

## **GAIL (INDIA) LIMITED**

**GAIL subsidiary signs agreement to procure natural gas for liquefaction at Cove Point, US**

***US-based WGL Midstream Inc. to supply natural gas to produce 2.5 MTPA LNG***

**New Delhi, December 5, 2014:** GAIL (India) Limited today announced signing of a sourcing agreement between its subsidiary GAIL Global USA LNG LLC ('GGULL') and US-based company WGL Midstream Inc. ('WGLM') for procurement of natural gas required to produce about 2.5 MTPA of LNG at the Cove Point Terminal located in Maryland, US. WGLM is a subsidiary of WGL Holdings Inc., a prominent natural gas company of the United States.

The definitive gas sale and purchase agreement has been signed for a period of 20 years and supplies are expected to commence from late 2017 when the LNG terminal, in which GGULL holds liquefaction capacity, becomes operational.

Commenting on the development, Mr. B. C. Tripathi, Chairman and Managing Director of GAIL, said "We are delighted to partner WGLM which is a part of a group having a rich history of over 160 years in natural gas supply business in the mid-Atlantic region. This agreement is another milestone towards GAIL's efforts in sourcing of LNG to meet the rising demand of gas in the Indian market. We are now in the process of chartering of LNG ships thereby entrenching our presence across the complete LNG supply chain and bring more value to the Indian customers".

On the occasion, Mr. Terry D. McCallister, Chairman, Chief Executive Officer, WGL Holdings, Inc. said "WGL Midstream's long-term relationship with GAIL capitalizes on the growing supply of abundant natural gas from the Marcellus Shale production region. This growing supply source has been providing clean burning natural gas to Northeast and Mid-Atlantic regions of the United States and now will supply the country of India as well."

GAIL is India's leading natural gas company with a presence along the entire hydrocarbon value chain spanning E&P, LNG, pipelines, LPG, petrochemicals, city gas distribution etc. GAIL has signed a 20 year Sales and Purchase Agreement with Sabine Pass Liquefaction LLC, a unit of Cheniere Energy Partners, USA for supply of 3.5 million tonnes per year of LNG. GAIL also signed a Terminal Service agreement for 2.3 million tonnes per year of LNG liquefaction capacity with Dominion Cove Point LNG LP, USA.

WGL Midstream handles non-regulated gas business with operations covering midstream infrastructure and energy services. Its parent, WGL Holdings, Inc., is a public utility holding company serving the Washington, D.C. metropolitan region and is a leading source for clean and efficient energy solutions with activities in 30 states. Washington Gas, its leading subsidiary has been providing natural gas service to customers in the D.C. metropolitan area for over 160 years and serves more than one million customers in the District of Columbia, Maryland and Virginia.

M/s Pace Global (a Siemens business), M/s Thompson & Knight & M/s Amarchand Mangaldas assisted GAIL on commercial and legal aspects of the transaction.

WGL Midstream engaged Vega Energy Partners, Ltd., for the execution of these transactions. Vega will also play an ongoing role in the implementation of these contracts.