



गैल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-
एक नवरात्रि कंपनी)

GAIL (India) Limited

(A Government of India Undertaking-
A Navratna Company)

ND/GAIL/SECTT/2012

April 18, 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 Gas Limited, through its joint venture APGDC, inks pact with GDF Suez LNG UK for setting up FSRU in Andhra Pradesh".

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 Gas Limited, through its joint venture APGDC, inks pact with GDF Suez LNG UK for setting up FSRU in Andhra Pradesh

New Delhi, 17th April 2012: Andhra Pradesh Gas Distribution Corporation Limited (APGDC), a company jointly promoted by GAIL Gas Limited (GGL) and Andhra Pradesh Gas Infrastructure Corporation Private Limited (APGIC), has today signed a Project Framework Agreement (PFA) with GDF Suez LNG UK Ltd. for jointly setting up a Floating Storage and Regasification Unit (FSRU) in offshore Andhra Pradesh. The Project Framework Agreement was signed in the presence of Shri S. Jaipal Reddy, Hon'ble Minister of Petroleum and Natural Gas, Government of India and Shri N. Kiran Kumar Reddy, Hon'ble Chief Minister of Andhra Pradesh. Mr. B C Tripathi, Chairman & Managing Director, GAIL (India) Limited, Mr. Sutirtha Bhattacharya, Principal Secretary, Infrastructure and Investment, Government of Andhra Pradesh, Mr. Philip Olivier, President & CEO, GDF Suez LNG UK, Mr. S Narayan, MD APGDC and other senior officials from GAIL, APGDC, GAIL Gas Limited, GDF Suez UK LNG and APGIC also graced the occasion.

APGDC has been mandated to establish an LNG importation facility in the coast of Andhra Pradesh so as to narrow the gap between demand and supply position and in the context of restricted availability of gas in the state of Andhra Pradesh and consequential underutilization of infrastructure especially in the power sector. Implementation of the FSRU project assumes great significance as the same can be set up in relatively short period of time as compared to a conventional on land LNG terminal.

In order to implement the project efficiently and effectively, APGDC decided to induct a strategic partner, who has prior experience of developing such projects and would provide technical expertise for the project. APGDC had undertaken an international competitive bidding for selection of strategic partner for conducting a detailed feasibility study and subsequent formation of a Special Purpose Vehicle for developing the FSRU project. GdF Suez LNG UK Ltd. has been selected as the strategic partner. The selection process was designed and coordinated by M/s. KPMG and the evaluation was undertaken by experts from IIT, Chennai and Indian Port Authority (IPA) and representatives from GAIL and Government of Andhra Pradesh.

Under the PFA, APGDC and GdF Suez shall jointly conduct a feasibility study and target commissioning of the FSRU project by the end of 2013.

GdF Suez is Europe's largest importer of LNG and is very well diversified along the entire hydrocarbon value chain covering upstream E&P, LNG liquefaction, LNG shipping, LNG regasification, pipelines, city gas distribution etc.

FSRU is a faster and low cost solution for LNG importation. This is the first of its kind in India. With the commissioning of the FSRU project in Andhra Pradesh, gas consumption in the State would get a boost and the downstream activities are expected to significantly contribute to the State's economic growth.