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 April 1, 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 books capacity in the Cove Point LNG liquefaction terminal in the US ".**

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

## GAIL books capacity in the Cove Point LNG liquefaction terminal in the US

***New Delhi, April 1, 2013:*** GAIL has signed a terminal service agreement with Dominion through GAIL Global (USA) LNG LLC for booking 2.3 mmtpa liquefaction capacity in the Cove Point LNG liquefaction terminal project located at Lusby in the state of Maryland. Dominion would be setting up the liquefaction facilities in the premises of its existing 11.7 mmtpa regasification terminal. Construction work is expected to start in 2014 so as to put the liquefaction facilities into service in 2017. Dominion is marketing 4.6 mmtpa and GAIL has booked 50% of such capacity for 20 years. A major Japanese buyer holds the balance capacity in the terminal. Cove Point will be a premier facility in terms of direct access to the Marcellus and Utica shale plays, two of the most prolific shale gas basins in North America.

During an interactive video session following the signing of the document, Mr. BC Tripathi, Chairman and Managing Director of GAIL said "This is an important occasion for GAIL and we are delighted to have executed this agreement. GAIL has a positive outlook on Henry Hub indexed LNG exports from US and that has prompted us to sign this terminal service agreement which follows our deal with Cheniere signed in 2011. The contracts signed with Cheniere and Dominion make GAIL one of the largest Henry Hub LNG portfolio holders and provide us an opportunity to market about 6.0 mmtpa of LNG from the US."

Under this agreement, GAIL will procure its own natural gas and deliver it to the Cove Point pipeline for liquefaction at the terminal and loading into ships brought to the facility on the Chesapeake Bay. "This would enhance GAIL's scale of operations in the US where we already have a presence through our participation in a shale gas asset in the Eagle Ford basin. Our upstream acquisition efforts for gas sourcing and hedging would now intensify in US. This deal would also provide GAIL with an opportunity to trade part of the volume in the international market apart from organizing the ships required to transport rest of the volume to India," Mr. Tripathi said.

Dominion, which is a Fortune 500 company, is one of the largest producers and transporter of energy in the US with a portfolio of approximately 27,500 megawatts of generation, 11,000 miles of natural gas transmission, gathering and storage pipeline and 6,300 miles of electric transmission lines. Dominion serves retail energy customers spread across 15 states in the US. "Dominion's stature as a premier gas and power infrastructure and utility player in the US is impressive and I am certain that the first supplies from the plant would start as per schedule," Mr. Tripathi said. He also added that with its extensive pan-India infrastructure in the midstream and downstream segments, GAIL is well positioned to market and distribute this gas to meet the growing domestic demand in India.

On the occasion, Mr. Thomas F. Farrell II, Chairman, President and CEO of Dominion said "Japan and India are important allies and trading partners of the United States that are in need of secure sources of natural gas, and Sumitomo and GAIL are high-quality companies working to meet those needs. We believe the agreements we have signed serve very important economic goals for all three nations."

In concluding this transaction, GAIL was assisted by Akin Gump Strauss Hauer & Feld on legal matters and by Ernst & Young on financial and tax matters while Poten & Partners was the commercial consultant engaged by GAIL.