गेल (इंडिया) लिमिटेड
(भारत सरकार का उपक्रम-
महारत्न कम्पनी)
GAIL (India) Limited
(A Government of India Undertaking-
A Maharatna Company)

ND/GAIL/SECTT/2015

January 29, 2015

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 Release regarding **"GAIL's LPG recovery unit in Assam to be converted to supply feedstock for BCPL's petrochemical plant"**

The above is for your information and record please.

Thanking you,
Yours faithfully,

(N.K. Nagpal)
Company Secretary
e-mail: nknagpal@gail.co.in

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 AG, Filiale Mumbai
   TSS & Global Equity Services
   The Capital, 14th Floor
   C-70, G Block, Bandra Kurla Complex
   Mumbai -400051

PRESS RELEASE

GAIL (INDIA) LIMITED

GAIL's LPG recovery unit in Assam to be converted to supply feedstock for BCPL's petrochemical plant

Plant to continue operations under BCPL

No apprehension of shortage of LPG in Assam and North-East as alternate arrangements being made

New Delhi, January 29, 2015: GAIL (India) Limited today said its LPG recovery plant at Lakwa, Assam would be converted to supply feedstock for the petrochemical unit of Brahmaputra Cracker and Polymer Limited (BCPL) being set up at Lepetkata near Dibrugarh.

Denying media reports that the plant was being shut down, GAIL said there is no such plan and the plant was only being converted to supply feedstock to the petrochemical unit and would continue to function under BCPL.

Towards accomplishment of the Assam Accord, the Government of India had entrusted GAIL the responsibility of setting up the petrochemical plant which is coming up near Dibrugarh at a cost of Rs 8920 Crores. The project is being executed by BCPL which is a joint venture company of GAIL, Oil India Limited (OIL), Numaligarh Refinery Limited (NRL) and the Government of Assam. GAIL is the majority stakeholder in the project.

BCPL is in the process of commissioning the petrochemical plant and to make it operational and viable, supply of natural gas from OIL, Oil and Natural Gas Corporation Limited (ONGC) and Naphtha from NRL has been arranged for feed stock. To make the project viable, gas available in and around Lakwa region is also being considered for making available as feedstock to BCPL.

Since gas available at Lakwa was to be processed for producing C2+ feed, economics were worked out for transporting natural gas vis-a-vis C2+ feed through pipeline from Lakwa to BCPL at Lepetkata with respect to the capital cost and it was found that transportation of C2+ feed is economical. C2+ is the hydrocarbon needed for production of polyethylene.

Hence, it was decided in the larger interest of the project to convert the existing LPG plant to C2+ recovery unit for BCPL. More facilities in term of Gas Sweetening Unit, DM Water plant, Boiler, enhanced nitrogen plant, air plant are being set up in the existing premises at Lakwa to convert the LPG plant into C2+ recovery unit.

It is also clarified that as Lakwa plant will continue to operate with change in product, requirement of majority of contract workers will still exist and contractors will be persuaded to continue with the workers as and when any change in contract takes place.

With respect to apprehension that there would be shortfall in the supply of LPG to Assam and the North East region, it may be mentioned that GAIL had informed Indian Oil Corporation Limited (IOCL) at the beginning of project about the conversion of GAIL's LPG plant into C2+ recovery unit by BCPL. IOCL on behalf of the Ministry of the Petroleum and Natural Gas is taking necessary action to ensure that there is no shortage in supply of LPG in the state.