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

July 24, 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, ONGC sign Collaboration Agreements".**

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

GAIL (India) Limited

GAIL, ONGC sign Collaboration Agreements

New Delhi, July 24, 2012. GAIL (India) Limited and ONGC have signed three Collaboration Agreements last Saturday to cooperate in the field of natural gas. The agreements were signed in the presence of Shri B C Tripathi, CMD, GAIL, Shri Sudhir Vasudeva, CMD, ONGC, and other Directors and Senior officials of GAIL and ONGC.

The two companies signed a **Gas Co-operation Agreement** for sale and purchase of gas from existing and new finds of ONGC to GAIL initially for a period of three years with a provision of extending it further. Under the Agreement, the two companies have agreed to enhance the availablity and effective utilization of natural gas from new and upcoming fields of ONGC for supply of gas to customers through GAILs infrastructure

The two companies also signed a **Swap Agreement and Sale and Purchase Agreement** for supply / sale of LNG by GAIL to ONGC for shrinkage of C2+ Extraction at Dahej, from existing GSPA quantities from PLL and purchase of equivalent domestic gas made available by ONGC from domestic sources, subject to allocation by Ministry of Petroleum and Natural Gas. This will pave the way for commissioning of C2+ Extraction plant by ONGC. Pursuant to extraction, the C2+ components shall be supplied to OPaL for manufacturing petrochemicals at Dahej SEZ.

GAIL has around 19 percent equity in OPaL and has around 38 percent marketing rights of petrochemicals produced from OPaL.

A **Shareholders Agreement** (SHA) pertaining to ONGC Petro-additions Limited (OPaL) was also signed by GAIL and ONGC as Shareholders of OPaL.

In addition, a Polymer Marketing Side Letter to SHA was signed among GAIL, ONGC and OPaL under which GAIL has the right to market part of polymers produced by OPaL both in domestic as well as export markets. This arrangement is expected to enhance GAIL's marketing share for polymers in the country.

Besides Polymer marketing rights, as per the Polymer Marketing Side Letter to SHA, GAIL has the right to off-take Butadiene produced in OPaL plant to produce value added products through a Special Purpose Vehicle (SPV).