

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:469
ANSWERED ON:24.11.2011
ACQUISITION BY GAIL
Ponnam Shri Prabhakar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Gas Authority of India Limited (GAIL) has acquired 20 per cent stake in Carrizo Oil and Gas's Eagle Ford Shale acreage in the US;
- (b) if so, the details thereof; and
- (c) the benefits likely to be accrued to GAIL through such transaction?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI S. JAIPAL REDDY)

(a): Yes, Sir.

(b): During September 2011, GAIL has formed an unincorporated joint venture with Carrizo Oil & Gas Inc. ('Carrizo'), a NASDAQ (CRZO) listed company based in Houston, Texas to acquire 20% interest in Carrizo's offered acreage in Eagle Ford Shale. The Joint Venture will have over 20,000 gross acres. GAIL has formed a wholly-owned subsidiary, GAIL Global (USA) Inc. in Texas, USA to acquire the Shale gas assets. Carrizo will continue to function as the operator for the joint venture. The transaction is valued at US\$ 95 million. The asset is currently producing from 8 wells and the overall future development would comprise around 130 wells.

(c): Through this transaction, GAIL shall be able to:

- (i) augment its technical know-how in Shale gas. Carrizo has agreed to partner GAIL in opportunities in unconventional gas in India as well as third countries.
- (ii) achieve transfer of knowledge, via a working interest position and from secondees to Carrizo.
- (iii) gain foothold in North America for exploring other opportunities.
- (iv) provide early revenue generation as the asset is producing in nature.