



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-
एक नवरातन कम्पनी)

GAIL (India) Limited

(A Government of India Undertaking-
A Navratna Company)

ND/GAIL/SECTT/2011

September 29, 2011

Listing Department
Bombay Stock Exchange Limited
Floor 1, P.J.Towers, Dalal Street,
Mumbai - 400001

Dear Sir,

Please find enclosed a copy of Press Releases regarding "**GAIL TIES UP WITH CARRIZO OF U.S.A. (ACQUIRES SHALE GAS ASSETS IN TEXAS)**". The above is for your information and record please.

Thanking you,
Yours faithfully,


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 TIES UP WITH CARRIZO OF U.S.A.
(ACQUIRES SHALE GAS ASSETS IN TEXAS)

Delhi, September 29, 2011: GAIL (India) Limited has acquired its first shale gas assets in the USA through its wholly owned US subsidiary GAIL Global (USA) Inc., formed on 26th September 2011.

The subsidiary company today executed definitive agreements with Carrizo Oil & Gas Inc. ("Carrizo"), a NASDAQ (CRZO) listed company based in Houston, Texas, to enter into an unincorporated joint venture, under which GAIL Global (USA) Inc. will acquire a 20% interest in Carrizo's Eagle Ford Shale acreage position. The Joint Venture will have 20,200 gross acres, out of which GAIL subsidiary would have 4,040 net acres spread over four counties in Texas.

Total investment would be around US\$300 million dollar over a period of next 5 years. This includes upfront cash payment of US\$ 63.7 million and a carry amount of US\$ 31.3 million linked to Carrizo's future drilling and development costs. Major part of these investments would be funded by the GAIL Global (USA) Inc. out of its earnings. The Joint Venture is expected to drill additional 139 wells in the acreage. Carrizo will continue to function as the operator for the joint venture. Included in the transaction are eight wells in the acreage which are currently producing about 2,350 net barrels of oil equivalent per day (470 barrels of equivalent per day net to GAIL).

Over the last decade, advent of shale gas has changed the US oil and gas market. A number of shale gas plays has emerged out in North America, of which, Eagle Ford shale is considered as the most economically attractive unconventional resource play, as on date. The Joint venture's lease hold, is located in the wet gas / condensate window in the core area of the Eagle Ford shale in South Texas having significant liquids content.

"We believe that this transaction with Carrizo comes at an opportune time," GAIL's Chairman & Managing Director Mr. B.C. Tripathi said "Keeping in view the prospect of Indian shale gas bidding rounds opening within a couple of years, this experience will hopefully help GAIL develop necessary skillsets for shale gas exploitation. Under the arrangement, GAIL shall be sending secondees to Carrizo to work on the Eagle Ford assets and GAIL and Carrizo shall also work together in exploring shale gas opportunities in India and other countries outside of US" he added.

Mr. B.C. Tripathi further said "GAIL is very pleased to establish a long-term partnership with Carrizo in the Eagle Ford shale and it will be GAIL's endeavor to broad base its relationship with Carrizo. This transaction represents a major step in GAIL's efforts to establish its presence in North America. As the next logical step, GAIL Global (USA) Inc will consider expanding its business portfolio in the

North American market by pursuing various upstream and midstream opportunities including LNG export to India"

Jefferies & Company, Inc. acted as exclusive financial advisor to GAIL. Thompson & Knight LLP acted as legal counsel to GAIL while Ernst & Young and RPS acted as tax & accounting and technical due diligence consultants respectively.

About Carrizo Oil & Gas, Inc.

Carrizo Oil & Gas, Inc. is a Houston-based NASDAQ listed energy company actively engaged in the exploration, development, exploitation, and production of oil and natural gas primarily in the Eagle Ford Shale in South Texas, the Barnett Shale in North Texas, the Marcellus Shale in Appalachia, the Niobrara Formation in Colorado, and in proven onshore trends along the Texas and Louisiana Gulf Coast regions. Carrizo is also actively developing its oil discovery known as the Huntington Field in the UK North Sea. Carrizo controls significant prospective acreage blocks and utilizes advanced drilling and completion technology along with sophisticated 3-D seismic techniques to identify potential oil and gas drilling opportunities and to optimize reserve recovery.

Carrizo which was formed in 1993, has consistently achieved robust reserves replacement ratios (650% in 2010 in the US) and during year 2010, produced 36,808 mmcf of natural gas equivalents.

Key Contacts:

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