

GAIL (India) Limited

Press Release

GAIL C&MD conferred 'Best LNG Executive Global Award' at World LNG Summit

GAIL allocates 1 MMTPA of US LNG volume to Singapore arm for global trading

New Delhi, November 20: GAIL (India) Limited Chairman and Managing Director, Shri B C Tripathi, has been conferred the prestigious 'Best LNG Executive Global Award' for 2013 at CWC's 14th World LNG Summit being held at Paris.

Shri Tripathi, who was presented the award at a glittering ceremony in the French capital last evening, was recognized for his outstanding contribution in the development of global LNG industry and in recognition of his dynamism and leadership skills to steer GAIL forward, which are reflected in the company's landmark achievements in LNG sourcing in the recent past.

Accepting the award, Shri Tripathi said, "this award belongs to my people back home in my company GAIL in India, Houston and Singapore. It belongs to our suppliers, contractors, customers and industry partners like you who have reposed their faith in us and helped us to grow and move forward."

He also expressed his sincere thanks to the Government of India, the Ministry of Petroleum and Natural Gas, the Ministry of External Affairs and other governing bodies.

Elaborating on the company's plans for the immediate future, Shri Tripathi said GAIL had allocated one MMTPA of LNG volume sourced from the United States to its subsidiary GAIL Global (Singapore) Pte. Ltd. (GG SPL) for trading in the global market. This experience of global trading would help to develop requisite skill sets and competence within the company and thereby expand the business in the global LNG market in a self-sustaining manner, he said. GAIL opened its Singapore office in 2011 through GG SPL for sourcing Natural Gas and for trading in LNG and petrochemicals, etc.

Shri Tripathi also mentioned about GAIL's plans to venture into LNG shipping to bring LNG volume from the US, doubling the capacity of Dabhol LNG terminal, upstream investment in Tanzania and setting up floating LNG re-gasification terminal in Andhra Pradesh along with GDF Suez and Shell.

He emphasized that going forward, innovative new business models are essential for the LNG industry which can provide flexibility and security in supplies while reducing the total cost of LNG to consumers. He reiterated that GAIL would continue to

promote regional cooperation among Asian buyers and create Asian Gas Index so that LNG prices for Asia become in sync with market prices.

Announcing the award amongst members of the global LNG fraternity during the ceremony, the organizers said, "Mr Tripathi has displayed global leadership by actively advocating and promoting the formation of an Asian Pricing Index for LNG and seeding for an Asian Cooperation Forum on gas and LNG. Both these initiatives have found extensive support in all of Asia and beyond. Just appointed for a further five-year term, Mr Tripathi is a dynamic player in the global LNG industry and an active promoter of LNG usage in India."

GAIL was the first Asian company to have signed a long term LNG Sales and Purchase Agreement with Sabine Pass Liquefaction, LLC, USA in 2011 for supply of 3.5 MTPA LNG over 20 years. This agreement had price linkage with Henry-Hub price instead of Crude oil and signalled a new approach in gas pricing.

Building on this deal, GAIL signed a Terminal Service Agreement with M/s Dominion Cove Point LNG LP for booking 2.3 MMTPA liquefaction capacity in the Cove Point liquefaction terminal in the US. The US subsidiary of GAIL contracted half of Dominion's capacity for 20 years. GAIL also executed a long-term Gas Sale and Purchase Agreement with Gazprom Marketing and Trading Singapore Ltd. for supply of 2.5 MMTPA LNG per annum from its Shtokman production facilities over a period of 20 years.

GAIL signed an MoU with EDF Trading of the US for cooperation in the areas of North American upstream equity investments, gas supply to export facilities and LNG supply optimization.