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

October 22, 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 begins construction of Natural Gas pipeline for UP, Uttarakhand".**

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

16, भीकाएजी कामा प्लेस, आर. के. पुरम, नई दिल्ली - 110066 दूरभाष : 26182955 फैक्स : 011-26185941
16, Bhikaiji, Cama Place, R. K. Puram, New Delhi - 110 066 Phone: 26182955 Fax : 011-26185941

Press Release

GAIL (India) Limited

GAIL begins construction of Natural Gas pipeline for UP, Uttarakhand

Kashipur, 22, October 2010. GAIL (India) Limited today commenced construction of its Karanpur – Moradabad –Kashipur – Rudrapur / Pant Nagar Natural Gas Pipeline at Kashipur. Shri B. C. Tripathi, Chairman and Managing Director, GAIL along with other senior officials of GAIL and local administration were present on the occasion.

Later, Shri B C Tripathi, Chairman & Managing Director GAIL also met the group of farmers at Kashipur today and assured them that their concerns would be addressed within the technical feasibility of the pipeline. He said that GAIL has to take all the points in cognizance as per the government notification and a team will be constituted to examine the possibility of accommodating the issues of the farmers and the broad framework of the technicalities. Shri Tripathi said that all steps would be taken by the Company to clear the doubts of the farmers and a concerted effort would be made to incorporate minor modification in the pipeline spread in line with the interest of the farmers to the extent possible and within the limits of technical feasibility.

The Karanpur – Moradabad –Kashipur – Rudrapur / Pant Nagar pipeline will be 182 km in length. The pipeline will be laid from tap-off point on 24" Auraiya – Sahajahanpur – Babrala - Dadri Pipeline of GAIL at Karanpur to Rudrapur / Pantnagar. The estimated investment on the project is Rs. 250 crore. The design capacity of the pipeline will be 2.5 MMSCMD. The pipeline will pass through Badayun and Moradabad Districts in the state of Uttar Pradesh and Udham Singh Nagar in the state of Uttarakhand. The Pipeline will supply gas to **upcoming power plant in Kashipur** in Uttarakhand and to other industrial customers in Moradabad, Kashipur and Rudrapur and for City Gas Distribution in Moradabad.

The pipeline will be built in two phases. In Phase I of the project, **101 km** of the pipeline will be laid from Karanpur, RR Station to Kashipur Receipt Station along with connectivity pipelines to upcoming power plants, Industrial consumers, City Gas consumers. The first phase is scheduled to be completed by January 2011 at an estimated investment of Rs. 196 crore. In Phase II of the project, **58 km of** the pipeline will be laid from Kashipur to Rudrapur / Pant Nagar. This phase of the project will involve an estimated investment of Rs. 56 crore. The entire project is targeted to be completed by January 2012.

Inline with the corporate strategy, the endeavour of GAIL has been to commission the pipeline projects within schedule and cost while tackling the risk and uncertainty encountered in each phase of its execution. During the design stage of the project, various environmental aspects have been considered and incorporated. Among these, maximum weightage has been given to the route selection and the safety features in the pipeline design.

The proposed gas pipeline system will have all the environmental advantages inherent in a pipeline mode of energy transport system. The pipeline will be buried underground. Pipe of adequate specified minimum yield strength with safety margin, confirming to standard codes will be used to withstand the maximum operating pressure. For rivers and other crossings, higher wall thickness pipes will be used. The pipeline will be hydrotested as per standard specifications. Suitable control and monitoring will be exercised during construction, operation and maintenance of pipeline system.

About GAIL

GAIL (India) Limited is India's largest natural gas company. Apart from natural gas transmission, distribution and processing, the Company has diversified business interests in LPG transmission, petrochemicals, city gas projects and Exploration and Production activities. The Company has presence in Egypt and China through city gas projects and in Myanmar and Oman in E & P. GAIL has set up a wholly- owned subsidiary company viz. GAIL Global (Singapore) Pte. Ltd. in Singapore.

Turnover and Profit After Tax during the last ten years have shown a compounded annual growth rate of 13 per cent and 14 per cent respectively. The Company recorded a Turnover of Rs. 24,996 crore and Profit After Tax of Rs. 3,140 crore in the year 2009-10.

GAIL possesses around 8000 km of natural gas pipeline transmission network with a capacity of 157 MMSCMD and is laying 5 new natural gas pipelines measuring 5000 km. involving a capex of nearly Rs. 30,000 crore, which shall enhance the transmission capacity to around 300 MMSCMD in next two to three years.