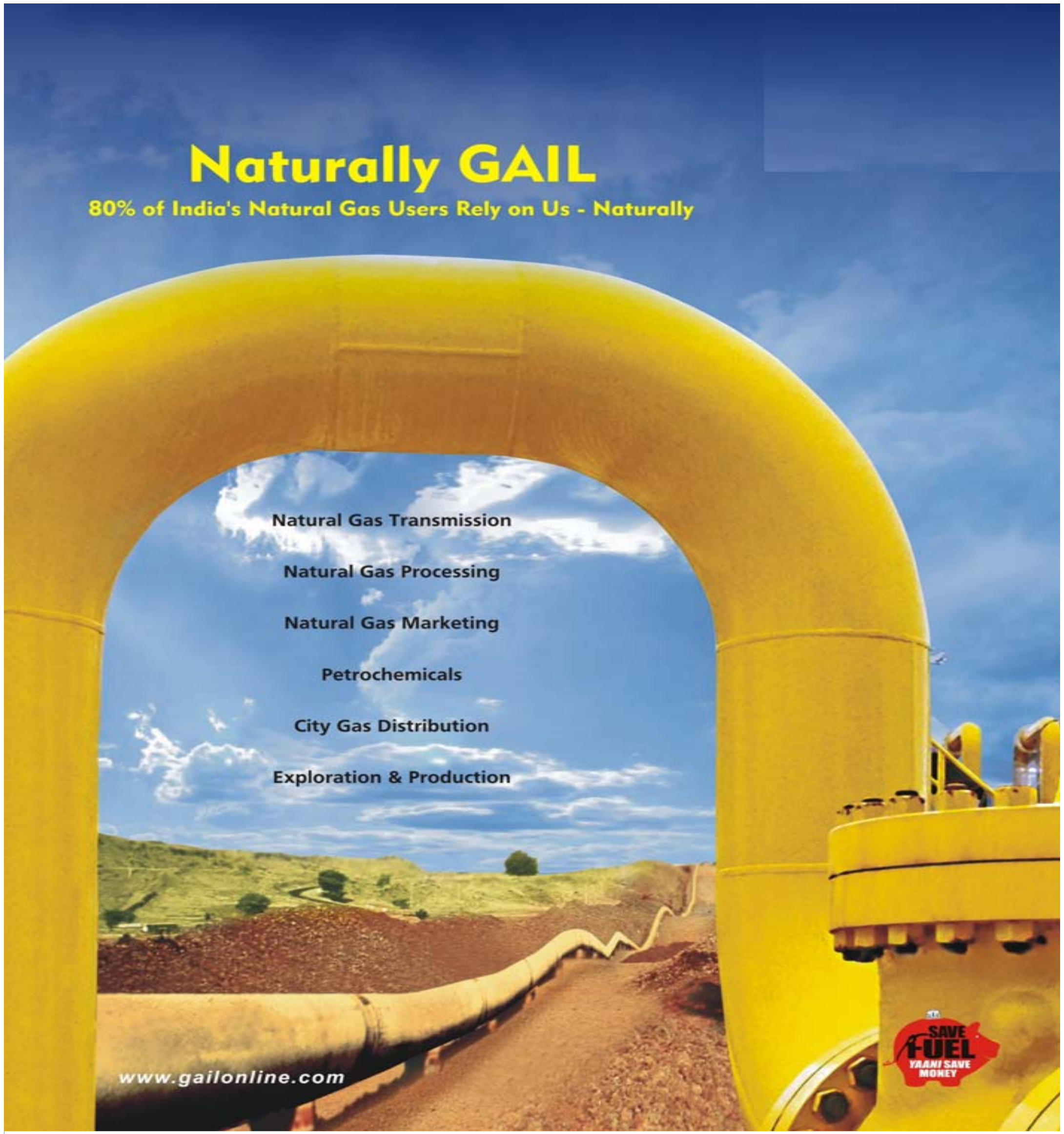

GAIL (India) Limited

Analyst Presentation
FY 2010-11

2nd June 2011

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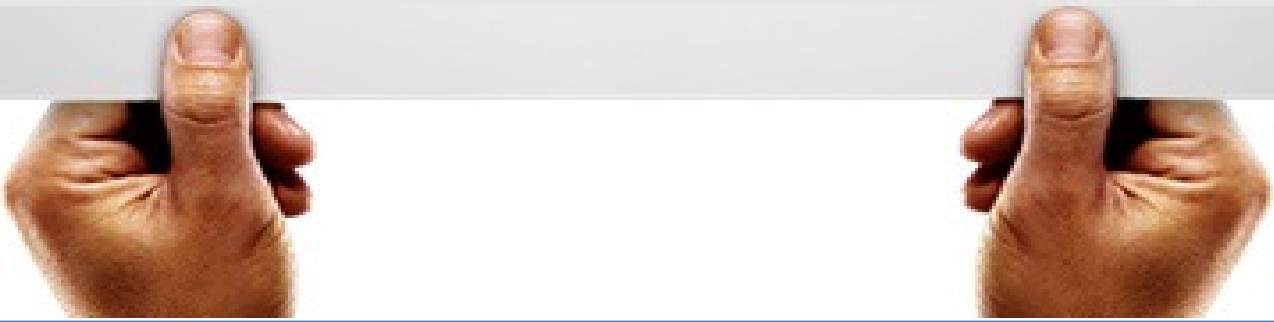


Safe Harbor Statement

Vision

Be the leading company in natural gas and beyond with global focus, committed to customer care, value creation for all stakeholders and environment responsibility

Mission & Vision

Mission

To accelerate and optimize the effective and economic use of Natural Gas and its fractions to the benefit of the national economy

Sh B C Tripathi
Chairman & Managing Director

Functional Directors

Sh R D Goyal
Director (Proj)

Sh S L Raina
Director (HR)

Sh Prabhat Singh
Director (Mktg)

Sh S Venkatraman
Director (BD)

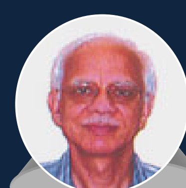
Sh P K Jain
Director (Fin)

Government Nominee / Independent Directors

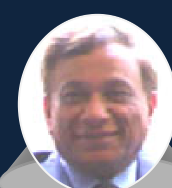
Sh Sudhir Bhargava

Sh Apurva Chandra

Dr. Vinayshil Gautam



Sh R M Sethi



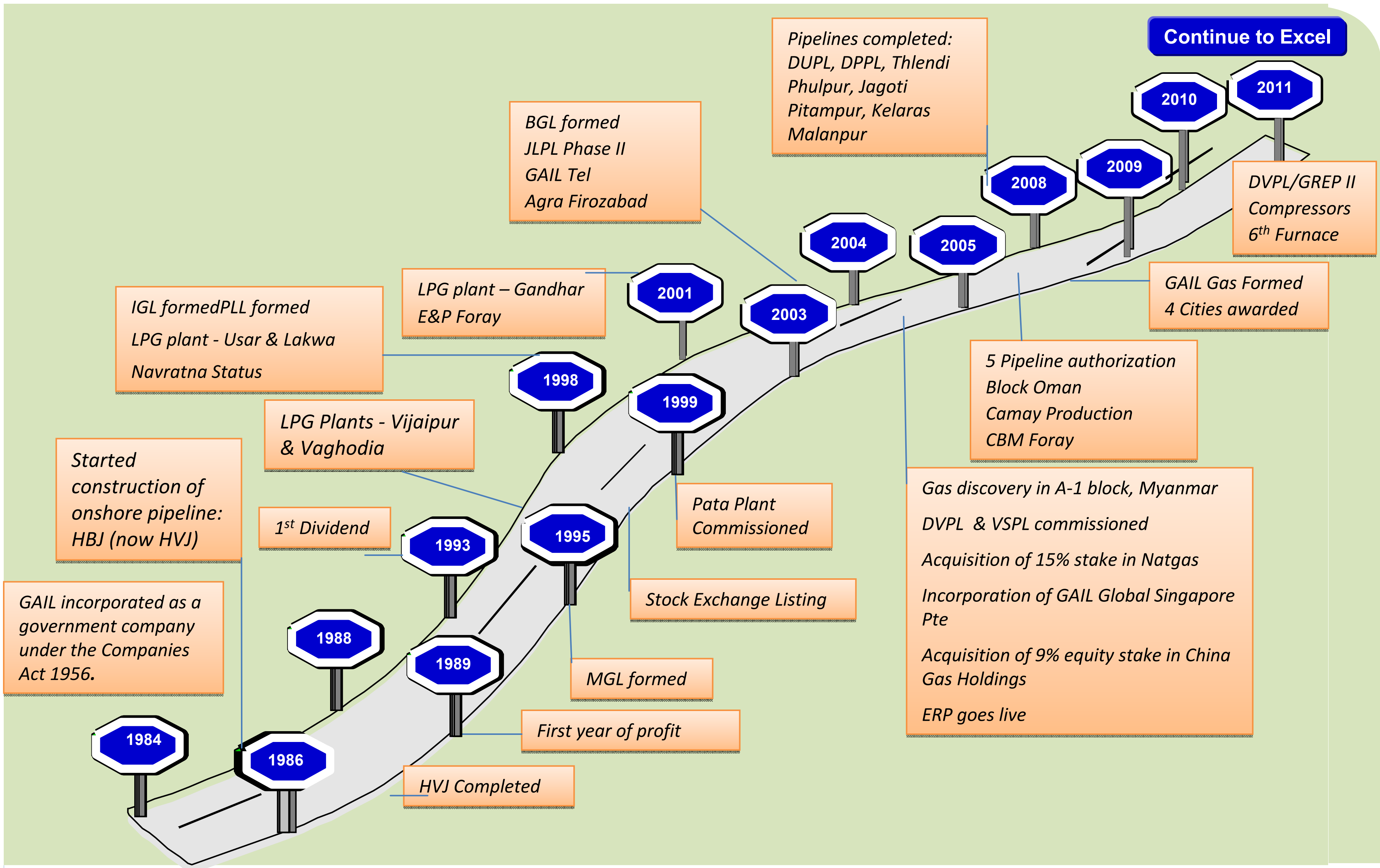
Sh Mahesh Shah

Prof. A.Q. Contractor

Sh Arun Aganrwal

GAIL Management

Continue to Excel



Major Milestones

25+ Years	Experience in Gas Pipelines
Baa2/A3	Moody's – Foreign/Domestic Rating
AAA	ICRA & CRISIL for Bond Issue upto Rs. 750 Cr.
57%+	GoI Shareholding
14%+	10 Years Turnover CAGR
12%+	10 Years PAT CAGR
3800+	Manpower Asset

Quick facts

170 MMSCMD+ Gas Transmission Capacity

1.4+ MMT LHC Production Capacity

450+ TMT Polymer Production Capacity

28 E&P/CBM Blocks

2 100% Subsidiary

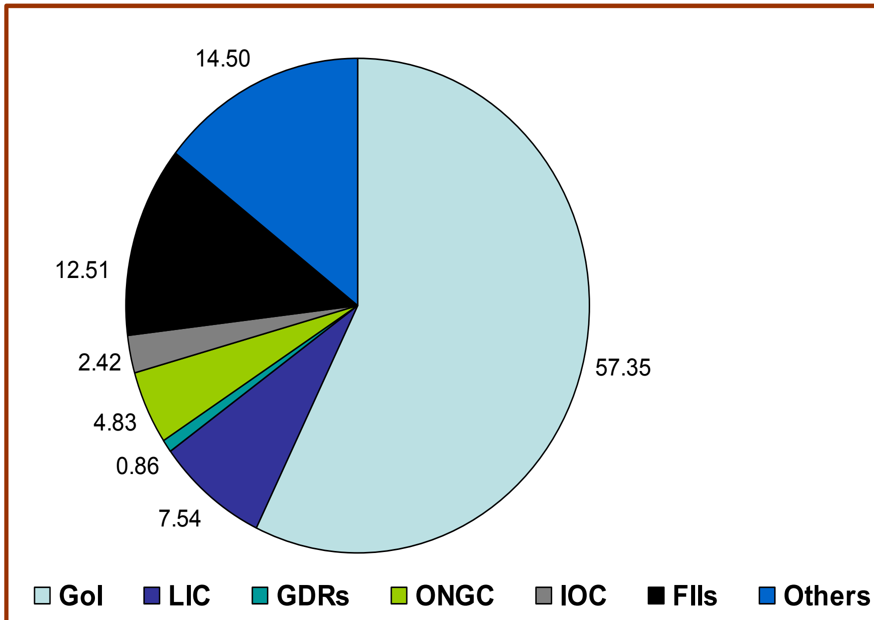
Presence in **4** Countries

20 JVs/Associate/Subsidiary Companies

Quick facts

Government of India
is GAIL's majority shareholder

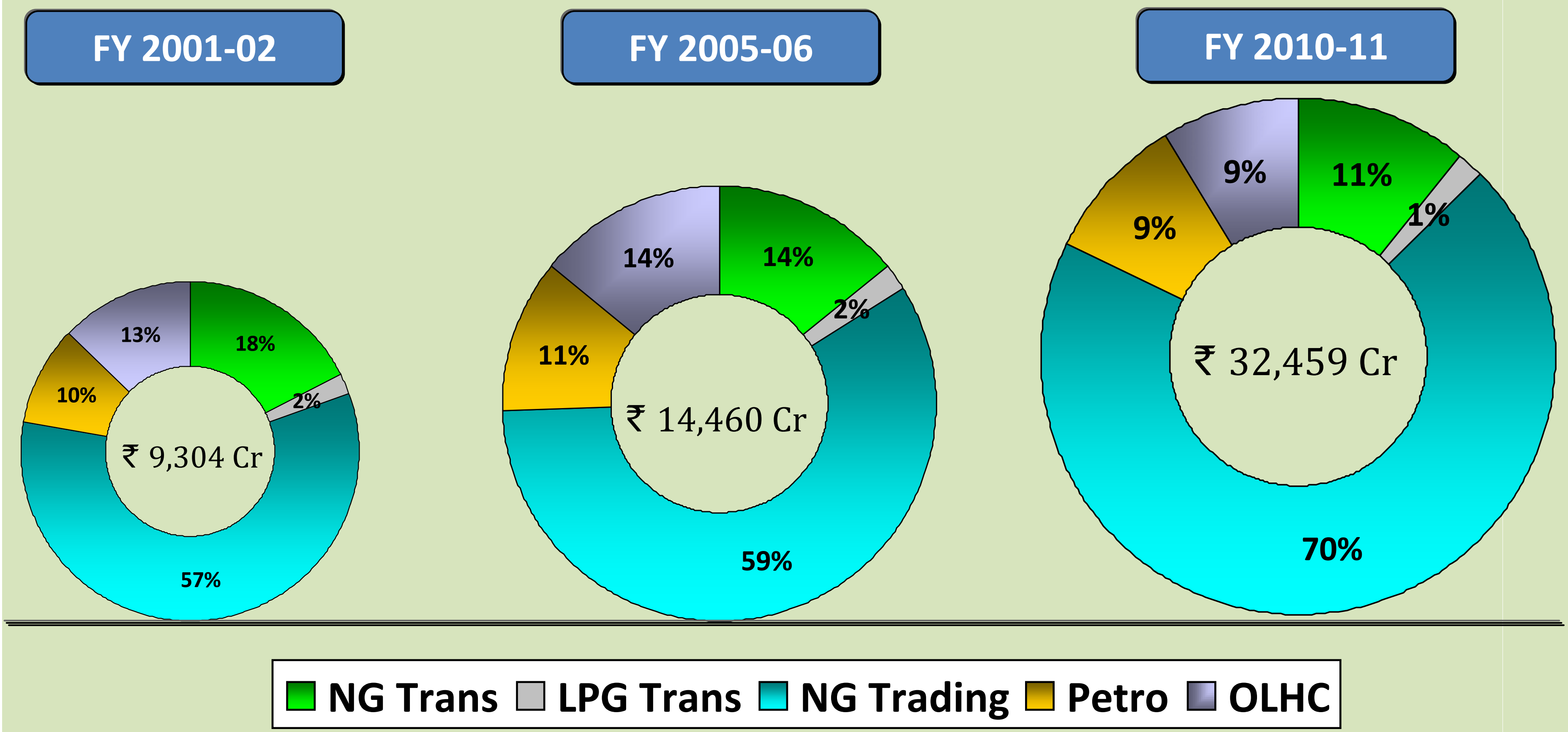
- The administrative ministry for the purpose of the company is the Ministry of Petroleum & Natural Gas, GoI
- GoI has no plans to reduce its shareholding in GAIL to below 51%.



Shareholding patterns as on 31.03.2011

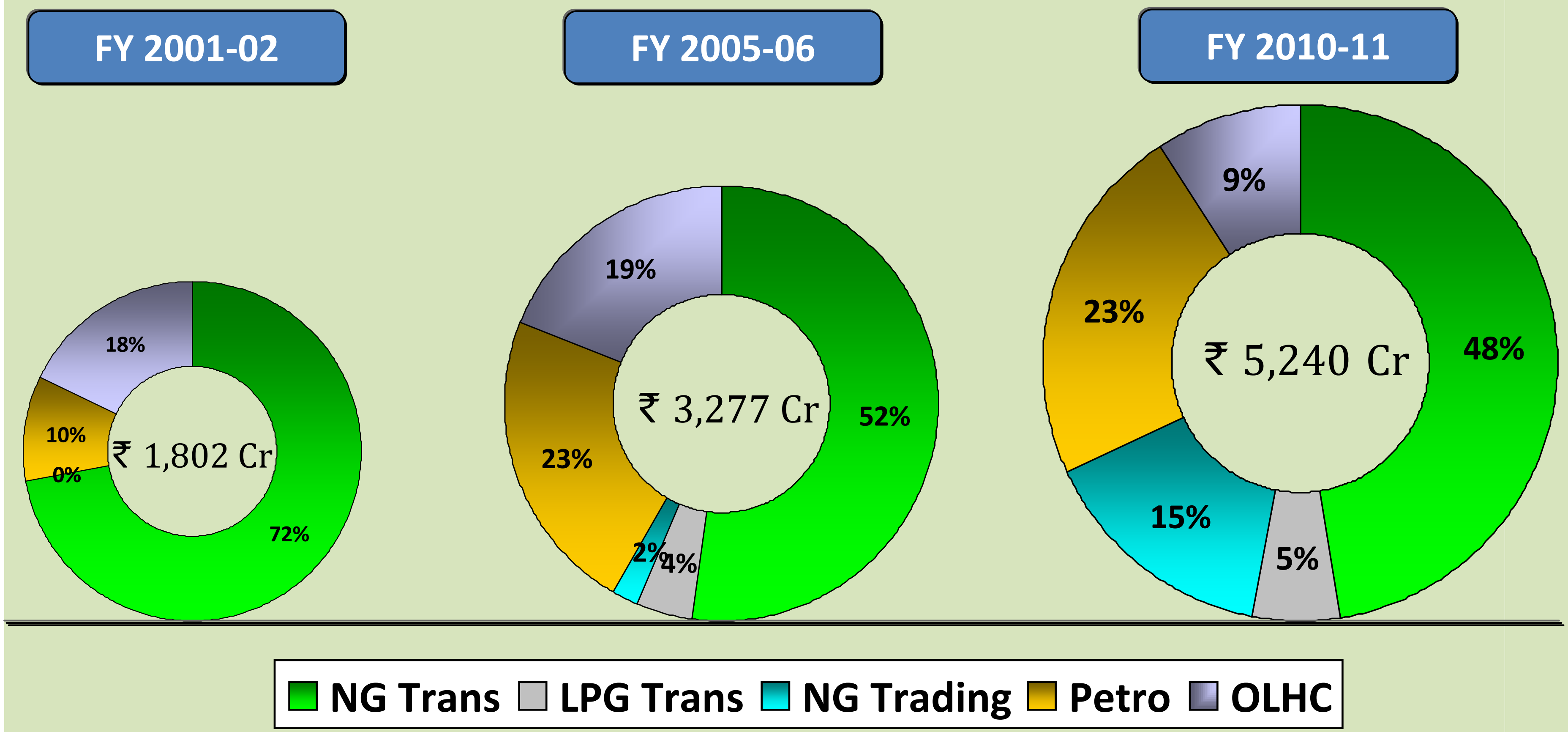
Shareholding Pattern

Turnover Trend



10 Year CAGR - 14%

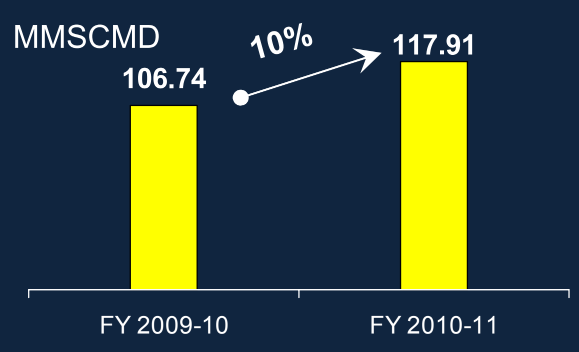
Profit (PBT) Trend



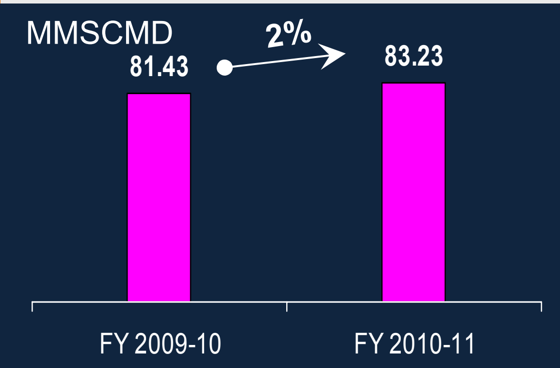
10 Year CAGR - 12%

Segmental Physical Performance FY 10-11(Sales)

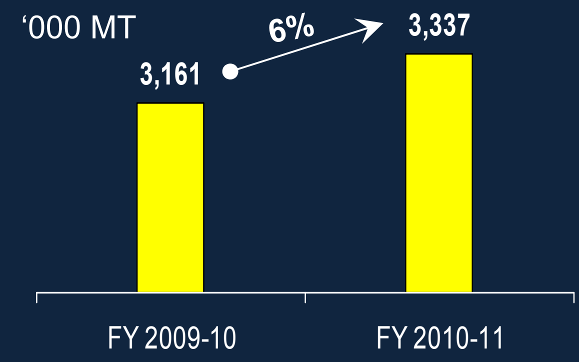
Gas Transmission



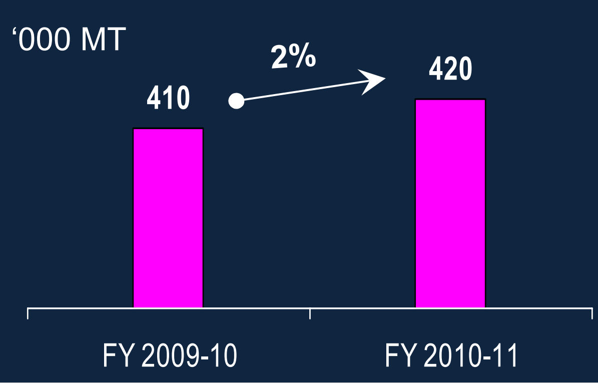
Gas Trading



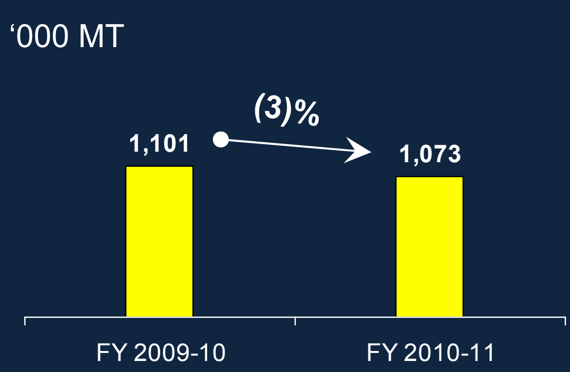
LPG Transmission



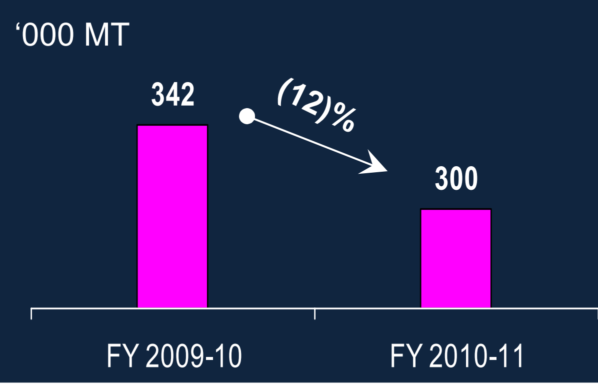
Petrochemicals



LPG



OLHC

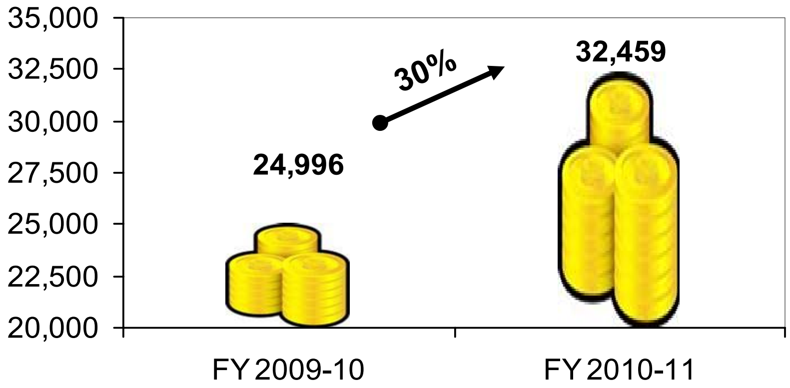


Core Business – Sustained Growth

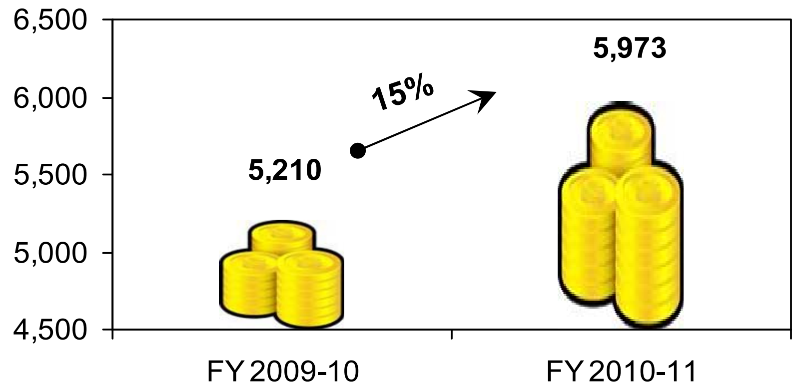
Financial Performance FY 2010-11

(₹ in Crores)

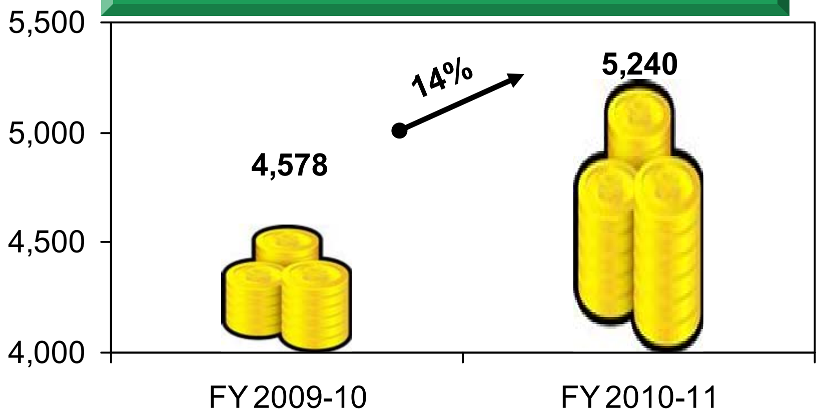
Sales (Net of ED)



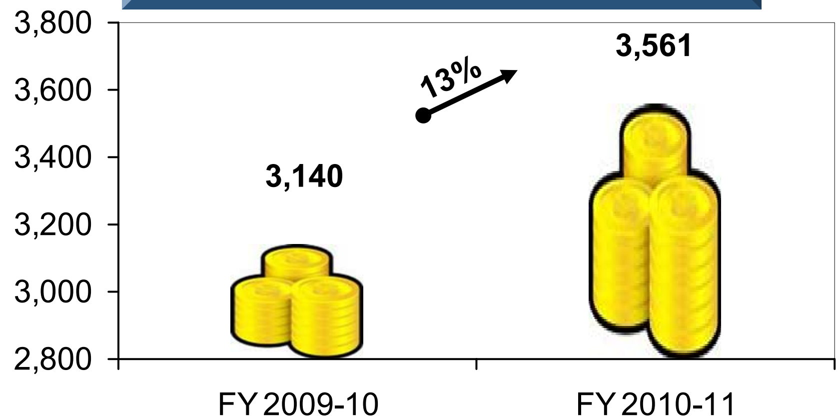
Gross Margin (EBITDA)



PBT



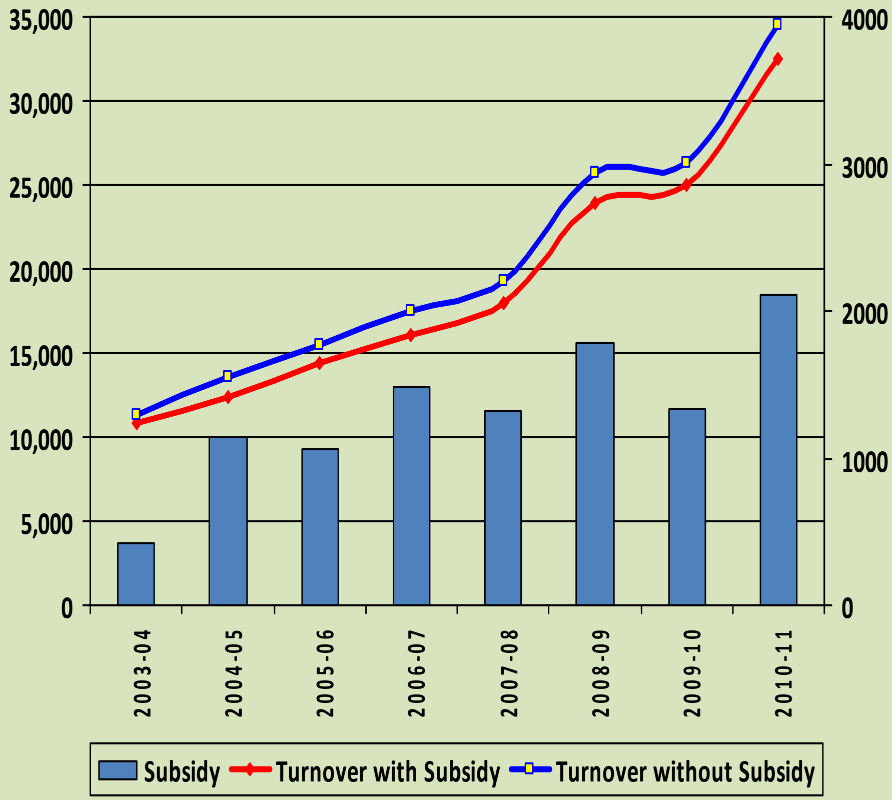
PAT



Highest ever Subsidy – Rs. 2111 Cr. in FY 2010-11

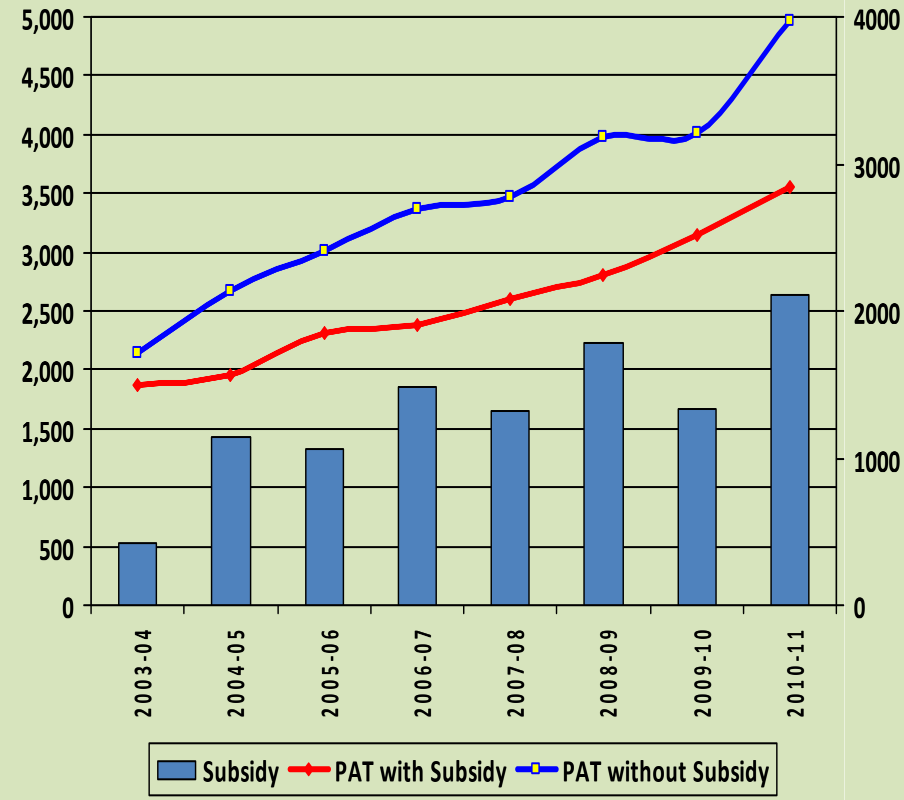
Financials – With & Without Subsidy

Turnover



PAT

(₹ in Cr)



FY 2010 – 11 vs. FY 2009-10

Turnover with Subsidy - ₹ 32459 Cr. (30% ↑ YoY)

Turnover without Subsidy - ₹ 34570 Cr. (31% ↑ YoY)

PAT with Subsidy - ₹ 3561 Cr. (13% ↑ YoY)

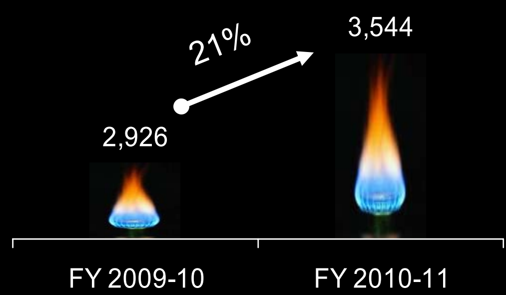
PAT without Subsidy - ₹ 4971 Cr. (24% ↑ YoY)

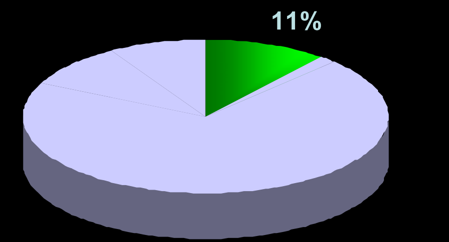
Gas Transmission Segment

(₹ in Cr)

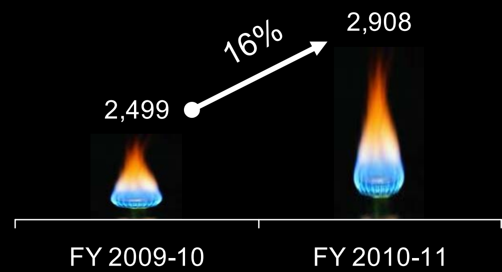
- Core Business
- Doubling the Capacity
- Incremental Vol. at higher tariff
- No impact of lower RIL production

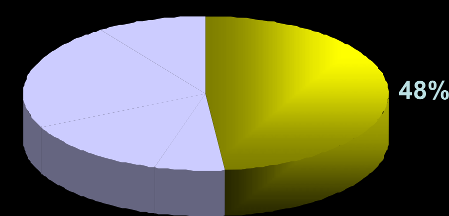
Turnover





EBITDA





India's No. 1 Gas Transmission Company

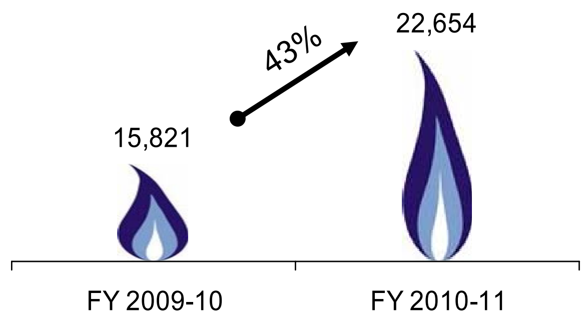
75% of India's Gas Travel through our System

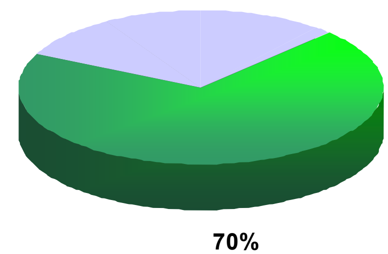
Gas Trading Segment

- Core Business
- Doubling the Capacity
- Marketing Margin on APM Gas
- Spot RLNG to Boost Marketing Margin

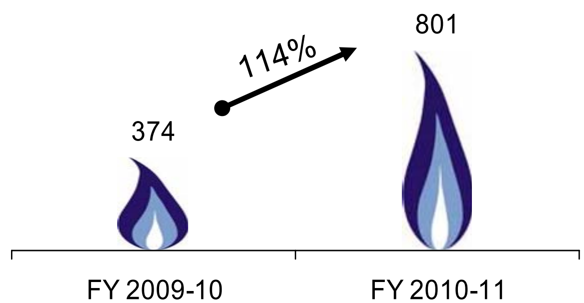
(₹ in Cr)

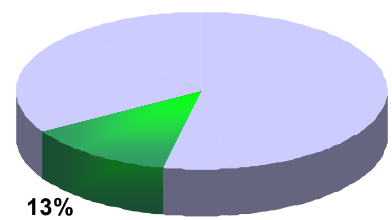
Turnover





EBITDA





India's No. 1 Gas Trading Company

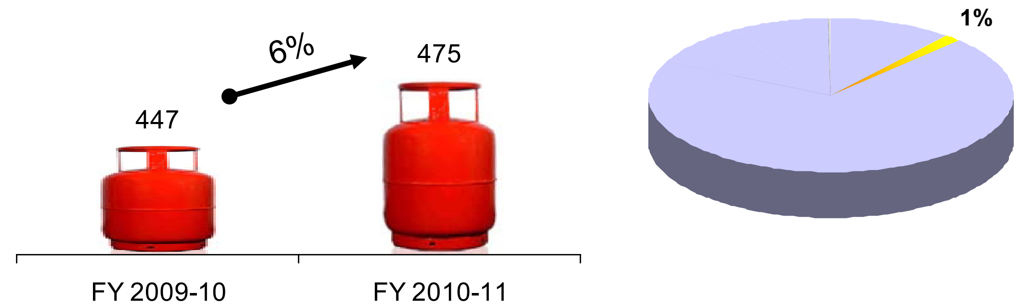
Over 50% of India's Gas Traded by GAIL

LPG Transmission Segment

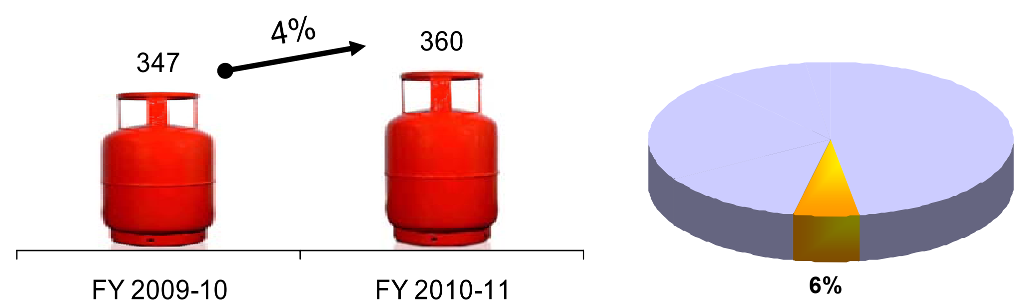
- Core Business
- Transmission of LPG thro' pipelines
- Only Player in India
- Cooking LPG very robust growth

(₹ in Cr)

Turnover



EBITDA



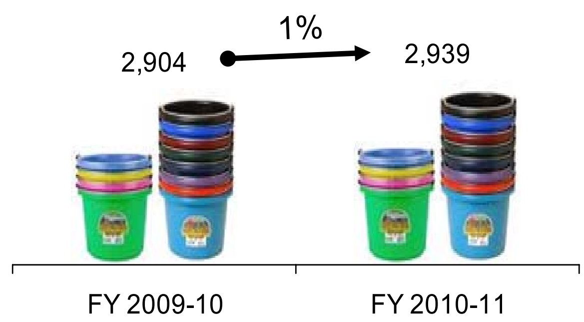
Pipeline Transmission of around 1/4th of the Country's total LPG

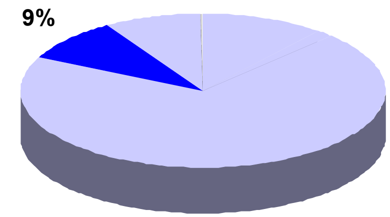
Petrochemical Segment

- Diversified into Petrochemical
- Only Gas based plant in North India
- Promoter of BCPL, & OPAL

(₹ in Cr)

Turnover





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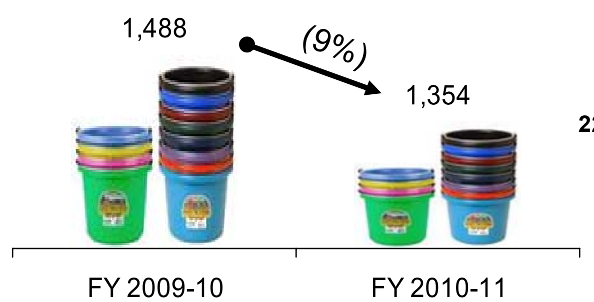
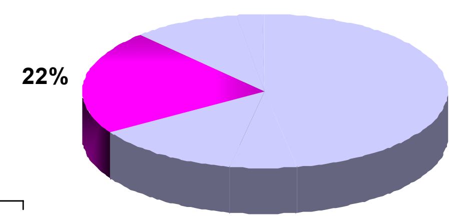




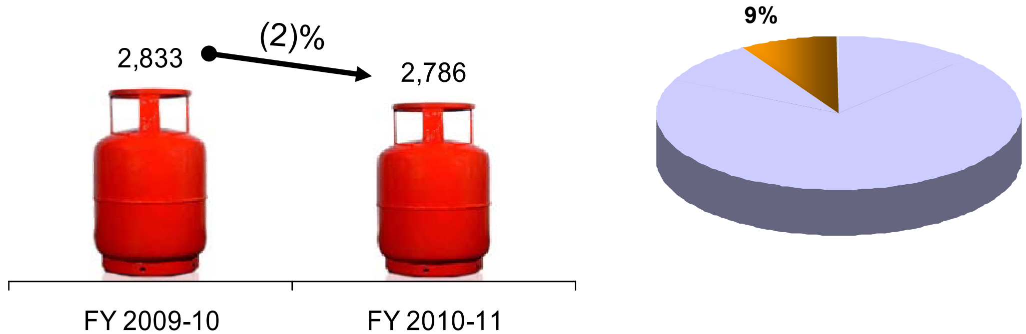
Customer Preferred Brands – Glex & Glene

Liquid Hydrocarbon Segment

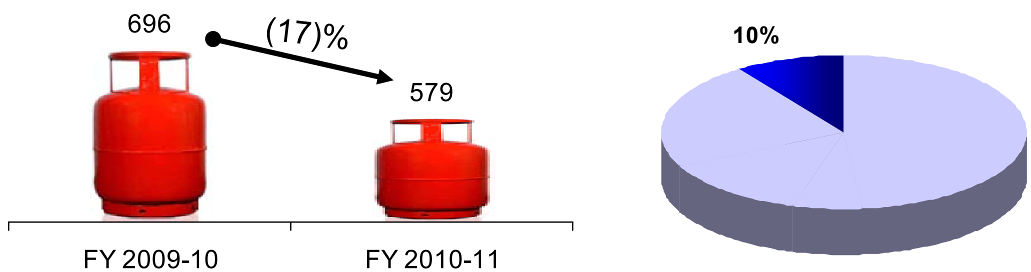
- Value addition in Gas Value Chain
- 7 Processing Plants across India
- Cap. ~ 1.4 MMTPA
- Cooking LPG very robust growth

(₹ in Cr)

Turnover

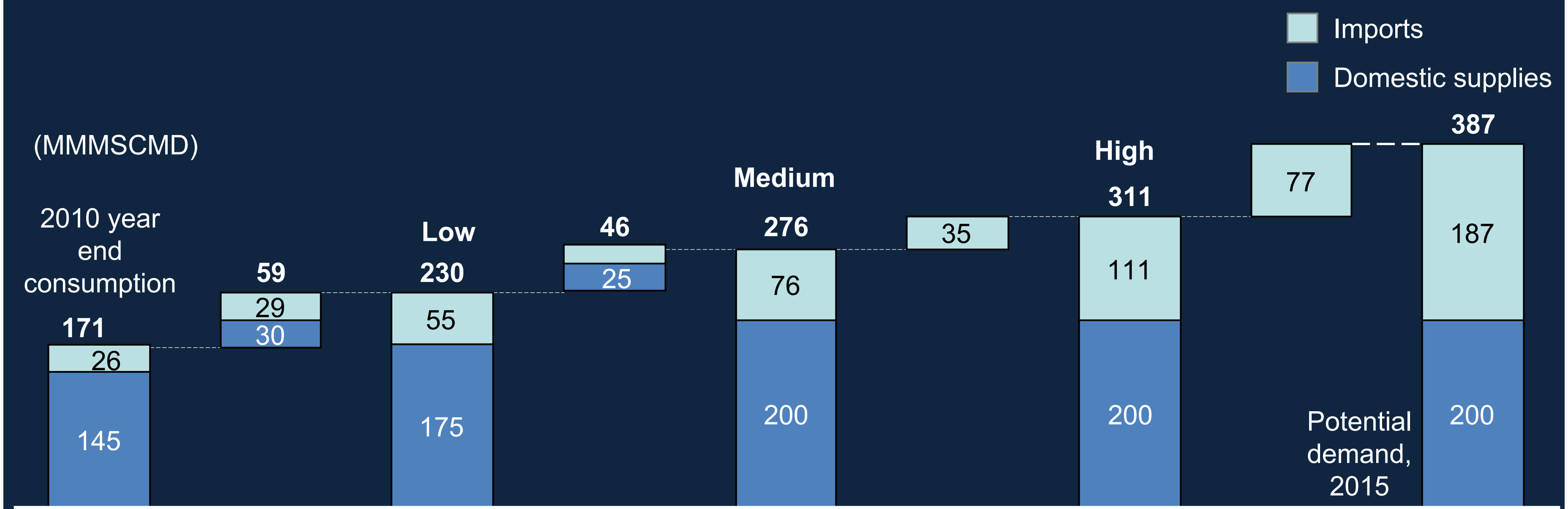


EBITDA



Current High Product Prices will deliver the margin despite of Higher Subsidy due to High Crude Prices

Gas demand and supply, 2015



Sectors with demand

- Industries
- CNG transport

- Refineries
- Industries
- Power (CCGTs)

- Peaking power plants

- Power
- New fertilizer plants

Price of $13-15/ mmbtu

Price of $10-13/ mmbtu

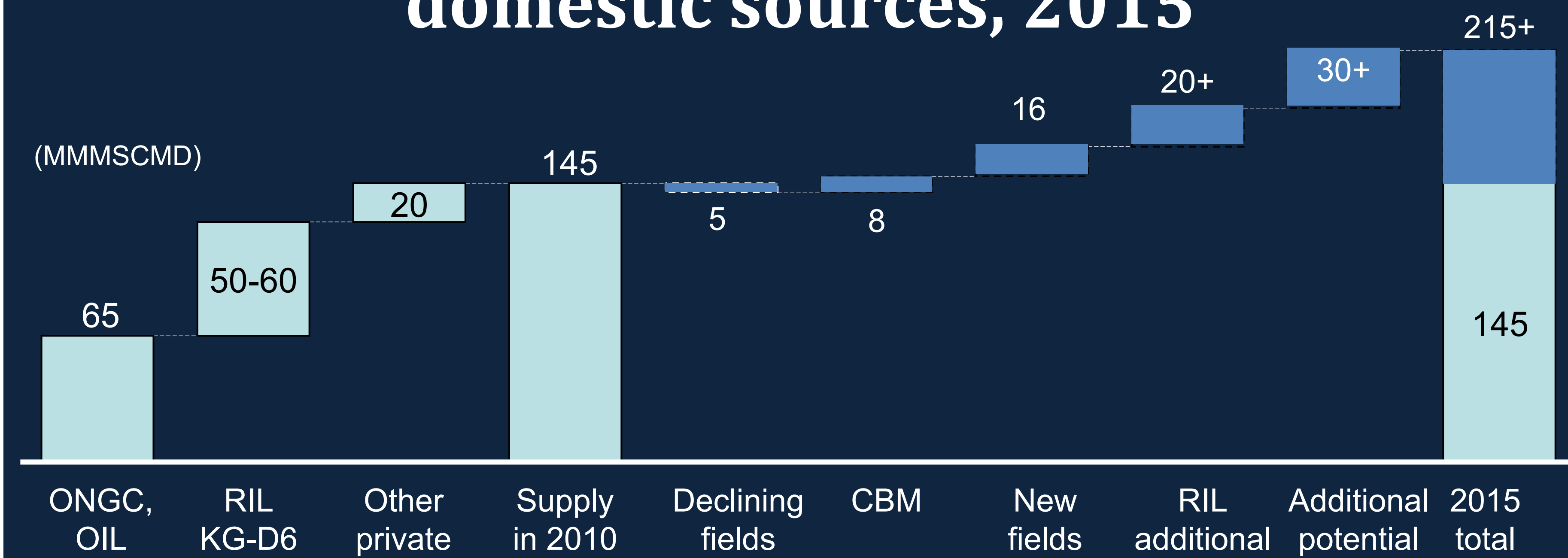
Price of $10-11/ mmbtu

Price of $6-7/ mmbtu

Price at customer gate

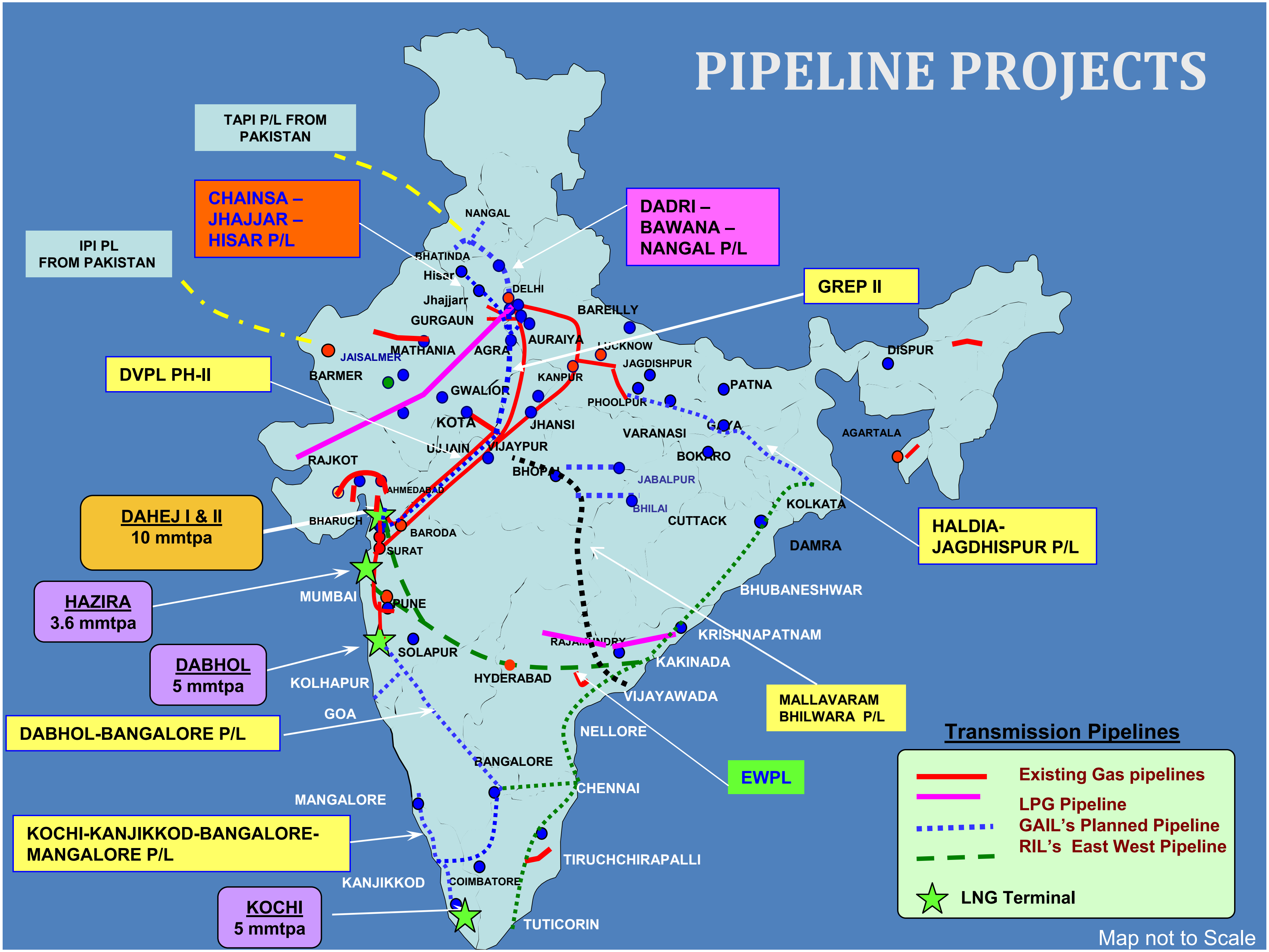
Large demand but sensitive to price

Projected net gas production from domestic sources, 2015



- **DGH expects domestic production to be approximately 200 mmscmd in 2015**
- **Going forward, there is potential for higher production given a large number of blocks are under evaluation; Assuming 7-9% growth p.a., domestic gas supply could be between 300-330 mmscmd by 2020**

Supply over next five years increasing but not expected to keep pace with demand


PIPELINE PROJECTS
TAPI P/L FROM PAKISTAN
CHAINSA – JHAJJAR – HISAR P/L
IPI PL FROM PAKISTAN
DADRI – BAWANA – NANGAL P/L
GREP II
DVPL PH-II
DAHEJ I & II
10 mmtpa
HAZIRA
3.6 mmtpa
DABHOL
5 mmtpa
DABHOL-BANGALORE P/L
KOCHI-KANJIKKOD-BANGALORE-MANGALORE P/L
KOCHI
5 mmtpa
HALDIA-JAGDHISPUR P/L
MALLAVARAM BHILWARA P/L
EWPL
NANGAL
BHATINDA
Hisar
Jhajjar
GURGAUN
DELHI
BAREILLY
AURAIYA
LUCKNOW
JAGDISHPUR
KANPUR
PHOOLPUR
PATNA
DISPUR
AGARTALA
JAISALMER
MATHANIA
AGRA
BARMER
GWALIOR
KOTA
JHANSI
VARANASI
GAYA
BOKARO
UJJAIN
VIJAYPUR
BHOPAL
JABALPUR
BHILAI
RAJKOT
AHMEDABAD
BHARUCH
BARODA
SURAT
CUTTACK
KOLKATA
DAMRA
MUMBAI
PUNE
BHUBANESHWAR
KRISHNAPATNAM
SOLAPUR
KAKINADA
KOLHAPUR
HYDERABAD
VIJAYAWADA
GOA
NELLORE
BANGALORE
CHENNAI
MANGALORE
TIRUCHCHIRAPALLI
KANJIKKOD
COIMBATORE
TUTICORIN
Transmission Pipelines
Existing Gas pipelines
LPG Pipeline
GAIL's Planned Pipeline
RIL's East West Pipeline
LNG Terminal
Map not to Scale

New Pipeline Capacity Built-up

Pipeline Projects	Approved Cost (₹ Cr)	Capacity (MMSCMD)	Length (KM)	Anticipated Completion (Status)
DVPL PIPELINES – PHASE II Incl. compressor at Jhabua & Vijaipur	5837	24 to 78	610	Mainline compressor commissioned at Jabhua and Vijaipur. Standby machine at Jhabua by June 11 and Vijaipur Dec 11.
VIJAIPUR DADRI PIPELINES (Incl. Compressor at Kailaras & Chainsa)	4927	20 to 80	499	Vijaipur- Dadri Pipeline commissioned Compressor at Kailaras and Chainsa: Commissioning by Dec 2011
DADRI-BAWANA-NANGAL PIPELINE	2358	31	594	Dadri Bawana Pipeline Commissioned. Bawana Nangal: Commissioning by Dec 2011
CHAINSA-JHAJJAR-HISSAR PIPELINE	1315	35	349	Chainsa Sultanpur: Commissioned Sultanpur Neemrana: Commissioned
JAGDISHPUR-HALDIA PIPELINE	7596	32	2050	Being implemented in phased manner - 2013-14 onwards
DHABOL-BANGALORE PIPELINE	4994	16	1414	Phase I – Aug 2012 Phase II – December 2012
KOCHI-KOOTTANAD-MANGALORE / BANGALORE	3263	16	1126	Phase I – August 2012 Phase II – December 2012
TOTAL	30290		6642	

Planned Capex to tap the Opportunity

New Spur Pipelines Capacity Built-up

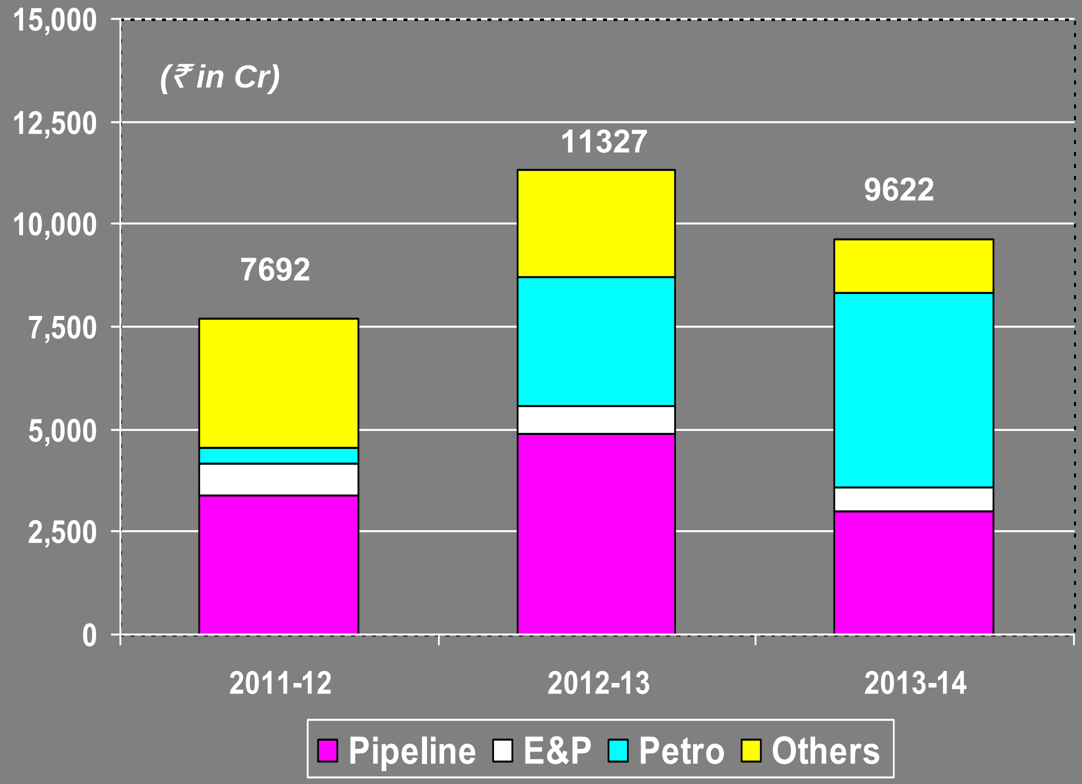
Pipeline Projects	Approved Cost (₹ Cr)	Capacity (MMSCMD)	Length (KM)
Karanpur Moradabad Kashipur Rudrapur pipeline	252	2.5	185
Focus energy Consortium to RRUVNL (Ramgarh Terminal) (Commissioned)	99	1.2	90
Capacity Augmentation of Agra & Ferozabad Region (17 km section from Agra to Ferozabad Commissioned)	200	1.25 to 2.75	71
Vijaipur Kota Pipeline Upgradation and laying of Spurlines (to Chittorgarh etc.)	463	2	290
Bawana Nangal spurlines (Uttrakhand & Punjab)	541	4	270
TOTAL	1555		906

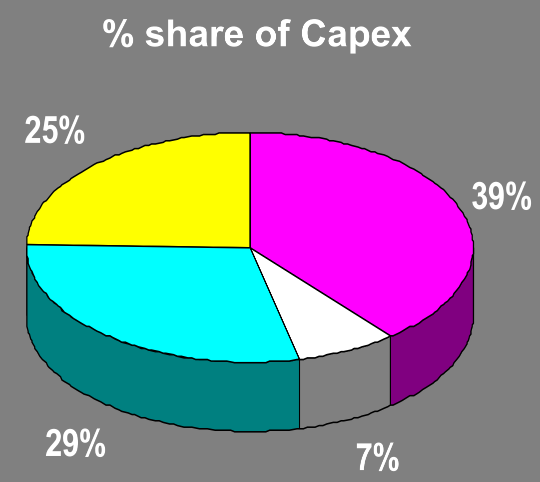
Planned Capex to tap the Opportunity

Projected Capex

Planned Capex from 2011-12 to 2013-14

₹28,641 Cr



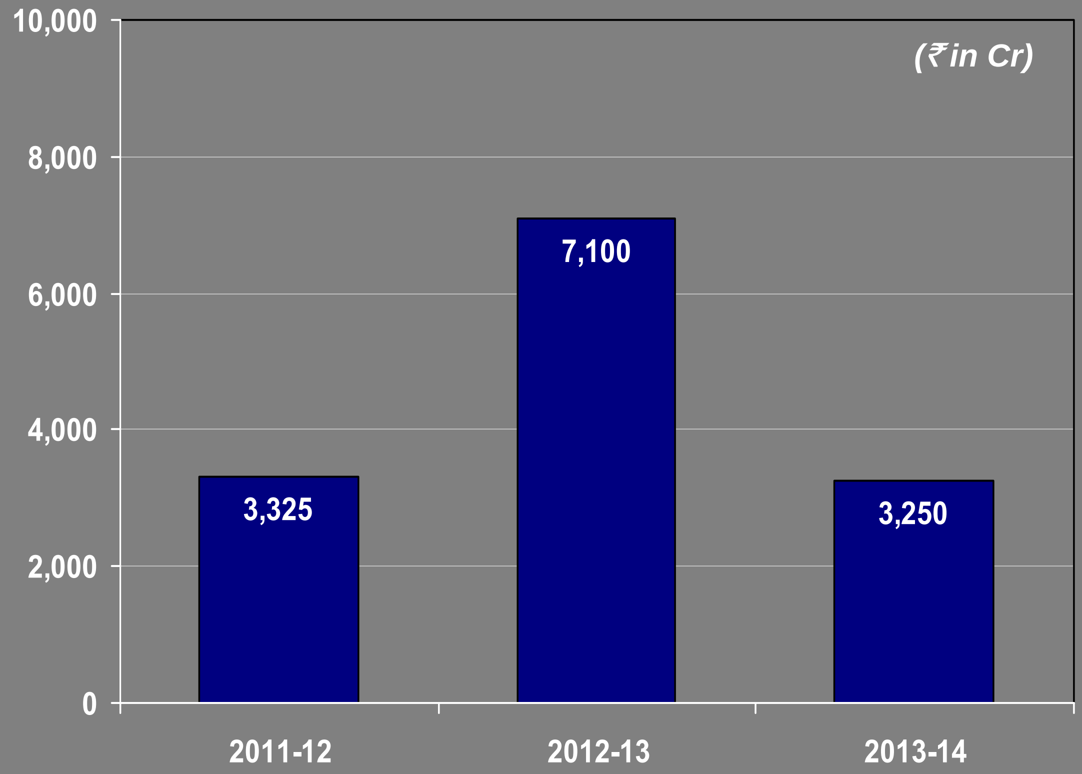


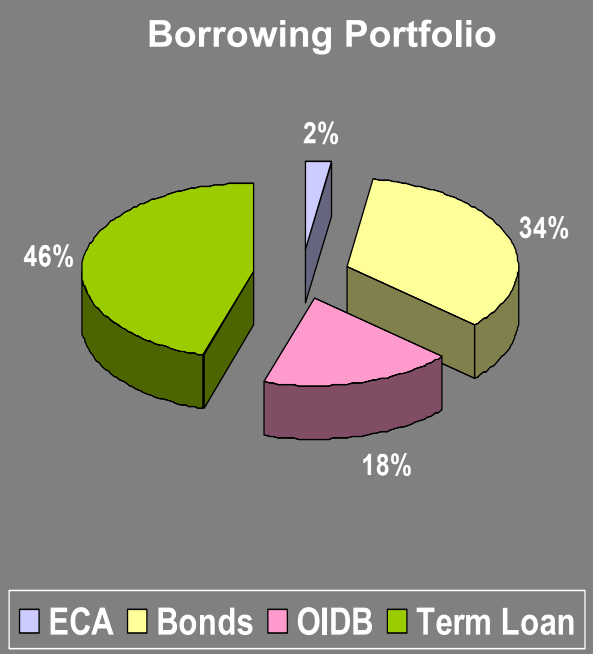
GAIL has a history of Excellent Project Management to execute the Project within given time frame and without cost over run

Expected Capex Funding

Planned Borrowings from 2011-12 to 2013-14

~ ₹13,675 Cr





Aggressive Capex Plan calls for Borrowings (Domestic & International)
Leverage on GAIL's very low debt Equity ratio (0.12:1) as on 31.03.2011

E&P Activities

Total Blocks	28 (including 1 CBM block)
Onshore Blocks	7
Offshore Blocks	Deep 15 & Shallow - 5
CBM Blocks	1 (Dewatering in progress)
Major Operators	ONGC, GSPC, Daewoo, Petrogas, Hardy, Eni, Jubilant, Dart Energy
Net investment	₹2305 Cr (upto 31.03.2011)
Hydrocarbons Discoveries where appraisal & Development activities are in progress	Hydrocarbons Discoveries in 7 Existing Blocks : Cambay onland, A1 & A3 blocks (Myanmar), Mahanadi offshore, Ankleshwar onland, Cauvery offshore & Tripura Onland
Operator in 2 blocks	RJ-ONN-2004/1 (NELP-VI) & CY-ONN-2005/1 (NELP-VII)
Commercial Block	Crude oil from Cambay Basin

GAIL's Future

	FY 2010-11	FY 2013-14
NG Trans Pipeline (KM)	8000 +	14000 +
NG Trans Capacity (MMSCMD)	170 +	300 +
Polymer Capacity (incl BCPL) (MMT)	~0.4	~0.9 *(1.6 in FY 14-15)*
E&P Revenue Generating Blocks (Nos.)	1	3 *(5 in FY 14-15)*
Retail Gas Presence (No of Cities)	15	~50
Power (MW) – Renewable Sources	4.5	300
Power (MW) – Non-Renewable	-	250

Planned Growth

Growth Drivers from FY 11-12 & onwards

- **Additional Gas availability:**
  - *ONGC – Natural Gas Supply from Bandra, Vasai and C Series*
  - *Dabhol – RLNG*
  - *Incremental RIL KG Basin Gas*
  - *Additional Volumes from new explorations Blocks*
  - *FOCUS ENERGY – Natural Gas Supply from Rajasthan field*
  - *Long-term / Mid Term LNG tie-ups*
  - *Spot LNG – ongoing basis*
- **Upside in Polymer/Liquid Hydrocarbon Product Prices**
- **Foray into Power Sector**

Visible Growth drivers

Growth Drivers from FY 11-12 & onwards

- *Petrochemical Business Segment:*
  - *Enhanced Pata Petrochemical Production from Q4 of FY 10-11 onwards*
  - *Completion of BCPL project of 0.28 MMTPA by 2013*
  - *Pata Expansion to 0.9 MMTPA by 2014*
  - *Participation in OPaL, Dahej Project with ONGC – 1.1 mmtpa ethylene capacity (38% Marketing share by GAIL)*
  - *Exploring setting up / participation in Petrochemical projects overseas*
- *City gas Distribution (CGD)*
  - *8 JVs already opertaional*
  - *GAIL Gas Ltd, a 100% Subsidary incorporated*
    - *PNGRB Authorized GAIL Gas for Four CGD projects*
  - *More than 230 cities identified for CGD in a phased manner.*

Visible Growth drivers

GAIL (India) Ltd.

Strong Financials

Strong GoI Support

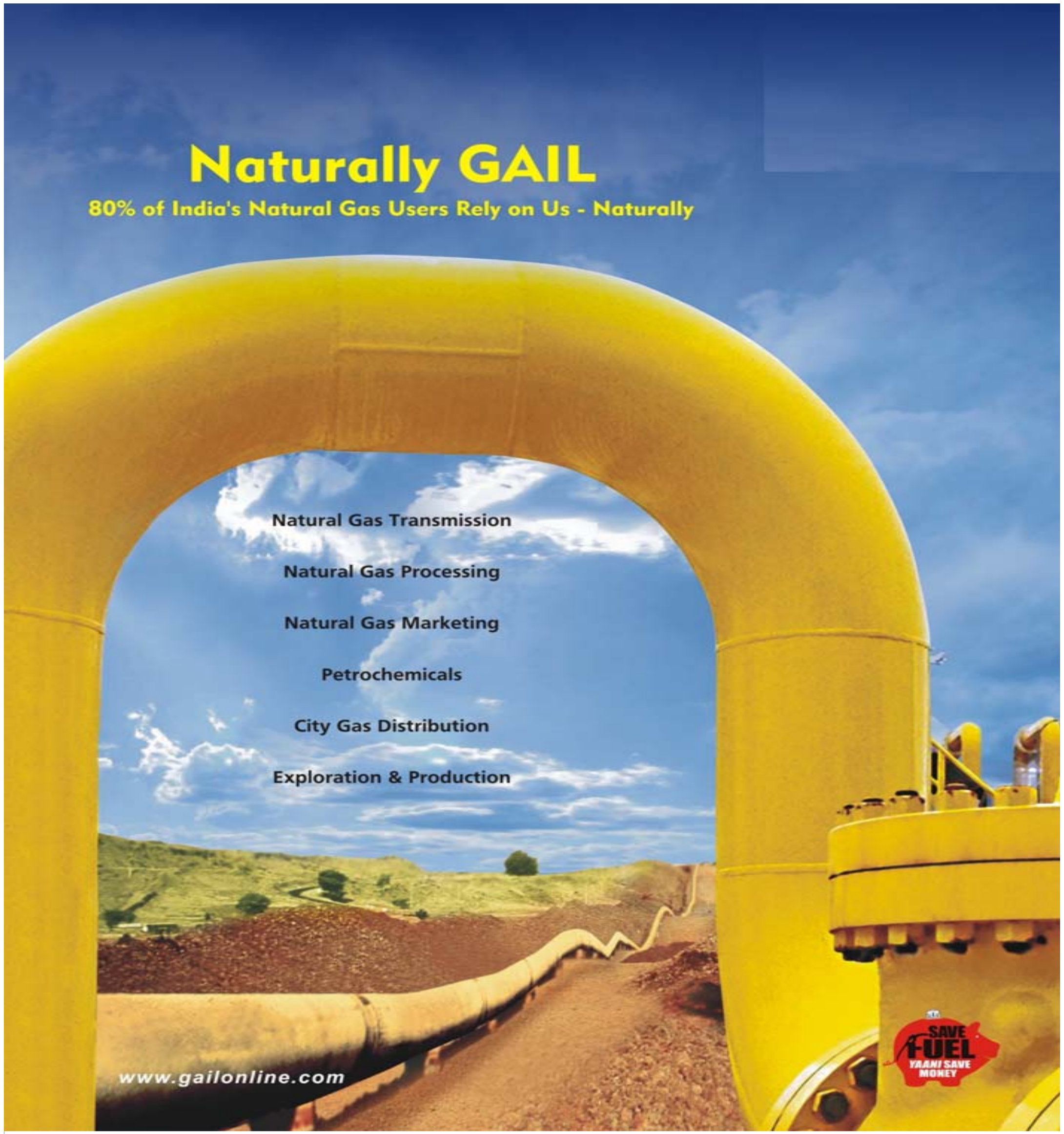
Relatively New Assets

Strong Gas Demand

Large Capex Plans in Place

Dominant Position - Transmission

Naturally GAIL



GAIL (India) Limited

Thank You