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

ND/GAIL/SECTT/2010

August 2, 2010

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

Dear Sir,

Enclosed please find a copy of Press Releases regarding **"GAIL inks pact with BCPL for marketing polymer products".**

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 – 400 051

2. Deutsche Bank
   Kodak House, 1st Floor,
   222 Dr. D N Road,
   Mumbai - 400 001

Press Release

GAIL (INDIA) LIMITED
NEW DELHI

GAIL inks pact with BCPL for marketing polymer products

New Delhi, 31st July 2010: GAIL (India) Limited and Brahmaputra Cracker and Polymer Limited (BCPL) have entered into an agreement for marketing all the petrochemical products produced from Bramhaputra Cracker and Polymer Limited at Lepetkata, Assam. The agreement was signed by Shri J S Saini, GM (Petrochemicals Marketing), GAIL and Shri Rakesh Kumar Kamra, Director (Finance), BCPL in presence of Shri Prabhat Singh, Director (Marketing), GAIL and Shri J K Singh Teotia, Managing Director, BCPL and other senior officials of both the organizations.

According to the agreement, GAIL will market 2,20,000 tonnes of High Density Polyethylene and Linear Low Density Polyethylene along with 60,000 tonnes of Polypropylene produced annually from the at BCPL plant at Assam. With this development, GAIL will be marketing 7,80,000 MTs of polymers per annum by FY 2012-2013.

Speaking on the occasion, Mr. Prabhat Singh, Director (Marketing), GAIL said that "with marketing of BCPL products, GAIL would be adding more than 50 per cent of the current volume and increase its spectrum of product offerings to customers by addition of polypropylene in its product portfolio." Adding further on the aspect of licensor's technology, Mr. Singh said that "the manufacturing process of BCPL products will add gas based process in polymer production wherein GAIL Petrochemicals already use the slurry and the solution processes."

Shri J K Singh Teotia, Managing Director, Brahmaputra Polymer and Cracker Limited said that the plant will be commissioned in year 2012 and soon the products will cater to the North Eastern market creating opportunities in downstream sector and will positively contribute in the socio economic development of the region. He said that GAIL's petrochemical marketing network will definitely strengthen the market acceptability of BCPL products.

BCPL will produce various ranges of polymers for different applications in sectors such as packaging film, roto, injection, raffia, and blow moulding. This will boost the supply of different end use products like water storage tanks, household items, house-wares, crates, buckets and packaging materials, woven sacks for packaging of fertilizers and cement, containers for edible oil and chemicals in the North Eastern States. GAIL has a wide marketing network in the country today and holds approximately 21 per cent share in polyethylene market.

BCPL has already placed purchase orders and the contracts of value over Rs. 3540 crore and the placement of remaining orders and contracts are being expedited. Civil and structural works for the main process units namely Ethylene cracker unit, Poly ethylene unit (HDPE/LLDPE), Poly propylene unit, C2+ extraction unit, Gas

processing unit, Gas de-hydration unit and Gas sweetening unit have commenced. The total Capex incurred till the middle of July 2010 was about Rs. 4343 crore and total expenditure planned for FY 2010-11 is Rs. 2272.32 crore.

Brahmaputra Gas Cracker and Polymer Limited is a Joint Venture Company (JVC) with GAIL as the lead promoter with 70% equity. The other Joint Venture partners are Oil India Limited (OIL), Numaligarh Refineries Limited (NRL) and Assam Government, each having 10% equity. The scope of business of the JVC includes investing, setting up and operation and maintenance of the facilities for integrated Petrochemical Complex at Lepetkata, District Dibrugarh, Assam, comprising of a cracker unit, downstream polymer and integrated off-site/utilities plants, facilities for Gas Sweetening and Ethane and Heavier Hydrocarbon Recovery Unit at Lakwa.