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

गेल भवन,
16 भीकाएजी कामा प्लेस
नई दिल्ली-110066, इंडिया
GAIL BHAWAN,
16 BHIKAIJI CAMA PLACE
NEW DELHI-110066, INDIA
फोन/PHONE : +91 11 26182955
फैक्स/FAX : +91 11 26185941
ई–मेल/E-mail : info@gail.co.in

ND/GAIL/SECTT/2018 January 16, 2018

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. Listing Department Bombay Stock Exchange Limited Floor 1, Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001

Dear Sir,

Please find enclosed a copy of Press Release regarding **"GAZPROM MARKETING & TRADING SINGAPORE PTE LTD AND GAIL (INDIA) LIMITED HAVE CONFIRMED THE START OF SUPPLY UNDER THE LONG-TERM SALE AND PURCHASE AGREEMENT – THE 20 YEAR LNG SUPPLY DEAL WILL COMMENCE IN 2018 AS ORIGINALLY AGREED IN 2012"**

The above is for your information and record please.

Thanking you,
Yours faithfully,

(A.K.Jha)
Company Secretary
Encl.: As above

Copy to:

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

GAIL (India) Limited

Gazprom Marketing & Trading

Press Statement

GAZPROM MARKETING & TRADING SINGAPORE PTE LTD AND GAIL (INDIA) LIMITED HAVE CONFIRMED THE START OF SUPPLY UNDER THE LONG-TERM SALE AND PURCHASE AGREEMENT

THE 20 YEAR LNG SUPPLY DEAL WILL COMMENCE IN 2018 AS ORIGINALLY AGREED IN 2012

New Delhi, 16th January 2018: GAIL and Gazprom have strengthened their partnership further by successfully re-negotiating the long-term LNG Sale and Purchase Agreement (SPA) originally signed in the year 2012. An amendment to this effect was signed today in New Delhi between Mr Gajendra Singh, Director (Marketing) GAIL (India) Limited and Mr. Vitaly Vasiliev, CEO Gazprom Marketing & Trading Limited.

A long-term LNG Sale & Purchase Agreement building up to 2.5 MMTPA of LNG on DES (Discharge-ex-Ship) basis was executed by GAIL with Gazprom Marketing & Trading Singapore (GMTS) in the year 2012, the supplies under which are scheduled to start in Q2 2018.

The two parties have agreed to an adjustment to the price and volume of LNG supply thus enabling GAIL to develop incremental gas markets to offtake these volumes thereby mitigating volume risk.

Vitaly Vasiliev, CEO of Gazprom Marketing & Trading, said: "I am excited to announce that we agreed to deliver on our original promise and begin LNG supplies in 2018. We look forward to strengthening a mutually beneficial partnership with Gail going forward."

Speaking on the development, Mr. B C Tripathi, Chairman and Managing Director, GAIL (India) said that "This agreement is a key mile stone affirming partnership of GAIL and Gazprom in developing LNG markets under Indo-Russia trade relationship." *This deal is a step for GAIL to diversify LNG portfolio by spreading price reference indices across multiple geographies so as to provide consumers greater flexibility in service. This chapter of relationship between the two companies opens up exploration of further opportunities in portfolio optimization and LNG swap dealings for mutually beneficial outcomes.*

The SPA signed in 2012 is a 20-year liquefied natural gas (LNG) sales and purchase agreement following the signing of an earlier Basic Framework Agreement (BFA) by the two companies on 18 May 2011.With start of the LNG supplies from USA and Gazprom in 2018, GAIL's LNG portfolio would increase multi-fold bringing it in the league of some of the largest traders of LNG in the world.

GAIL (India) Limited

GAIL is India's leading natural gas company with diversified interests across the natural gas value chain of trading, transmission, LPG production & transmission, LNG re-gasification, Petrochemicals, City Gas, E&P, etc. GAIL is expanding pipeline network by 4000 kms. at an investment of about Rs. 20,000 to operate over 15,000 kms by 2020. GAIL commands 75% market share in gas transmission and has a Gas trading share of over 50% in India. It also has a growing international presence through subsidiaries in the USA and Singapore.

Gazprom Marketing & Trading Singapore Pte Ltd (GM&T Singapore)

Gazprom Marketing & Trading Singapore (GM&TS) started operations in December 2009 as a platform for LNG trading and marketing, shipping and originating carbon reduction projects in the Asia Pacific markets. Since then the Singapore operation has grown to over 60 people as the business extends Gazprom's reach beyond its core portfolio offering by launching trading desks in LPG and currency. GM&TS has secured its reputation in the market through actively trading across India, Japan, Australia, South Korea, Taiwan, China, Malaysia and Thailand.

Gazprom Marketing & Trading Limited (GM&T Ltd)

Gazprom Marketing & Trading Limited (GM&T) is a UK-registered wholly-owned subsidiary of PAO Gazprom ("Gazprom"), the world's largest gas company by asset base, accounting for approximately 17% of the world's total natural gas reserves and for about 72% of natural gas reserves in Russia. GM&T is headquartered in London and was established in 1999 to manage Gazprom's marketing and trading activities in the liberalised markets of Europe. GM&T is headquartered in London and is responsible for the optimisation of Gazprom's energy commodity assets and downstream expansion through its marketing and trading network. With subsidiaries in USA, Singapore, France, Germany, the Netherlands and Switzerland, GM&T trades energy commodities including gas, power, oil and oil products, carbon, LNG and FX.