

APGDC, GDF SUEZ, Shell and GAIL sign MOUs for the floating LNG terminal in Kakinada, Andhra Pradesh

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New Delhi, January 16, 2015 –Andhra Pradesh Gas Distribution Corporation (APGDC), GDF SUEZ, Shell and GAIL announced that they have signed two separate Memorandums of Understanding (MOUs) for a floating LNG terminal in Kakinada Deep Water Seaport in Kakinada, Andhra Pradesh.

The first MOU is between APGDC, GDF SUEZ and Shell and supports the development of the terminal. APGDC (a JV company between the Government of AP and GAIL), GDF SUEZ and Shell will have 48%, 26% and 26% equity in the project respectively.

The second MOU is between GAIL, GDF SUEZ and Shell and covers both the sourcing of LNG and the marketing of the regasified LNG from the terminal. GAIL, GDF SUEZ and Shell will have 48%, 26% and 26% equity in the project respectively.

The Kakinada LNG terminal will use a state-of-the-art Floating Storage and Regasification Unit (FSRU) with a peak capacity of 5 million tonnes per annum (mtpa) with the provision to double the capacity. The proposed terminal will use high-end technology and will be one of the first of its kind in India. The Kakinada port was found suitable for a project of this nature owing to its availability of a natural break-water in the Hope Island – a barrier that protects against the impact of high seas.

Hon'ble Chief Minister of Andhra Pradesh Shri N Chandrababu Naidu who was witness to the MOU signing said, "I am fully committed to the project and am sure that these domestic and international partners who have come together under this MOU will bring the best expertise, technology and speediness from all over the world to complete the project within 18 months.

About the Kakinada LNG Terminal, he described it as a great opportunity in the development of a project that shall ensure continuous availability of Natural gas. In many countries FSRU based LNG project is the fastest and most cost-effective way to secure energy supply while bolstering the fight against climate change and air pollution. He pointed out that gas is the way to go as it dovetails world's concerns about climate change.

Considering the state and country's need for energy, Shri Naidu stated that opportunities for scaling up are huge. The Chief Minister also suggested that building such partnerships is important to develop projects with advanced technological capabilities.

Speaking on the occasion, the **Hon'ble Minister of State (Independent Charge) for Petroleum & Natural Gas, Mr Dharmendra Pradhan** said, "This project would be a significant boost to our economic churning and development. Such big infrastructure projects will become the beneficiary of two strong leaders both at the centre and state who are committed to support such large projects".

Speaking on the development, **Mr. B C Tripathi, Chairman & Managing Director, GAIL (India) Limited** said that "This is first of its kind LNG Terminal in India and would prove to be an important infrastructure for import of LNG on the eastern coast. Natural Gas is emerging as a significant fuel for economic development of the country and this FSRU based LNG Terminal will surely play a far reaching role in making natural gas available to various consumers in industrial, commercial and domestic sectors."

Speaking about the project, **Dr. Yasmine Hilton, Chairman, Shell Companies in India**, said, “Shell is pleased to contribute to this opportunity with our partners as a LNG terminal in Andhra Pradesh will help meet the energy demand in the region. Natural gas is uniquely positioned to help meet energy and environmental challenges and we are encouraged by the State’s commitment to the project. We are grateful to the Chief Minister for taking this initiative forward.”

Mr. Lucas Hautvast, CEO & President of GDF SUEZ Energy South Asia, Middle East & Africa, said, “GDF SUEZ, as one of the key stakeholders and strategic investors in Petronet LNG – the owner of India’s first LNG terminal – has a long history in the country. Soon after its acquisition of a majority stake in the 1,000 MW Meenakshi coal-fired power project near Krishnapatnam port, the participation in the Kakinada LNG project confirms GDF SUEZ’s confidence in the Indian energy growth potential.

We are excited to be part of the energy infrastructure development story that is taking shape in Andhra Pradesh and are proud to bring our experience in floating LNG to India for this first East coast terminal. We look forward to working with such prestigious partners as APGDC, GAIL and Shell to bring this project to fruition.”

Notes to editors

About APGDC

APGDC has been established as a Joint Venture Company by GoAP (Government of Andhra Pradesh) and GAIL Gas Ltd., with 50% equity each.

The objective of the APGDC is to establish the regional gas pipeline distribution network and to develop city gas distribution in various major cities within the State of Andhra Pradesh and to develop infrastructure for import of Natural Gas in the eastern coast, to make the State of Andhra Pradesh a gas driven economy.

APGDC has been authorized by the regulator M/s PNGRB to lay, build, operate and expand cross country natural gas pipeline from Kakinada to Srikakulam having length of 301 Km for the mainline. The pipeline will cover 4 districts of Andhra Pradesh namely East Godavari, Vishakhapatnam, Vizianagaram and Srikakulam. APGDC is also in the process of obtaining authorisation to lay further pipelines within the state of AP and confident of further expansion in their activities.

About GAIL (India) Limited

GAIL (India) Limited is India’s largest natural gas company having a market share of over 75% in natural gas transmission. 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 in E & P. GAIL has recently acquired its first shale gas assets in the USA through its wholly owned US subsidiary GAIL Global (USA) Inc.

The subsidiary company has executed definitive agreements with Carrizo Oil & Gas Inc. based in Houston, Texas, to enter into an unincorporated joint venture, under which GAIL Global (USA) Inc. will acquire a 20% interest in Carrizo's Eagle Ford Shale acreage position. GAIL has set up a wholly- owned subsidiary company viz. GAIL Global (Singapore) Pte. Ltd. in Singapore.

The Company recorded a Turnover of Rs. 57,245 crore (US \$ 9.5 billion approx.) and Profit After Tax of Rs. 4,375 crore (US \$ 730 million approx.) in the year 2013-14.

GAIL owns and operates around 11,000 Km of high pressure cross country natural gas pipeline network and can handle 210 MMSCMD and is in the process of significantly increasing its pipeline network to reach every part of India.

Within the next two to three years, GAIL will have a pan-India natural pipeline infrastructure spanning over 14,500 km and can handle volumes over 300 MMSCMD GAIL is the owners' Operator of the 5 MTPA LNG Terminal of RGPPL at Dabhol in Western Coast of India and spread a huge network of pipeline network to take natural gas to customers across the country.

About Royal Dutch Shell

Shell is the leading international oil company (IOC) for integrated gas, which comprises LNG and GTL. We hold the largest equity share of LNG capacity among IOCs. Floating LNG is the latest in a line of Shell achievements in developing new technologies for the oil and gas industry, reinforcing our leadership in technology and innovation that adds value.

We have been developing GTL technology since the 1970s, and built the world's first commercial GTL plant in Bintulu, Malaysia in 1993. Since then, we have continued to build on our expertise. In 2011, we started production at the world's largest GTL plant, Pearl, in Qatar.

Shell is one of the largest and most diversified international investors in India's energy sector. It is the only global major to have a fuel retail license in India. Besides being a major private sector supplier of crude, products, chemicals and technology to public/private sector oil companies, Shell also has key interests in lubricants, bitumen and aviation and marine products while operating an LNG receiving and re-gasification terminal, as well as a significant technology centre and a financial business services centre.

About GDF SUEZ

GDF SUEZ develops its businesses (power, natural gas, energy services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: independent power production, liquefied natural gas, renewable energy and energy efficiency services.

In India, GDF SUEZ is present in the electricity and gas value chains, with existing investments in LNG, Power generation, and Infrastructure/Engineering services, and has recently opened its South Asia development office in the National Capital Region of New Delhi.

GDF SUEZ employs 147,400 people worldwide and achieved revenues of €81.3 billion in 2013. The Group is listed on the Paris and Brussels stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20).

For media enquiries, please contact:

GAIL (India) Limited –Vandana Chanana, Executive Director (Corporate Communications)
on vchanana@gail.co.in; Jyoti Kumar, Chief Manager (Corporate Communications) jyotik@gail.co.in

Shell India Markets Pvt. Ltd. – Vikash Mishra, Head Communications on vikash.mishra@shell.com

GDF SUEZ Energy (South Asia) – Brigitte Dierckx, Head Communications
on Brigitte.dierckx@gdfsuez.com

APGDC Limited-- Kapil Kumar Jain, Director (Commercial) on kapilkumarjain@gail.co.in