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

October 1, 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 GAZPROM MARKETING & TRADING SINGAPORE SIGN 20-YEAR LNG SUPPLY DEAL".**

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 and GAZPROM MARKETING & TRADING SINGAPORE SIGN 20-YEAR LNG SUPPLY DEAL

Gazprom to supply GAIL 2.5 million tonnes of LNG per annum for 20 years

London and New Delhi; 01 October 2012, GAIL (India) Limited has signed a legally binding 20-year liquefied natural gas (LNG) sales and purchase agreement (SPA) with Gazprom Marketing and Trading Singapore (GM&TS), a 100% wholly-owned subsidiary of Gazprom Marketing & Trading.

Under the terms of the agreement, GAIL will receive 2.5 million tonnes of LNG per annum (equivalent to approximately 130 million MMBtu or 3.5 bcm or 122 bcf per annum) over a period of 20 years expected to start from year 2018-19. LNG will come from Gazprom's Shtokman production facilities (130 tcf reserves), optimised and supplemented by GM&T's global trading portfolio and capabilities. Under the contract, LNG will be sustainably priced with an oil-indexed formula and delivered to Dahej, Dabhol and Kochi terminals in India.

This agreement is a key milestone for both GAIL and Gazprom which reaffirms both their strong corporate partnership in developing India as one of the core markets for LNG business, and the Indo-Russian trade relationship. This deal will lead to introducing a favourable market GAIL is thus introducing World's larget LNG reserves in LNG market

Commenting on the development, Mr. B. C. Tripathi, Chairman & Managing Director, GAIL (India) Limited said, "This long-term LNG supply agreement with Gazprom, which holds the world's largest gas reserves, is another milestone in Indian–Russian Energy Cooperation. The deal with Gazprom reinforces GAIL's commitment to facilitate the development of the Indian market for which US$6 billion investments are being made by GAIL in creating Natural Gas infrastructure. The deal is introducing one of the world's largest gas reserves to the global LNG market, thereby creating an environment for competition. It also marks GAIL's efforts to create a well-diversified and secured supply portfolio to meet the ever growing energy requirements of the Indian economy and enable sustainable long-term growth for GAIL".

Speaking on this partnership, Vitaly Vasiliev, CEO of Gazprom Marketing & Trading, said: "We are delighted to have signed this agreement with GAIL, during a period of rising demand for LNG in India. We are looking forward to working together with GAIL to help meet India's expanding gas demand whilst securing a long-term market for Russian gas."

We recognise GAIL's strength as the major gas player within India, enabling flexible access to a rapidly developing market and are confident that this SPA will further strengthen our already well-established LNG trading relationship."

About GAIL (India) Limited

In order to meet the growing appetite of the 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 has signed an LNG supply agreements with GDF SUEZ, for supply of 0.8 million tons from 2013 to 2014, and with Gas Natural Fenosa, Spain to ensure a total supply of approx. 3 bcm (billion cubic meters) of LNG to GAIL over the next three years to begin from January 2013.

GAIL owns and operates over 9,500 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 first phase of Natural Gas Pipeline from Kochi which connects to Kochi LNG Terminal, is already commissioned. 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 a 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.

Gazprom Marketing & Trading Limited

Gazprom Marketing & Trading Limited (GM&T) is a UK-registered wholly-owned subsidiary of the Gazprom Group, the world's largest gas company by asset base, accounting for 18% of the world's total natural gas reserves and for about 70% of natural gas reserves in Russia. GM&T is headquartered in London and was established in 1999 to manage Gazprom's marketing and trading activities in the liberalised markets of Europe. It has been trading financial oil products on a number of exchanges since 2006 and can now offer 24-hour coverage of the market between Singapore, London and Houston.

Gazprom Marketing & Trading Singapore Private Limited

Gazprom Marketing & Trading Singapore (GM&TS) started operations in December 2009 as a platform for LNG trading and marketing, shipping and originating carbon reduction projects in the Asia Pacific markets. Since then the Singapore operation has grown to over 60 people as the business extends the Group's reach beyond its core portfolio offering by launching trading desks in LPG and currency. GM&TS has secured its reputation in the market through actively trading across India, Japan, Australia, South Korea, Taiwan, China and Thailand.