


Analysts' and Investors' Meet

Mumbai

6th September 2013

Disclaimer

Statements in this presentation may contain forward-looking information concerning Gujarat Gas Company Limited (GGCL)'s strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the sectors or markets in which GGCL operates. Forward-looking statements can sometimes be identified by the use of forward-looking words such as "may," "believe," "will," "expect," "project," "estimate," "should," "anticipate," "plan," "continue," "seek," "pro forma," "potential," "target, " "forecast," or "intend" or other similar words or expressions of the negative thereof and by their nature, involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within GGCL's control or can be predicted by GGCL. Although GGCL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Actual results could differ materially from those set out in the forward-looking statements. For a detailed analysis of the factors that may affect our business, financial performance or results of operations, we urge you to look at the relevant article on Risk Management included in GGCL's Annual Report and Accounts 2012. Nothing in these results should be construed as a profit forecast and no part of these results or this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in GGCL or any other entity, and must not be relied upon in any way in connection with any investment decision. GGCL undertakes no obligation to update or revise any forward-looking statements.

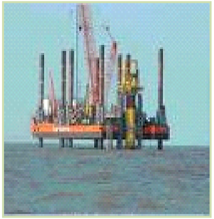
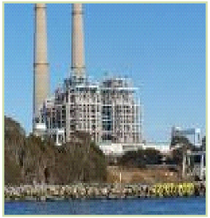
Agenda

About GSPC Group	Performance Highlights
Business Profile	Growth Opportunities
Market fundamentals	People and Community
Gujarat Gas Strategy	Way Forward

About GSPC Group

GUJARAT GAS

Presence across the Energy value chain

Upstream	Midstream			Downstream		Others
						
Exploration & Production	Gas Marketing	LNG Terminal	Gas Transmission	City Gas Distribution & CNG Stations	Power Generation	Others
Domestic: • 53 Blocks in India **International**: • 11 Blocks across 4 countries	• Equity gas • Gas sourced from JV partners & LNG terminals	• GSPC LNG	• GSPL • GITL • GIGL	• GSPC Gas • Sabarmati Gas • **Gujarat Gas**	• Gujarat State Energy Generation • GSPC Pipavav Power Company	• Wind Power • Solar Power • GIPL • Pandit Deendayal Petroleum University

Green: Held Directly or through Unincorporated JVs

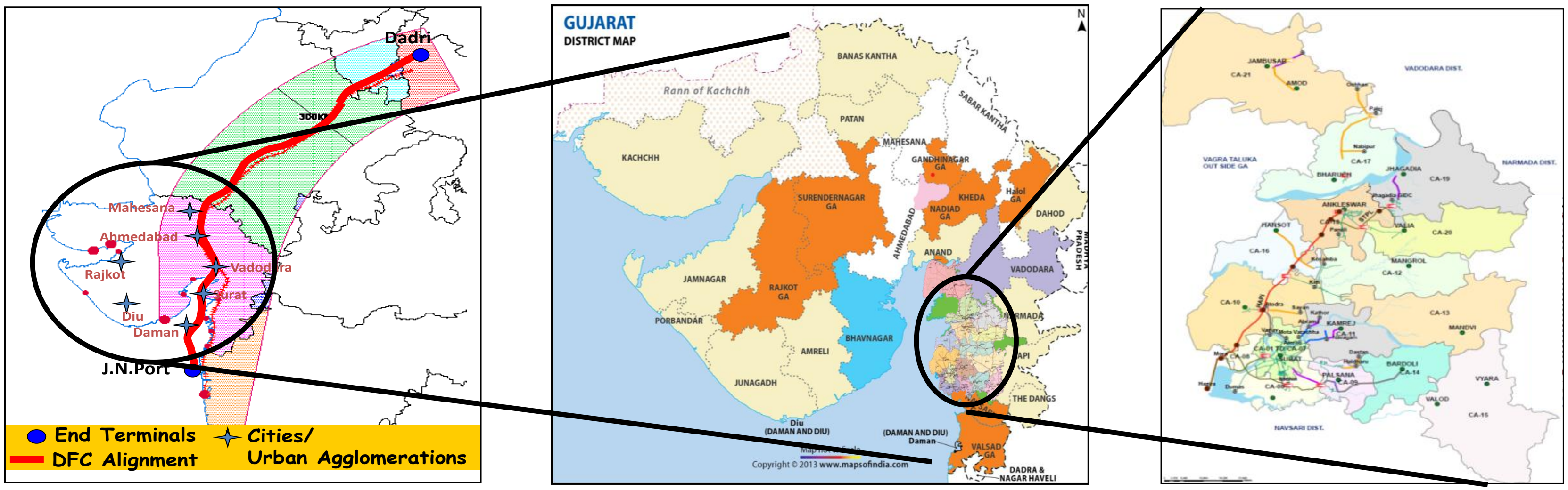
Blue: Subsidiaries or Incorporated JVs

(Source: GSPC)

India's leading integrated energy player

About GSPC Group

Strategic fit in the Group's portfolio

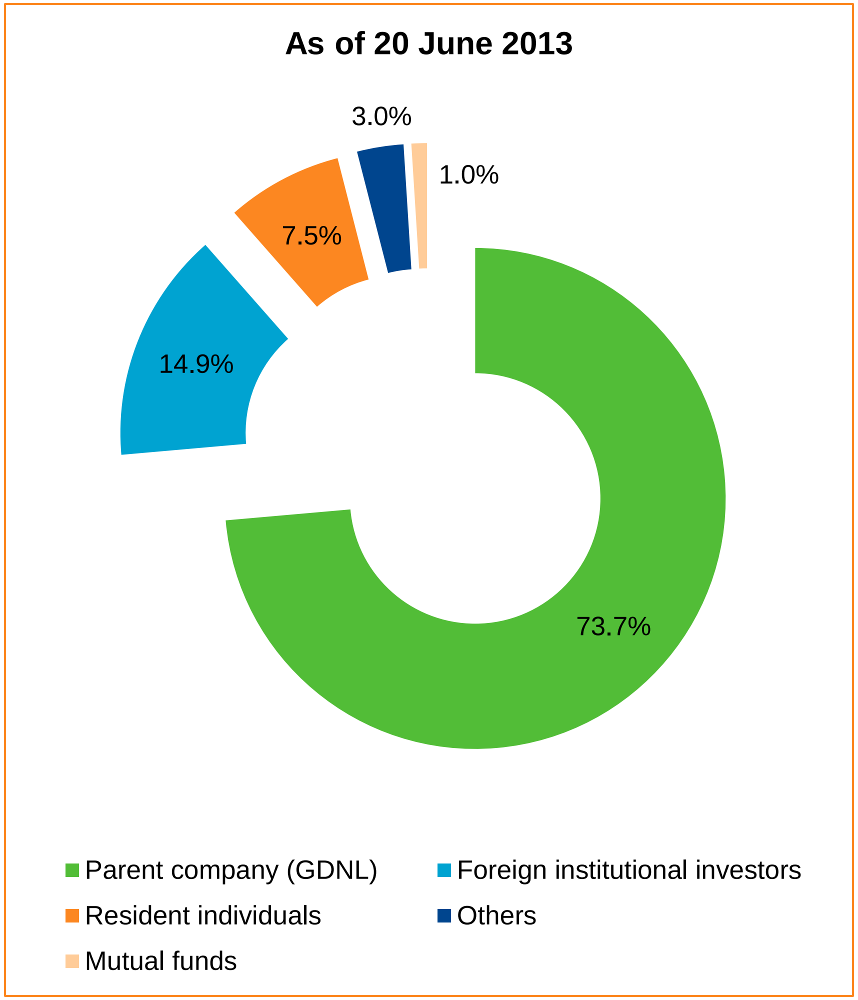


(Map Source: GGCL, DMIC & Maps of India)

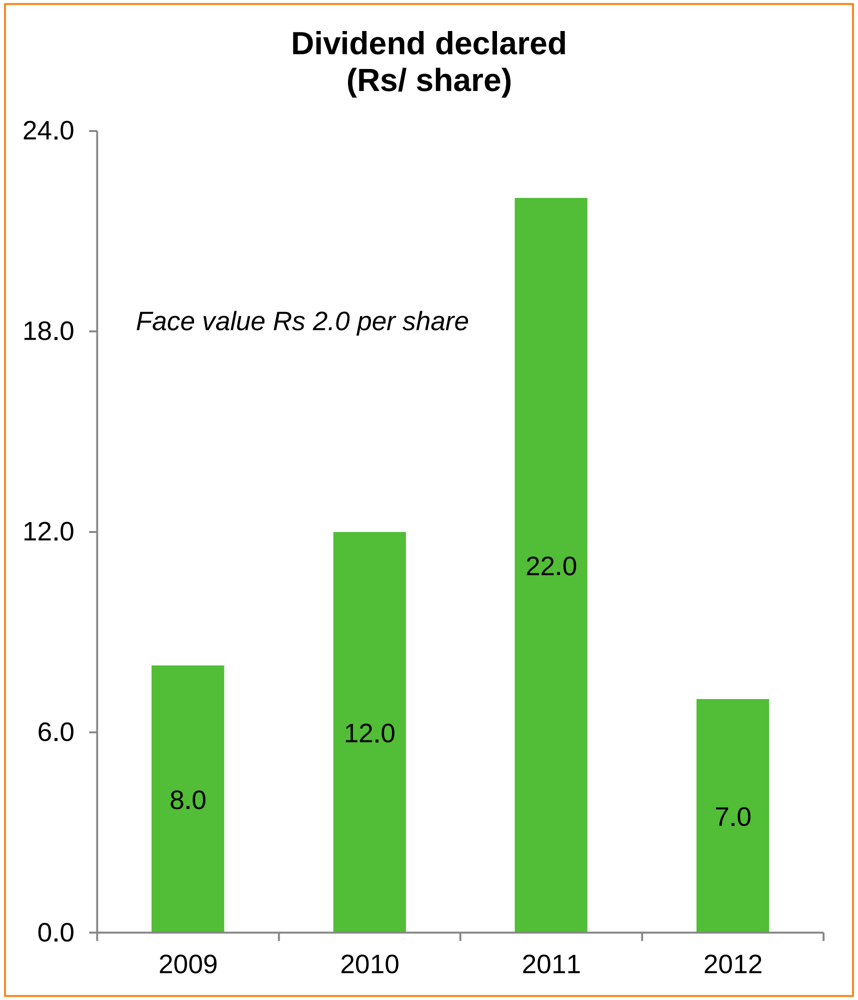
- Strengthens infrastructure presence in Gujarat
- Access key market in the State (Golden Corridor)
- Market for equity gas finds in India
- Retail aggregator for Group's RLNG business
- Leverage Group's pipeline infrastructure to capture new retail markets
- Leverage GGCL's 23 year's operating expertise and safety culture
- Economies of scale (synergy benefits)

Strong addition to the Group's portfolio

Shareholders & dividend payout



(Source: Karvy)



(Source: GGCL)

Strong promoter

Agenda

About GSPC Group

Business Profile

Market fundamentals

Gujarat Gas Strategy

Performance Highlights

Growth Opportunities

People and Community

Way Forward

Regulatory environment

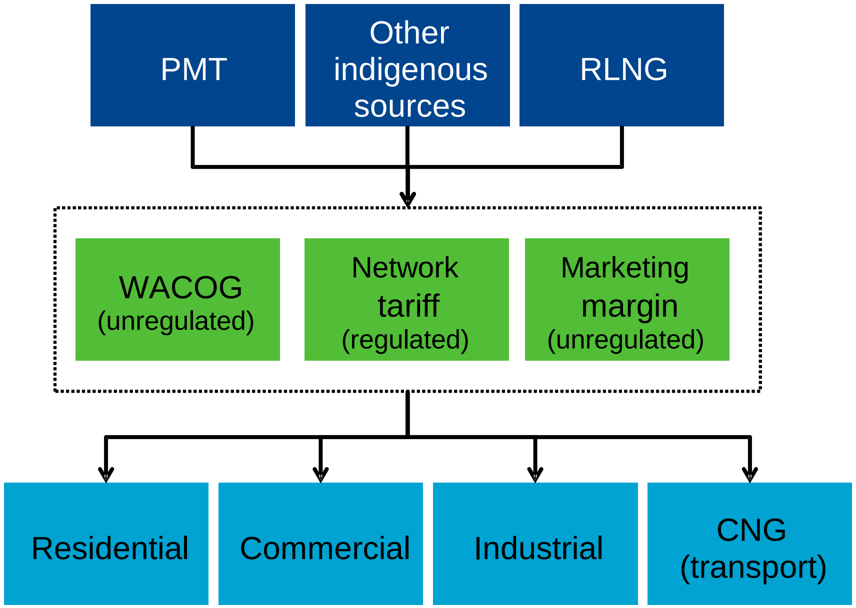
- Surat-Bharuch-Ankleshwar geographic area
  - Authorisation received from PNGRB on 8th November 2012
  - 8,979 sq km area authorised
  - 3 years exclusivity from the purview of common carrier applicable from 8th November 2012 to 7th November 2015
  - Tariff proposal to be submitted to the PNGRB
- 73 km Hazira-Ankleshwar pipeline
  - Authorisation received from the PNGRB on 5th July 2012
  - Tariff proposal submitted to the PNGRB, decision awaited
- Business processes aligned to meet regulatory requirements

High degree of engagement with the PNGRB

Business profile

Strong business model

- Leading player in the industry
- Active gas supply portfolio management
  - Multiple source gas portfolio
  - 95% gas sourced at market prices
  - Easy access to RLNG
- Volume-value optimisation
  - Diverse customer mix with different applications and alternate fuels
  - Operations in a highly industrialised and energy intensive zone
- Robust credit risk management
- Strong capital efficiencies
- Opportunities for growth

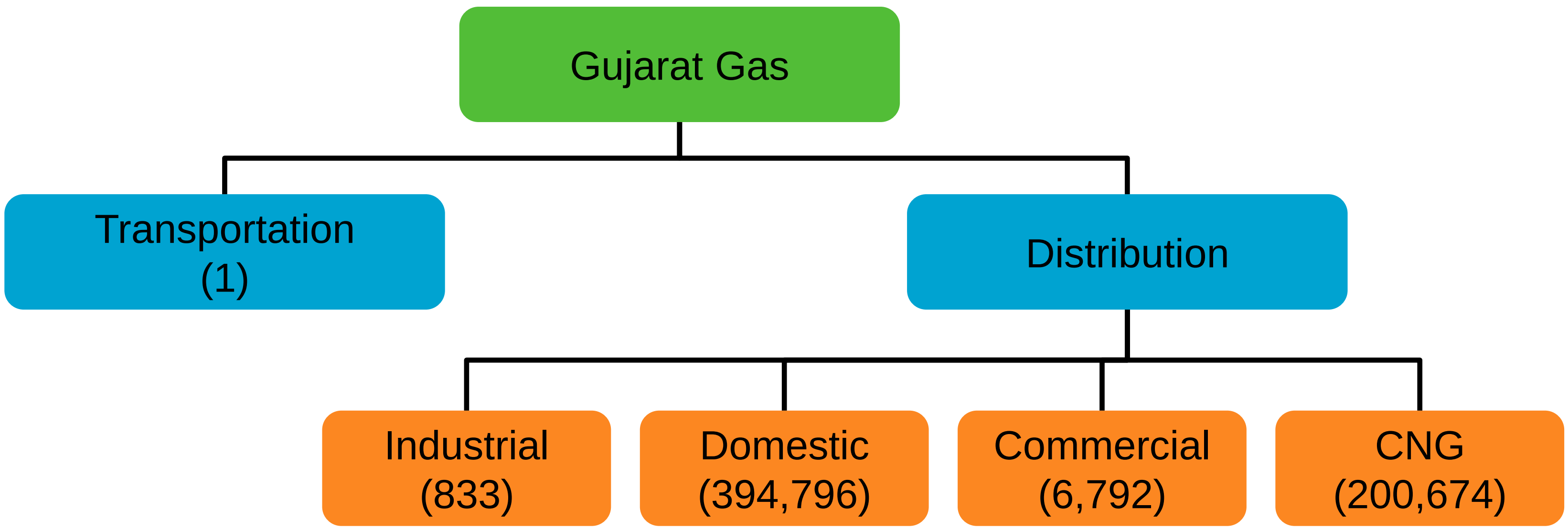


(Source: GGCL)

Retail aggregator model

Customer profile (as of 30 June 2013)

GUJARAT GAS



73 km (18”) Transmission Pipeline

4,628 km Distribution Pipelines

11 City Gate Stations

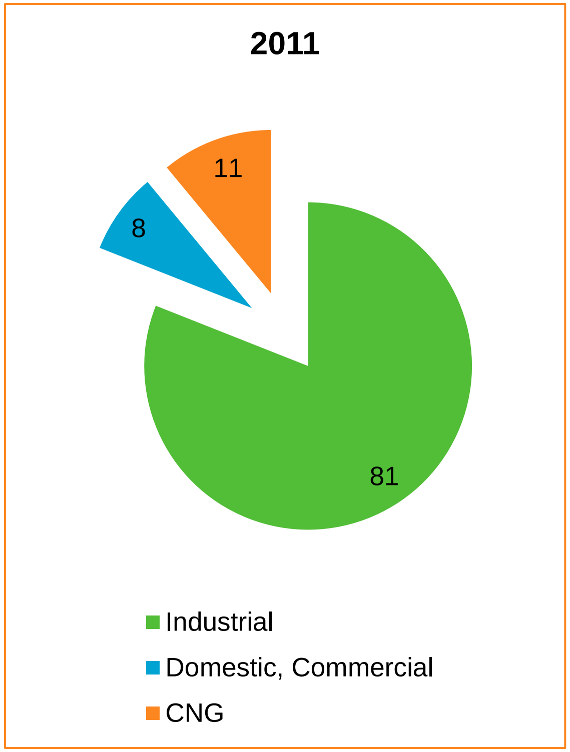
56 CNG Stations

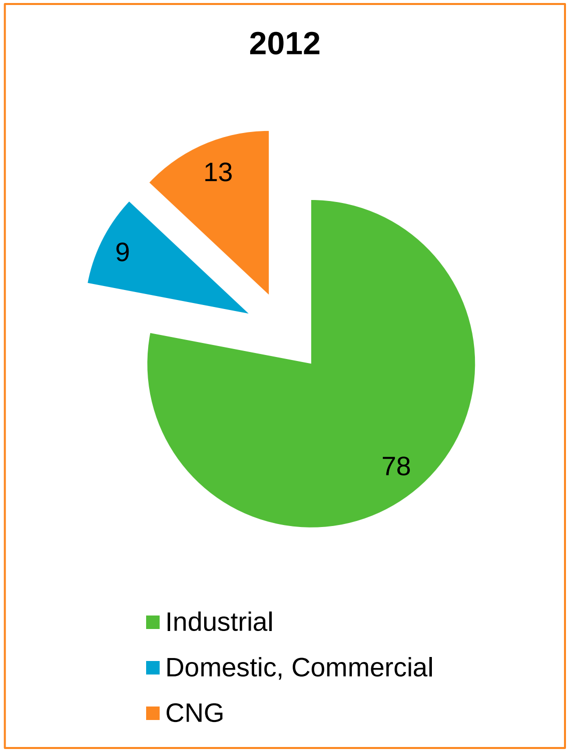
(Source: GGCL)

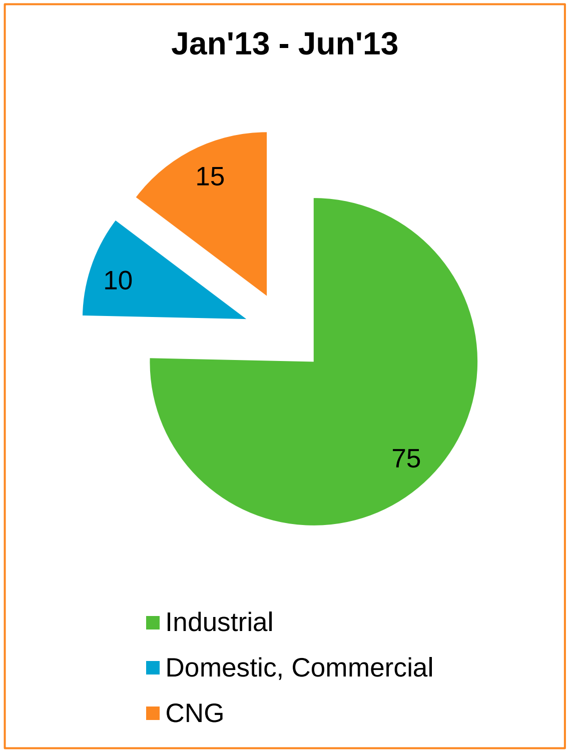
Added more than c.34,600 households and c.23,400 vehicles during 2012

Business profile

Sales mix by volume (%)





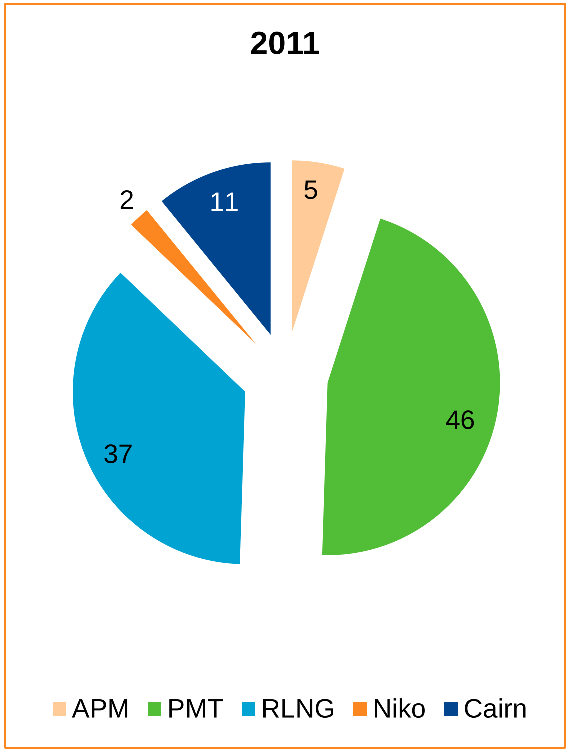


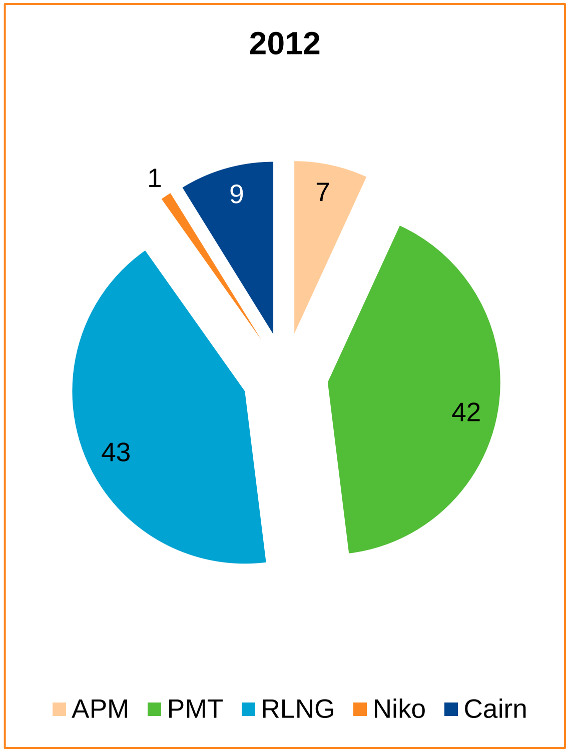
(Source: GGCL)

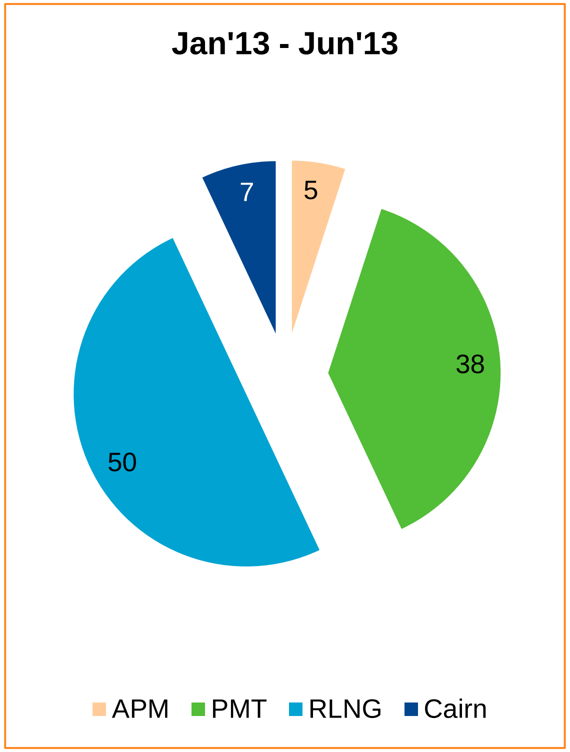
Balanced customer mix

Business profile

Gas sourcing mix by volume (%)





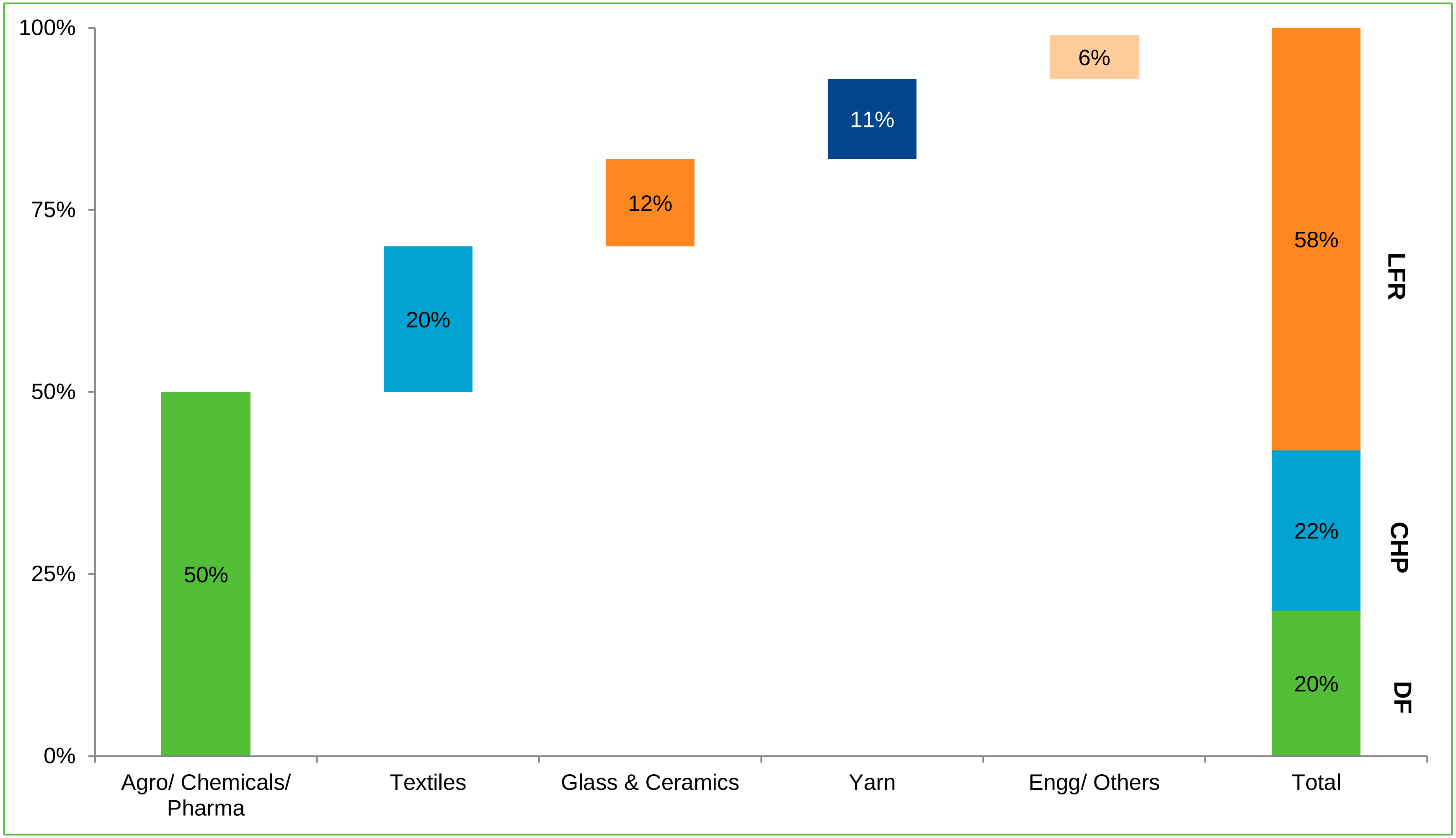


(Source: GGCL)

Increasing proportion of RLNG in supply mix

Business profile

Profile of industrial customers



LFR : Liquid Fuel Replacement **CHP** : Combined Heat and Power **DF** : Direct Firing

(Source: GGCL)

Agenda

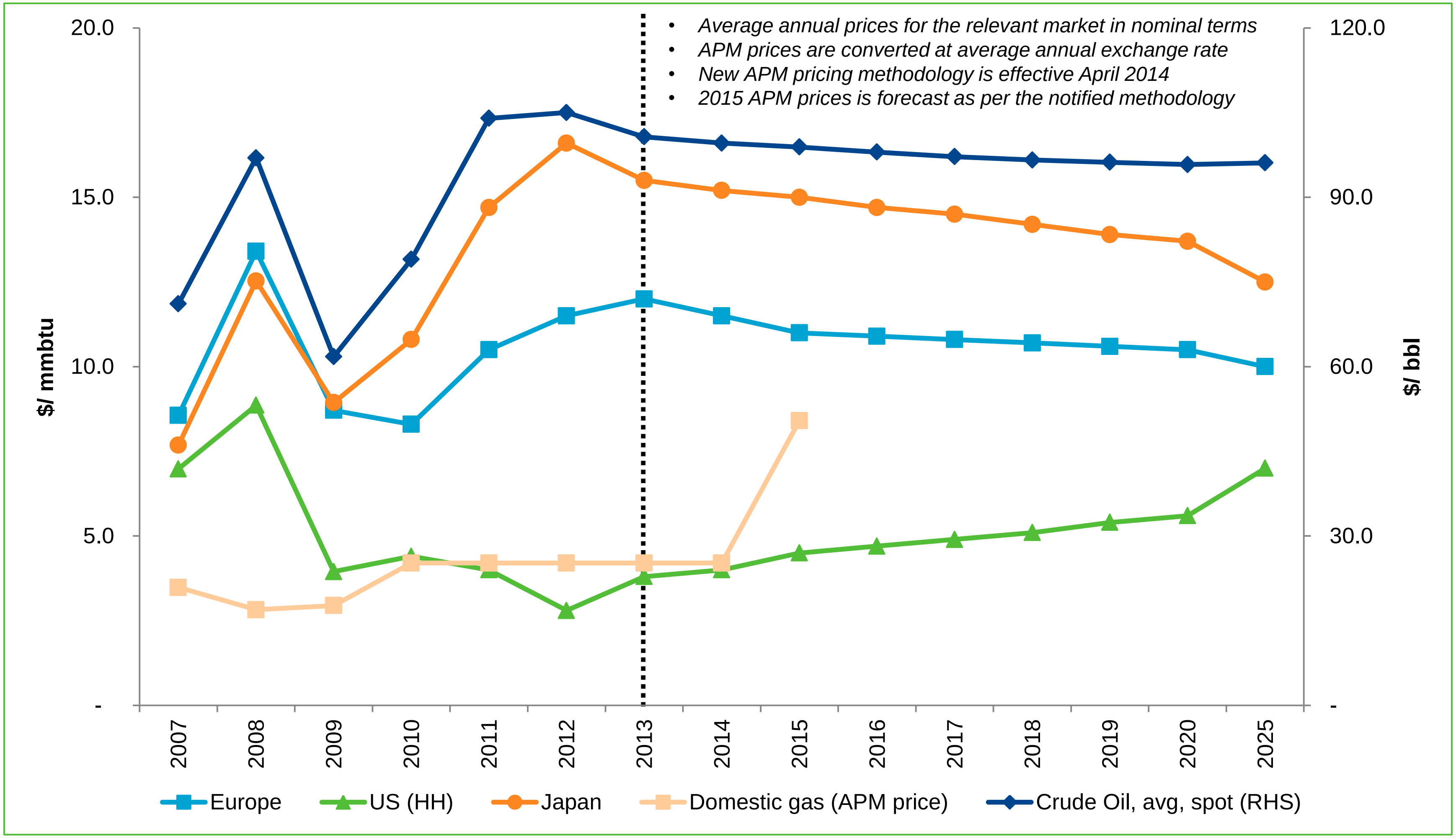
GUJARAT GAS

- About GSPC Group
- Business Profile
- **Market fundamentals**
- Gujarat Gas Strategy
- Performance Highlights
- Growth Opportunities
- People and Community
- Way Forward

Market fundamentals

Global oil & gas price forecast

GUJARAT GAS

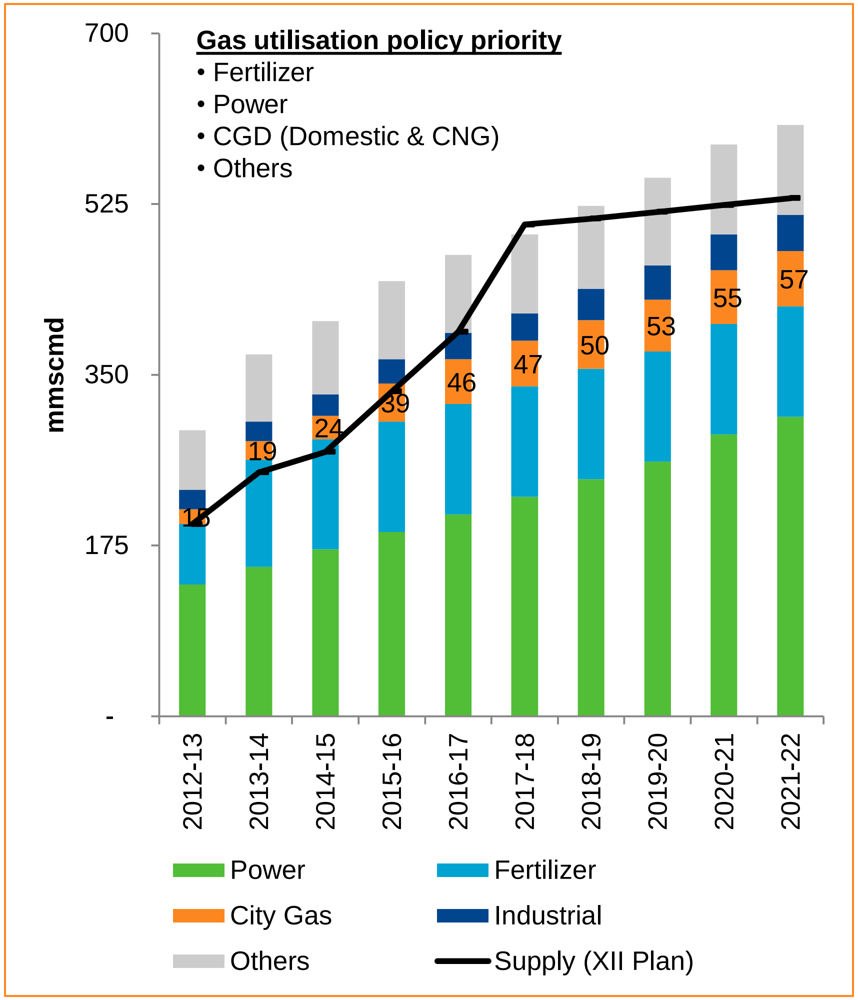


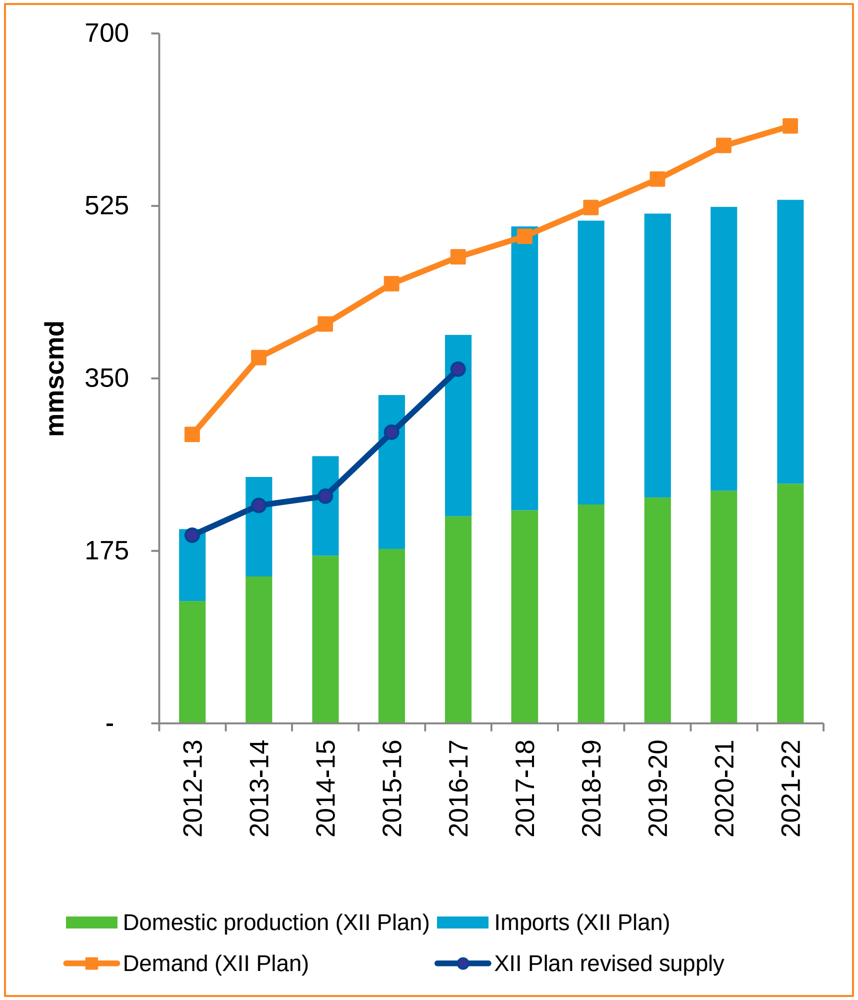
(Source: Global Economic Prospects, Commodity Markets Outlook, July 2013; World Bank)

1. Over the longer term, prices in real terms are expected to fall
2. Shale gas supplies will determine coupling of regional natural gas prices

Market fundamentals
India supply-demand forecast

GUJARAT GAS





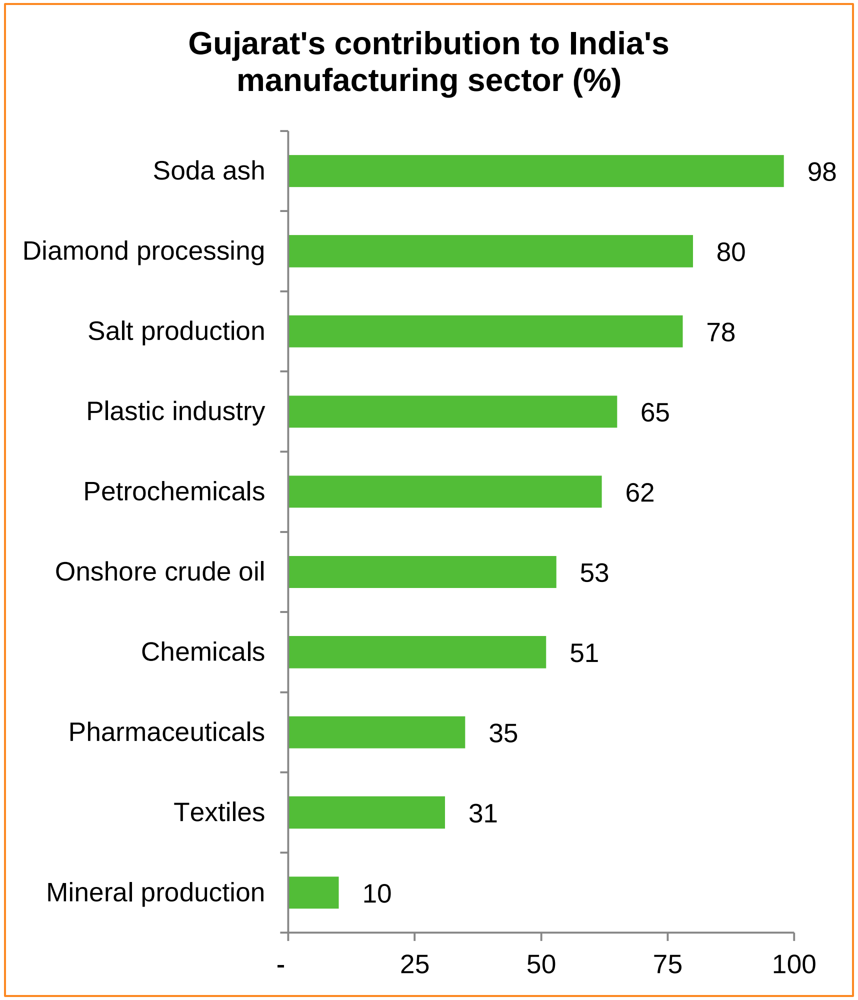
(Source: MoPNG XII Plan; Nov'11 & Mar'12 & US EIA; Jul'2013)

1. Demand outgrowing supply; 2. CGD demand on low priority in gas allocation policy;
3. Increasing RLNG in supply mix; 4. LNG/ Transportation infrastructure growth to impact new supply

Market fundamentals

Gujarat – where we operate

GUJARAT GAS



(Source : Govt. of Gujarat)

- Remarkable and sustainable growth
  - One of the leading industrialised states in India
  - 83 industrial clusters and estates
- "Hydrocarbon capital" of India
  - Statewide gas grid under development, large areas covered
  - Hosts two operating LNG terminals
  - Landfall point for majority of gas in India
- Surat-Bharuch districts
  - Investments planned in the region as part of Vibrant Gujarat summit
  - Part of Golden Industrial Corridor

Agenda

GUJARAT GAS

About GSPC Group	Performance Highlights
Business Profile	Growth Opportunities
Market fundamentals	People and Community
Gujarat Gas Strategy	Way Forward

Gujarat Gas strategy

Market context

* Low priority in gas supply allocation for CGD
* Large geographic area authorised; 8,979 sqkm
* State focus on gas infrastructure development

* Existing domestic gas allocation (APM & PMT)
* Declining indigenous supplies

* Increasing RLNG in supply mix
* Rupee depreciation

* Impact of overall economic slowdown
* Tighter pollution norms, overcapacity
* Potential of DMIC/ Freight corridor

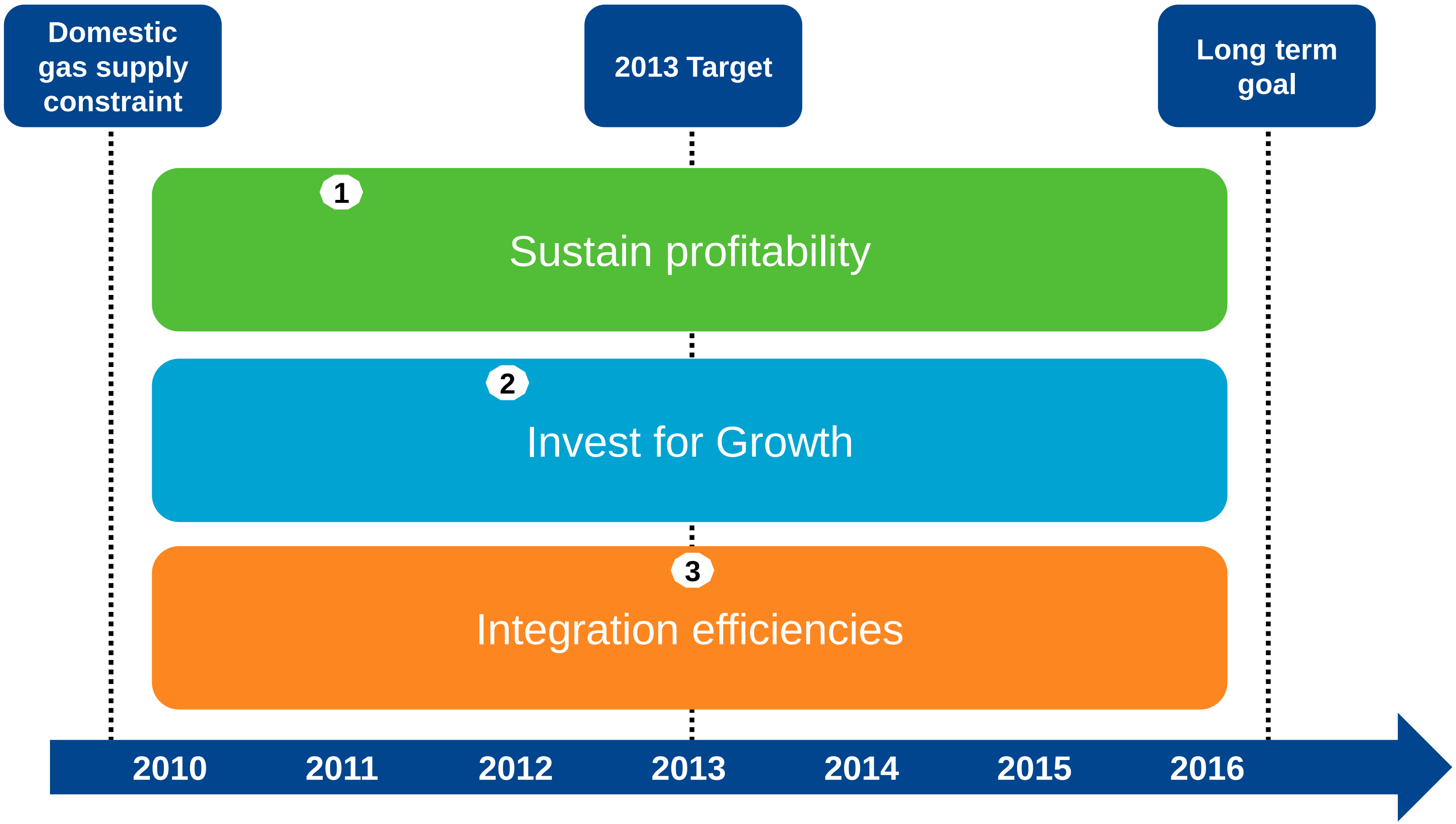
* Expansion of Surat city
* Growth in residential and commercial projects
* Sustained vehicular growth

* Untapped organic potential in operating area
* New bid opportunities
* Synergy benefits

Strategy: Network extension for future growth while sustaining profitability in the near term

Gujarat Gas Strategy

GUJARAT GAS



Grow shareholder value

Gujarat Gas strategy

Strategic plan and deliverables

GUJARAT GAS

1 Sustain profitability | Invest for growth | Integration efficiencies

Focus on valuable segments | Optimum supply portfolio | Manage costs | Strong balance sheet | Organic growth | New bid opportunity | Leverage Group strengths | Synergy benefits

- Focus on valuable segments
  - Aggressively pursue new industrial & commercial loads in viable segments
  - Expand CNG station infrastructure in the operating area
  - Monitor price head room
- Optimum supply portfolio
  - Multi source portfolio to improve supply security
  - Actively manage supply portfolio
- Manage costs
  - Objectives set up by the Management
  - Performance milestones based deliverables monitoring

Strategic plan and deliverables

Sustain profitability				2 Invest for growth		Integration efficiencies	
Focus on valuable segments	Optimum supply portfolio	Manage costs	Strong balance sheet	Organic growth	New bid opportunity	Leverage Group strengths	Synergy benefits

- Organic growth
  - Tap unconnected zones in the operating area
  - Integrated expansion model with Industrial/ CNG as anchor load
  - Strict investment discipline
- New bid opportunity
  - New geographic area addition via PNGRB bid route (already participated in 3rd bid round)
  - Project selection based on robust techno-economic criteria

Strategic plan and deliverables

GUJARAT GAS

Sustain profitability				Invest for growth		3 Integration efficiencies	
Focus on valuable segments	Optimum supply portfolio	Manage costs	Strong balance sheet	Organic growth	New bid opportunity	Leverage Group strengths	Synergy benefits

- Leverage Group strengths
  - Leading player in the State
  - Expertise across the value chain
  - Large player in RLNG market
  - Support from the State/ Local Government for attracting gas intensive industries
- Synergy benefits
  - Leverage GSPC Group pipeline infrastructure across the country
  - Process and cost efficiencies

Agenda

About GSPC Group

Business Profile

Market fundamentals

Gujarat Gas Strategy

Performance Highlights

Growth Opportunities

People and Community

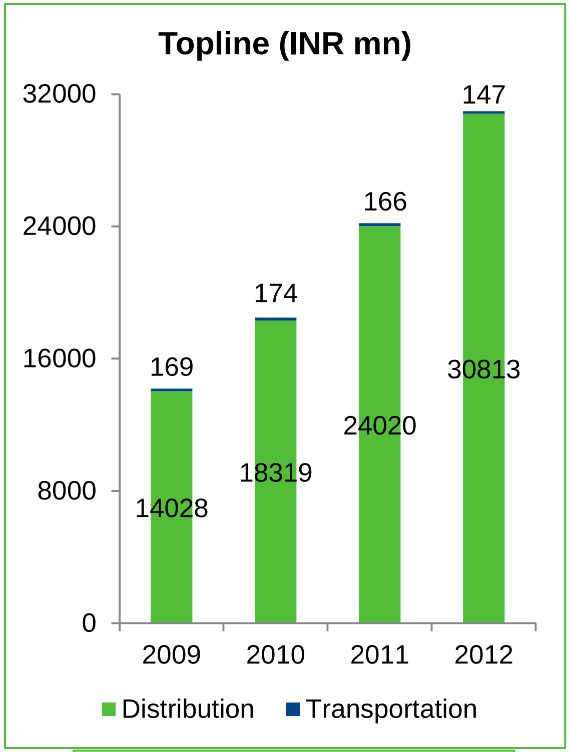
Way Forward

Performance Highlights

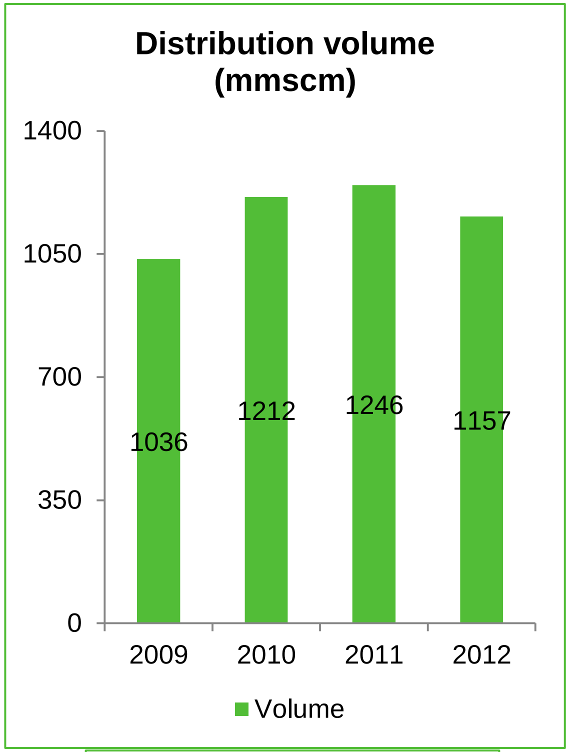
Key determinants - 2012

- Successful execution of strategy of sustaining profitability while investing in growth
  - PAT Increased to Rs 2,885 million (+5%) despite churn in Industrial volume
  - Invested Rs 1,217 million in network extension
    - 59 Kms of steel pipeline, net 11 CNG stations addition, 34,600 residential and 23,400 vehicles connected to gas
- Gas supply
  - Higher share of RLNG in the supply portfolio
  - Declining supplies from other indigenous sources
- Higher cost of gas passed on to customers
- Focused on growing high value markets
  - New industrial volumes 0.25 mmscmd commissioned

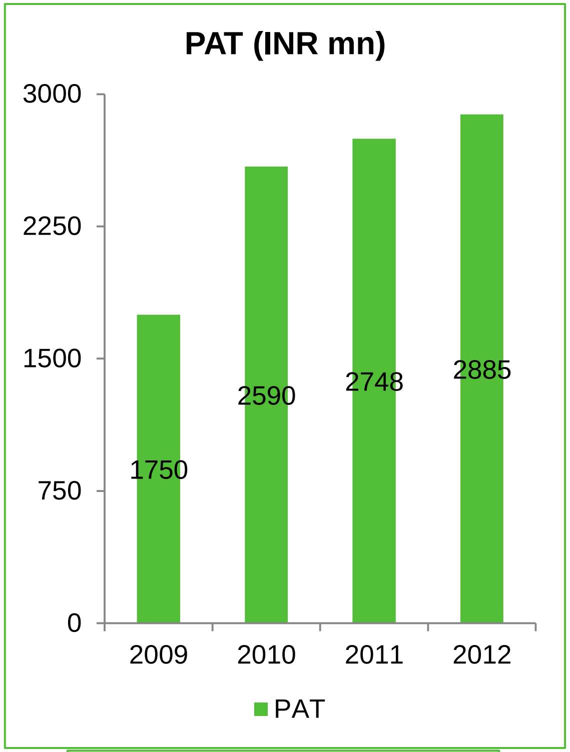
Performance Highlights
Highlights – 2012



- 2009-2012 CAGR: 29.7%
  - 2012 v. 2011: 28.0%



- 2009-2012 CAGR 3.8%
  - 2012 v. 2011: (7.1%)



- 2009-2012 CAGR 18.1%
  - 2012 v. 2011: 5.0%

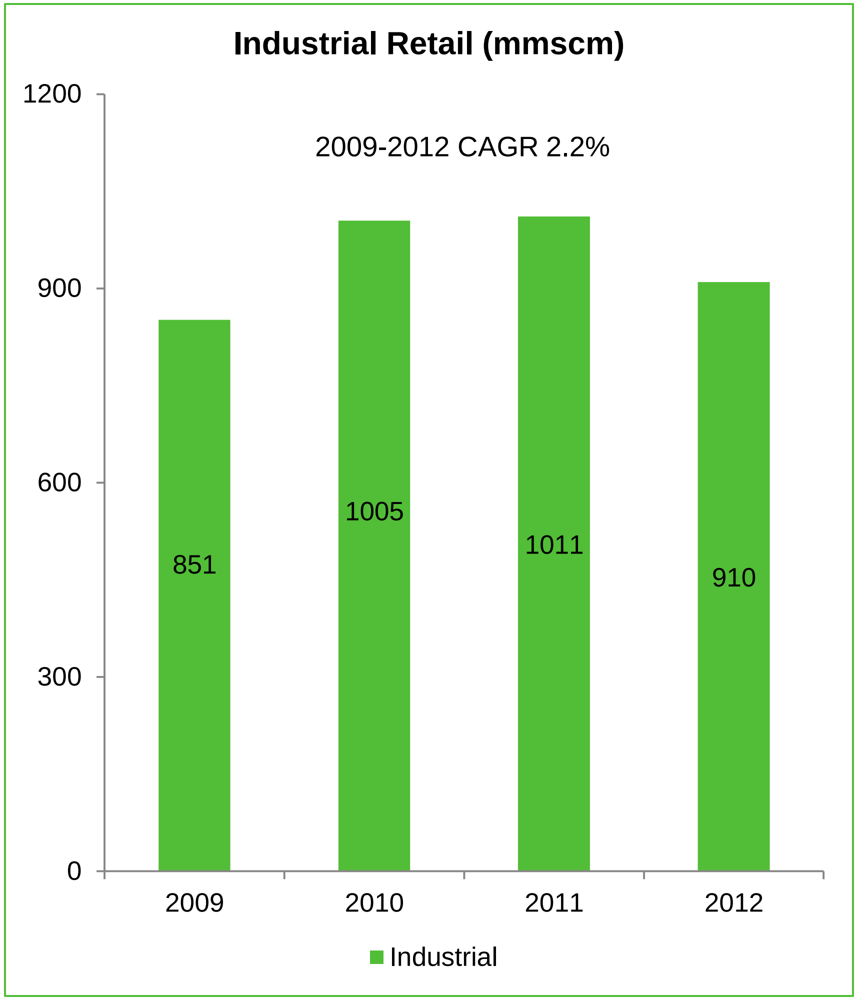
(Source: GGCL)

Strong performance

Performance Highlights

Industrial retail - 2012

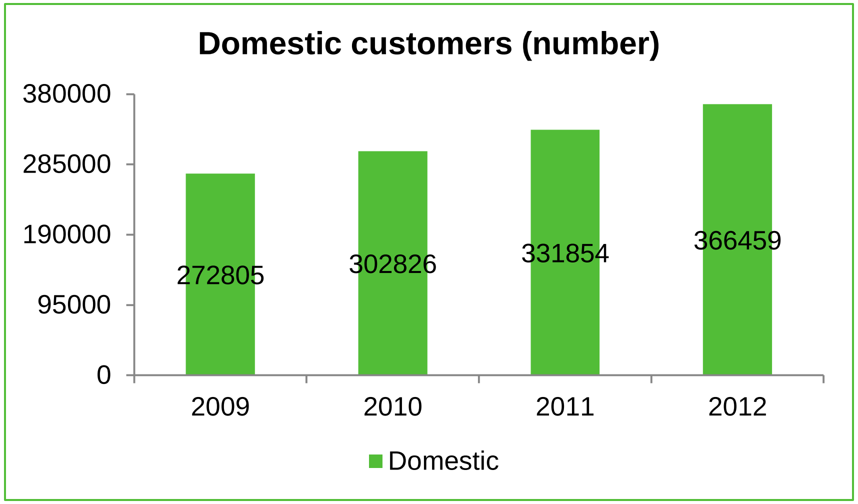
- c.80% by volume mix
- Growth in liquid fuel replacement applications
- Churn in non-viable segments
- Revised prices in Jan'12 by 25%; Apr'12 by 7% and Jul'12 by 9%
- Customer segmentation to access high value markets
- Long term potential from DMIC/ Vibrant Gujarat/ Freight corridor investments

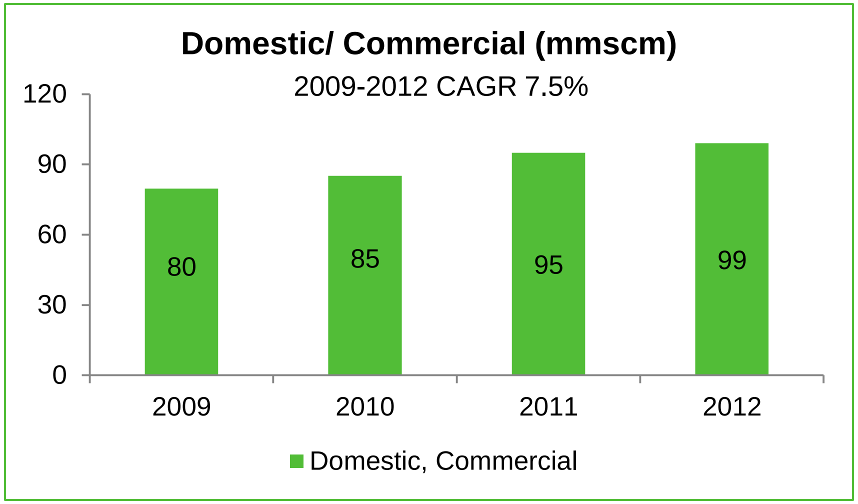


(Source: GGCL)

Industrial customers dominate market portfolio

Domestic/ Commercial - 2012



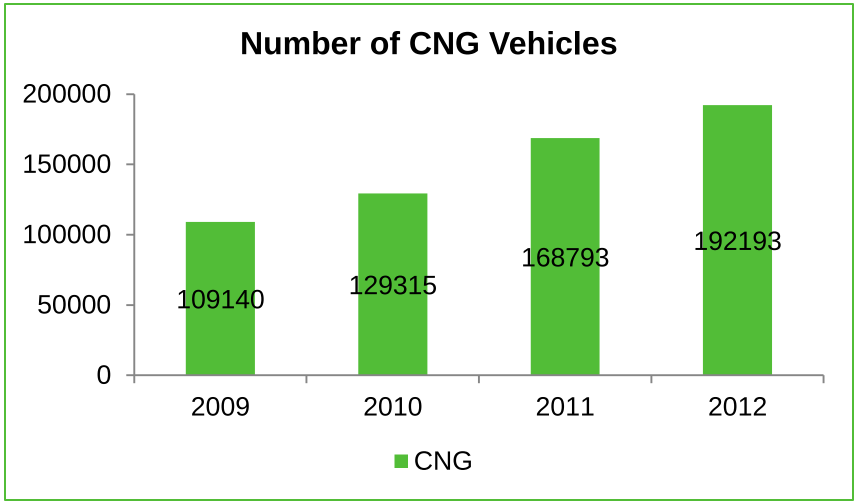


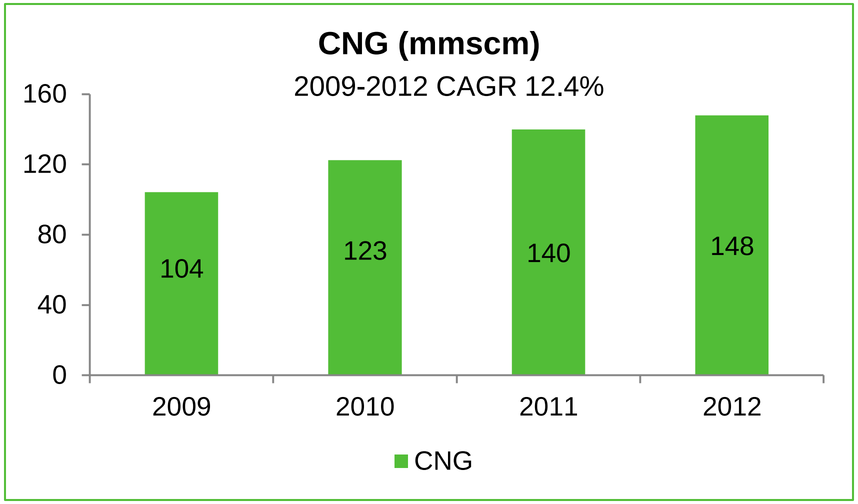
(Source: GGCL)

- Growth in Surat city as well as periphery areas
- Capture of customers in new residential/ building projects
- Revised domestic prices in May’12 by 22%
- Revised commercial prices in May’12 by 30%

Robust growth

Performance Highlights
CNG - 2012



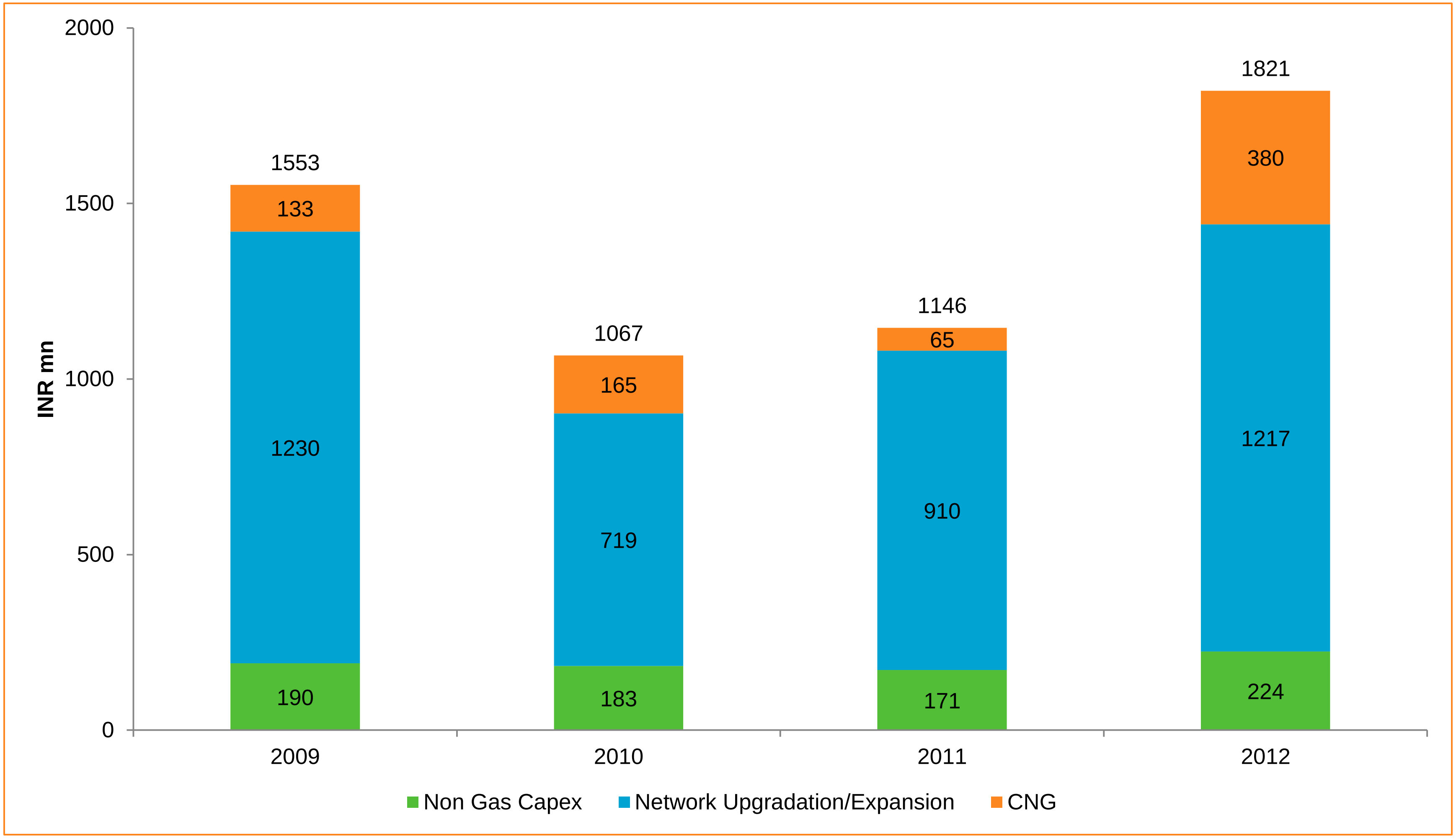


(Source: GGCL)

- Growth in CNG vehicle by c.14%
- Strong infrastructure growth; net addition 11 CNG retail outlets
- Revised prices in Mar'12 by 4%; Apr'12 by 11% and Jun'12 by 4%

Robust growth

Capex



(Source: GGCL)

Highlights – Jan’13 to Jun’13

- Revenue
  - Distribution: INR 15,122 million
  - Transportation: INR 70 million
- Volume
  - 503 mmscm
- PAT
  - INR 1,601 million

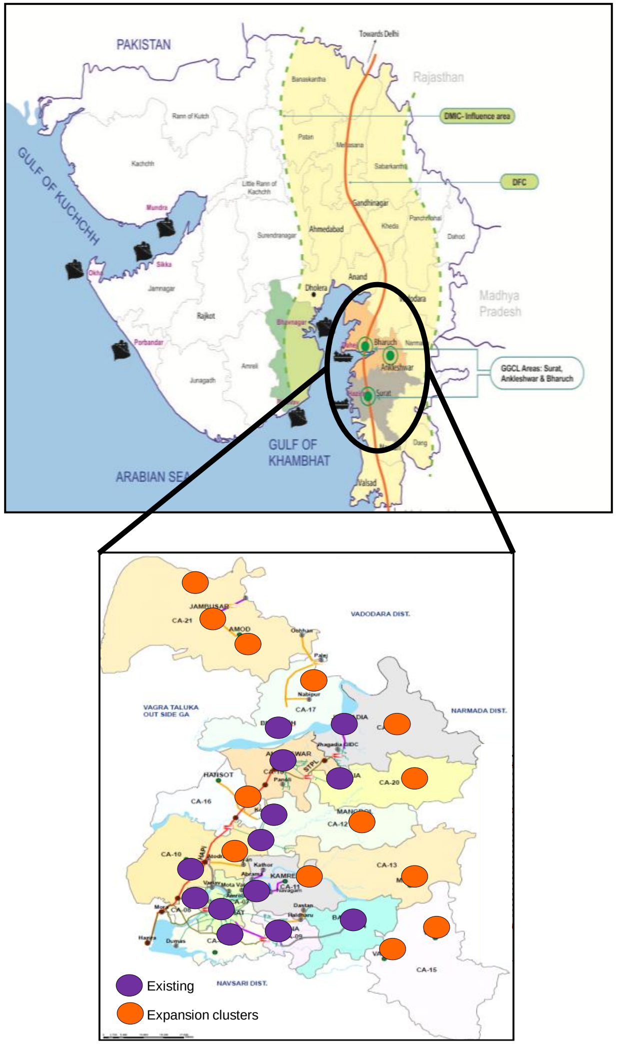
Strong performance continues

Agenda

- About GSPC Group
- Business Profile
- Market fundamentals
- Gujarat Gas Strategy
- Performance Highlights
- **Growth Opportunities**
- People and Community
- Way Forward

Growth opportunities
Organic Growth

- Integrated cluster based expansion model
  - Anchored by Industry/CNG station
  - Aggressively tap viable segments
  - Expand CNG infrastructure to cover major towns/ villages/ road junction
  - New volume growth from Government industrialisation efforts (Vibrant Gujarat, DMIC/ Freight corridor)
  - Expand along growth of Surat city
- Leverage GSPC Group pipeline infrastructure to optimise expansion costs



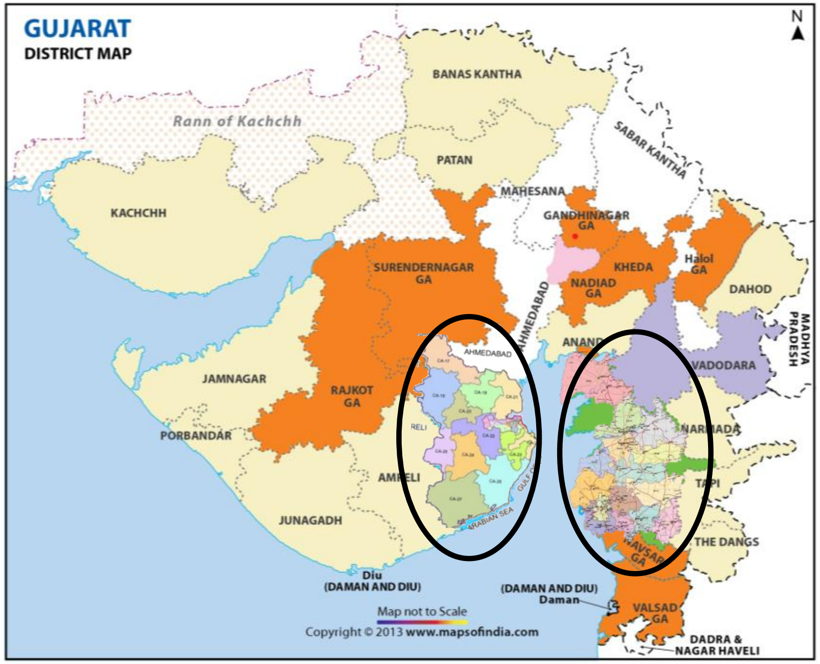
* Map: Indicative, not to scale (Source: GGCL)

Increase presence in operating area

Growth opportunities

CGD bid - Bhavnagar

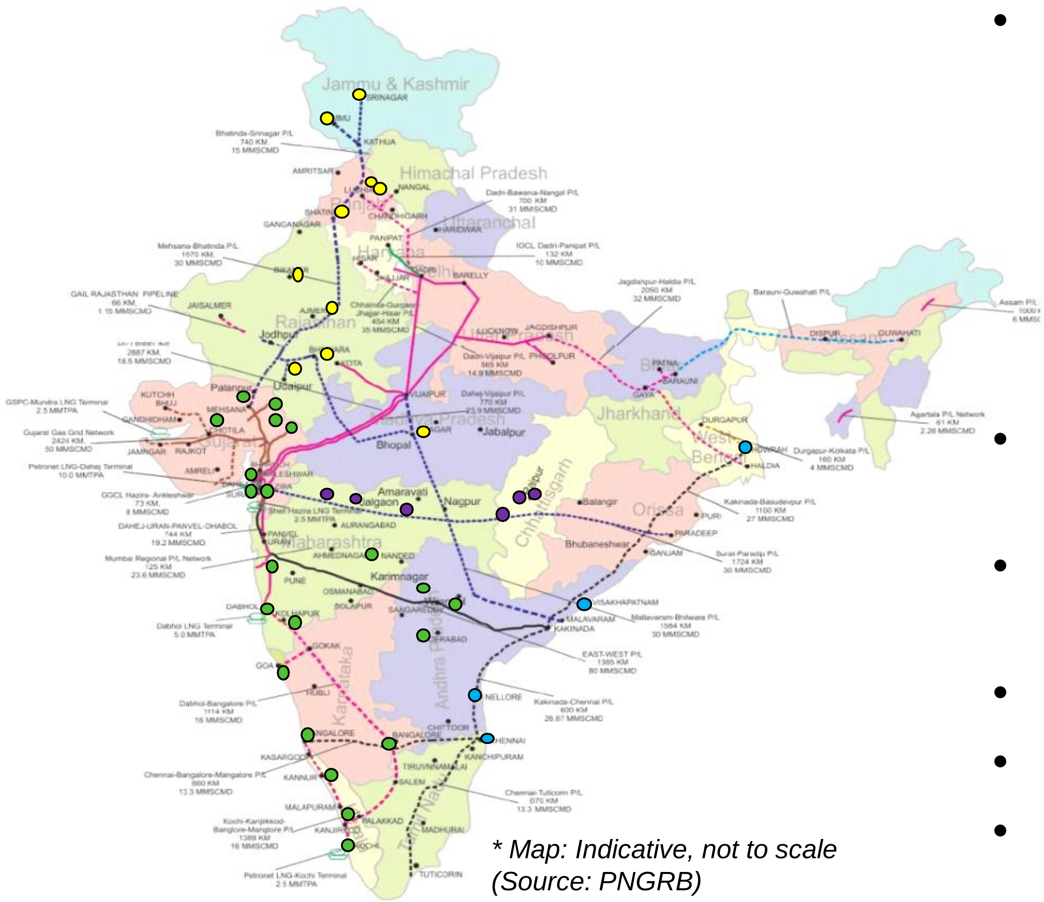
- Third round of CGD bidding conducted by PNGRB in 2011
  - 7 Geographic Areas bid out
- **GGCL has bid for Bhavnagar district**
  - Material near-term growth opportunity
  - Synergies with existing business
    - Proximity
    - Financial
    - People
    - Contractors
- Bid evaluation underway; decision on 3rd round imminent



** Map: Indicative, not to scale (Source: GGCL)*

Growth Opportunities

Mid-long term



** Map: Indicative, not to scale*
(Source: PNGRB)

- Participate in PNGRB bid rounds
  - PNGRB has identified c.300 new geographic areas
  - New bid regulations approved by the PNGRB, to be notified shortly
  - 5-8 geographic areas expected per bid round, likely to be on district concept
  - Leverage 3rd bid round experience
- Robust techno-economic screening criteria
- Transportation pipeline connectivity key driver
- Strict investment discipline
- Strategic partnership options
- Value added services

Agenda

GUJARAT GAS

- About GSPC Group
- Market fundamentals
- Business Profile
- Gujarat Gas Strategy
- Performance Highlights
- **People and Community**
- Growth Opportunities
- Way Forward

Building a strong HR base

- Smooth transition from BG Group to GSPC Group
- Strength in technical and commercial expertise
- Strong HSSE and governance culture
- HR aligned to business strategy
- Building capabilities and capacities
- Promoting culture of execution and meritocracy
- Industry benchmarked People processes

Focus on talent management to meet current and future growth

Safety initiatives

GUJARAT GAS

- Focus area
  - Leadership driving safety
  - Monthly Safety Campaigns on critical areas
  - Third Party Damage prevention – safer business
  - Contractor engagement
  - Crisis management exercise

Third party damage prevention workshop

Tool box talk before work commencement

Sharing lifesavers message with workmen

Crisis management mock drill

(Photo source: GGCL)

Goal of “Zero Injuries”

Social investments

GUJARAT GAS

- CSR Strategy
  - Targeted CSR activities to build goodwill, reputation and aid business delivery
  - Projects based on social needs in GGCL area of operation
  - Focus on sustainable projects
  - GGCL monitors progress and social impact

- Focus area
  - Education
  - Health & Safety
  - Vocational/ skill development training
  - Community development & livelihood
  - Environment

(Photo source: GGCL)

BEFORE

AFTER

Agenda

GUJARAT GAS

- About GSPC Group
- Business Profile
- Market fundamentals
- Gujarat Gas Strategy
- Performance Highlights
- Growth Opportunities
- People and Community
- **Way Forward**

Way forward

GUJARAT GAS

- Smooth ownership transition
- Robust strategy: **Network extension for growth while sustaining profitability**
- RLNG to remain a significant portion of the sourcing portfolio
- Robust business model, capable resources, processes
  - Optimisation between value and volume
  - Focus on high value market segments
  - Active management of gas sourcing portfolio and cost
  - Continue organic growth to capture untapped potential in the operating area
  - Committed to high quality of customer service and regulatory standards
  - Continue high focus on safety and asset integrity
- Bid for new area as part of a strategy of geographic expansion
- Leverage GSPC Group strengths and capture synergy benefits

Thank you for
your attention

Q&A Session