गेल (इंडिया) लिमिटेड
(भारत सरकार का उपक्रम-
एक नवरत्न कम्पनी)
GAIL (India) Limited
(A Government of India Undertaking-
A Navratna Company)

ND/GAIL/SECTT/2012

September 3, 2012

Listing Department
Bombay Stock Exchange Limited
Floor 1, P.J.Towers, Dalal Street,
Mumbai – 400 001

Dear Sir,

Please find enclosed a copy of Press Releases regarding "**GAIL and Gas Natural Fenosa sign LNG supply agreement**".

The above is for your information and record please.

Thanking you,

Yours faithfully,

(N.K. Nagpal)
Company Secretary

Encl.: As above

Copy to:

1. Listing Department,
   National Stock Exchange of India Limited
   Exchange Plaza, 5th Floor,
   Plot No C/1, G Block, Bandra-Kurla Complex,
   Bandra (East),
   MUMBAI – 400051

2. Deutsche Bank
   Kodak House, 1st Floor,
   222 Dr. D N Road,
   Mumbai - 400001

Press Release

GAIL (India) Limited **Gas Natural Fenosa**

GAIL and Gas Natural Fenosa sign LNG supply agreement

Barcelona, August 31, 2012. GAIL (India) Limited has signed an LNG supply agreement with Gas Natural Fenosa, Spain. Under the agreement, GNF shall ensure a total supply of approx. 3 bcm (billion cubic meters) of LNG to GAIL over the next three years. The supply shall begin January 2013, and is the largest contract of the Spanish multinational in this region.

This Agreement with Gas Natural Fenosa is yet another effort by GAIL towards bridging the gap in demand supply of natural gas in the Indian market. This is in addition to other initiatives of GAIL towards LNG sourcing, creating LNG regasification infrastructure and augmenting transmission capacity significantly during the next two to three years. GAIL will continue to make assiduous efforts to tie-up affordable LNG in its portfolio to meet the rapidly growing energy demand of the Indian market.

Speaking on this occasion CMD GAIL, Shri B C Tripathi said, "the signing of the Gas Supply and Industrial cooperation agreements is a significant step as it augurs an enduring partnership between the two companies in working towards securing additional LNG volumes for long term energy security of India, exploring bigger opportunities along the Gas value chain both in India and abroad. This is a key milestone in the chapter of Indo-Spanish energy cooperation."

In addition to the supply agreement, the two companies have signed an industrial cooperation agreement in order to explore joint development of energy projects in India. Gas Natural Fenosa and GAIL would collaborate opportunities in gas distribution, wholesale marketing and infrastructures in India as well as in projects abroad.

With this agreement, the Spanish multinational, will be able to establish a framework for cooperation with GAIL and leverage its expertise of operating in the energy markets of Spain, Latin America etc. in the promising Indian LNG market in the coming years. In the first half of 2012, the international activities of Gas Natural Fenosa represented 42.2% of EBITDA, compared to 34.4% in the same period of 2011.

A Multinational Leader in the Energy Sector

Gas Natural Fenosa is one of the leading multinational companies in the gas and electricity sector; it operates in 25 countries and has around 20 million customers and a 15.4 gigawatt power generation capacity.

It is the largest integrated gas and electricity company in Spain and Latin America, the leader in natural gas sales in the Iberian Peninsula and the biggest natural gas distributor in Latin America. With a fleet of 11 methane tankers, it is one of the largest operators of liquefied natural gas in the world and a company of reference in the Atlantic and Mediterranean basins, where it operates 30 bcm.

About GAIL (India) Limited

In order to meet the growing appétite of Indian market, GAIL has been expanding its global presence to secure long term gas supplies. GAIL earlier signed a 20 year Sales and Purchase Agreement with Sabine Pass Liquefaction LLC, a unit of Cheniere Energy Partners, USA for supply of 3.5 million tonnes per year of LNG. GAIL has also executed the Gas Sales Purchase Agreement with Turkmengaz for 38 MMSCMD for 30 year supply through the TAPI pipeline.

GAIL owns and operates over 9500 Km of high pressure cross country natural gas pipeline network and can handle 175 mmscmd. The company is in the process of significantly augmenting its pipeline network to reach every part of India. Within the next two to three years, GAIL will have a pan-India natural gas pipeline infrastructure spanning over 14,500 km and can handle volumes over 300 mmscmd. To secure import of LNG, GAIL is at an advance stage of commissioning 5 MMTPA LNG Terminal of RGPPL (a JV of GAIL) at Dabhol on the Western Coast of India. GAIL 's natural Gas Pipeline from Kochi is at an advanced stage of commissioning its phase-I which connects to Kochi LNG Terminal. Recently, GAIL has been authorised to lay 1550 km natural gas pipeline from Western to Eastern Coast - Surat to Paradip Pipeline project.

Besides, GAIL has also set up a wholly- owned subsidiary company GAIL Global (Singapore) Pte. Ltd. in Singapore for sourcing LNG, and petrochemicals. GAIL has acquired 20% interest in Carrizo's Eagle Ford Shale acreage position in USA.

GAIL (India) Ltd., is India's principal Natural Gas Company with activities ranging from Gas Transmission and Marketing to Processing (for fractionating LPG, Propane, SBP Solvent and Pentane); transmission of Liquefied Petroleum Gas (LPG); production and marketing of Petrochemicals like HDPE and LLDPE and leasing bandwidth in Telecom sector. GAIL has extended its presence in Power, Liquefied Natural Gas (LNG) re-gasification, City Gas Distribution and Exploration & Production areas through equity and joint venture participations. GAIL registered a turnover of US$7.9 billion and profit after tax of US$708 million for the year 2011-12.