including higher reserves, fewer land acquisition hurdles, and proximity to coastal infrastructure, as per analysts.

The company is aiming to increase hydrocarbon output to 300,000 barrels of oil equivalent per day (boepd) in the near future, from current level of 103,200 boepd, with drilling set to begin in a number of projects this year, Cairn's chief financial officer Hitesh Vaid had earlier told *FE*.

The company has laid out an investment plan of \$3-4 billion for its exploration and production activities over five years. To achieve the target, the company is also seeking joint ventures and partnerships in tight oil development, shale monetisation, deepwater drilling and exploration in the North East.