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

ND/GAIL/SECTT/2013

January 10, 2013

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 commissions Dabhol LNG Terminal - To double capacity to 10 MMTPA".**

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

16, भीकाएजी कामा प्लेस, आर. के. पुरम, नई दिल्ली - 110066 दूरभाष : 26182955 फैक्स : 011-26185941
16, Bhikaiji, Cama Place, R. K. Puram, New Delhi - 110 066 Phone: 26182955 Fax : 011-26185941

GAIL (India) Limited

Press Release

GAIL commissions Dabhol LNG Terminal
To double capacity to 10 mtpa

Mumbai / New Delhi, January 10, 2013. GAIL (India) Limited, the owner's engineer of **the LNG regas block of RGPPL**, today successfully commissioned the Dabhol LNG terminal located at Ratnagiri, Maharashtra around 340 km south of Mumbai. Shri B. C. Tripathi, Chairman and Managing Director, GAIL, announced the development while interacting with the media in Mumbai and Delhi. The Dabhol LNG terminal would serve as a **gateway for entry of natural gas to the southern and western parts** of the country. The terminal is operated by **RGPPL,** a **joint ventureof** GAIL (India) Limited and NTPC as major share-holders and remaining equity being held by financial institutions and MSEB. GAIL,**the commercial operator of the terminal**, had arranged commissioning cargo for the terminal in December 2012.

The commissioning of the **Dhabol regas terminal** provides access to natural gas supply to the southern and western states - Maharashtra, Goa, Karnataka and Tamil Nadu. GAIL is also at an advanced stage of commissioning the 1400- kilometer Dhabol-Bengaluru pipeline system. Power, Fertilizers and small industries shall benefit from this **regas terminal** in terms of savings vis-a-vis alternate higher priced fuels such as naphtha, fuel oil etc. The transport and the household segments shall also get the opportunity to utilize the clean fuel at cities and towns enroute the pipeline corridor. GAIL shall endeavor to maximize the capacity utilization of the **terminal regas** and storage facilities by leveraging the line-pack of over 10000 km. of cross country pipeline network. While emphasizing the focus to be on completion of the break water facility, Shri BC Tripathi, also stated that in a phased manner the capacity of the terminal shall be expanded to 7.5 mmtpa and then to 10 mmtpa in the next 2-3 years. GAIL, he said, is also pursuing LNG terminal/FSRU opportunities along the eastern coast of the country

GAIL, as a commercial operator of the Dabhol Terminal, **has under-written the re-gas capacity** of the Terminal for 25 years for lending support to the project. In the immediate future, the re-gas from the terminal will cater to the demand of the customers in Maharashtra through GAIL's Dabhol-Panvel pipeline connected to Maharashtra regional pipeline network.

The commissioning of the Dabhol terminal along with GAIL's cross country gas pipeline network is poised to integrate the entire gas market of India from Bhatinda/Nangal in North to Kochi in South spanning a gas grid over 3400 kms.

Presently, Dahej and Hazira are the only operating LNG terminals catering to the LNG demand in the country. Given, the decline of domestic gas production, the current regas capacities are operating at maximum rate. Commissioning of Dabhol terminal at this crucial juncture shall facilitate higher volumes of LNG imports for securing energy for the country. Currently, the power block of the RGPPL has been operating on domestic gas allocated to the unit. The need of the time is to maximize utilization of the new capacities at Dhabol and Kochi as well as the new pipelines in this south western corridor.

GAIL's OTHER LNG INITIATIVES

In addition to existing long term LNG tie-up with RasGas of Qatar, GAIL has recently signed long term agreements for 3.5 MMTPA with US based **Sabine Pass Liquefaction Company** at a price benchmarked to Henry Hub gas price in USA and supply is expected to start from 2017/18. This deal, which is first of its kind, will facilitate import of LNG from the US at affordable prices. Further, **in order to diversify its portfolio, GAIL has signed long term LNG deal with Gazprom** for import of LNG from its Shtokman project being set up in the Arctic region. Supply from this 2.5 MMTPA deal with Gazprom will commence from 2018-19. We are happy to share that the Sabine pass project is on schedule.

In order to bridge the demand-supply gap during the intervening period, GAIL has executed medium term agreements with two suppliers from Europe for quantities of around 1 MMTPA to be supplied during 2013-15. This commissioning provides the impetus for more LNG tie-ups by GAIL, and some such tie-ups are under examination from potential LNG export hubs of East Africa, North America and Middle East etc.. Further, GAIL is also keen to expand its foothold by acquiring upstream natural gas liquefaction facilities and actively pursuing potential opportunities especially in North America. GAIL is also working towards concluding shipping arrangements to transport the long term volumes and the Singapore based subsidiary of GAIL is working towards enhancing LNG volumes and the shipping tie-ups.

About GAIL (India) Limited

GAIL (India) Limited is India's flagship gas transmission and marketing company under the Ministry of Petroleum and Natural Gas, Government of India. Over the years, GAIL has transformed into an integrated energy company with global footprints by means of integrating along the natural gas value chain. After having started as a gas transmission company during the mid eighties, it has grown organically over the years by building a large network of natural gas trunk pipelines covering a length of around 10,000 km at present. GAIL is constructing 5000 km of additional pipeline network by 2014-15. In the last two decades, GAIL has created a sizeable natural gas market in the country and presently has a capacity to transport 220 MMSCMD of natural gas through its transmission network. Currently, GAIL has approximately 3/4 market share in gas transmission in the country with plans to double the existing transportation capacity in the next two to three years. Besides holding equity in Kochi and Dahej terminals, GAIL, through Ratnagiri Gas & Power Pvt. Ltd has recently commissioned regasification terminal at Dabhol (west coast of India) for 5 mmtpa. The Company has presence in Egypt and China through city gas projects and in Myanmar in E & P. GAIL has also set up wholly- owned subsidiary companies viz. GAIL Global (Singapore) Pte Ltd in Singapore and GAIL Global (USA) Inc. in Texas, USA which are engaged in LNG trading business.