



गैल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम – महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

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 **“Indian Oil and GAIL sign MoU for taking equity stake in upcoming Dhamra LNG terminal .”**

The above is for your information and record please.

Thanking you,

Yours faithfully,

(A.K.Jha)
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 AG, Filiale Mumbai
TSS & Global Equity Services
The Capital, 14th Floor
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September 22, 2016
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PRESS RELEASE

21-September-2016

IndianOil and GAIL sign MoU for taking equity stake in upcoming Dhamra LNG terminal

Indian Oil Corporation Limited and GAIL (India) Limited have today signed an MoU with Dhamra LNG Terminal Private Limited (DLTPL) for taking equity in the 5 MMTPA capacity LNG Receiving, Storage and Regasification Terminal being put up at Dhamra Port, Odisha.

As per the MoU, DLTPL shall be an equal Joint Venture of IndianOil and GAIL on one hand and Adani Group on the other. IndianOil and GAIL would acquire 39% and 11% equity respectively in DLTPL with the balance 50% being held by Adani group. Going forward, IndianOil and Adani group will each divest 1% of their respective stake to a credible financial institution which will then have 2% stake in the terminal. Apart from equity, IndianOil and GAIL intend to book regasification capacity of 3.0 and 1.5 MMTPA respectively in the terminal.

The development comes in the backdrop of Government's consistent focus on undertaking welfare and growth measures in eastern India so as to bring this hitherto underdeveloped region into the economic mainstream of the country. Prime Minister Narendra Modi has maintained that India cannot develop till the eastern part of India develops.

Presently, the states in eastern India viz. Odisha, Bihar, Jharkhand and West Bengal are not able to get the benefits of natural gas in sectors like Domestic, Transport, Industries etc., as the region does not have gas infrastructure by way of LNG Terminals and cross-country gas pipeline grid. The LNG Terminal at Dhamra would provide the potential customers in these states a clean and economically viable alternative which will also help in reducing the carbon footprint. This will also provide momentum to the economic growth of this region by attracting new industrial projects.

The LNG Terminal would also meet the gas requirements of three oil refineries of IndianOil situated in Barauni, Haldia and Paradip. The three fertilizers plants at Barauni, Sindri and Gorakhpur which are being revived by Govt. of India will also benefit from this terminal. The natural gas from the terminal would also be supplied to various City Gas Distribution networks coming up in eastern India, which in turn would cater to the requirements of piped gas for households, CNG

for automobiles and clean fuel requirements of commercial establishments and industries. It is, therefore, expected that once operational, Dhamra LNG terminal will emerge as a bridge to prosperity for the entire eastern India.

Meanwhile, in another historic development earlier today, Cabinet Committee on Economic Affairs approved Capital Grant of 40%, amounting to Rs. 5,176 Crores over 5 years, for Jagdishpur-Haldia and Bokaro-Dhamra Pipeline (JHBDPL) project, which is being implemented by GAIL (India) Limited at a total capital outlay of Rs. 12,940 Crores. This is the first time ever that Govt of India has extended Capital Grant to a Natural Gas pipeline project.

The 2,539 km long JHBDPL is expected to be completed by December 2020 and will connect UP, Bihar, Jharkhand, West Bengal and Odisha. The project will also see City Gas Distribution (CGD) networks being set up by GAIL in 7 important towns in eastern India, namely, Varanasi, Patna, Ranchi, Jamshedpur, Kolkata, Bhubaneswar and Cuttack. The JHBDPL gas pipeline will be used for gas supply to 3 fertilizer plants in eastern India, namely Barauni, Sindri and Gorakhpur.

The Dhamra LNG Terminal project and JHBDPL project, cumulatively, are expected to bring investments to the tune of Rs 51,000 Cr into the economy of eastern India. Of this, about Rs. 13,000 Crores will be spent on JHBDPL pipeline infrastructure; Rs. 6,000 Crores on CGD projects in 7 cities; Rs. 6,000 Crores on Dhamra LNG Terminal and Rs. 26,000 Crores on revival of Gorakhpur, Barauni, Sindri & Talcher fertilizer units.