

Gas Production Starts from Dhirubhai 1 and 3 Discoveries in the KG-D6 Block

~In a record time of six and a half years, as against world average of 9-10 years for similar deepwater facilities ~

~ Will transform India's energy landscape and is expected to double the current level of indigenous gas production ~

~ One of the World's largest Deepwater Production Facilities ~

~ RIL joins elite league of Global Deepwater Oil and Gas operators ~

Gadimoga, April 2, 2009: Reliance Industries Limited (RIL) commenced production of gas from the Dhirubhai 1 and 3 discoveries of the KG-D6 block in the Krishna Godavari Basin, located off the East Coast of India, in the Bay of Bengal. The gas from offshore is being received at its world class onshore facility at Gadimoga, a small village in the East Godavari district of Andhra Pradesh and delivered to the East West Pipeline of Reliance Gas Transportation Infrastructure Ltd. (RGTIL). With this, RIL has commissioned one of the world's largest deepwater production facility in the same block in which RIL already discovered oil reserves (Dhirubhai - 26) and commissioned trial production earlier.

At peak production of oil & gas, the KG-D6 facility is expected to produce over 550,000 barrels of oil equivalent per day. Production from the Dhirubhai 1 and 3 discoveries of the KG-D6 block will result in a quantum leap towards achieving India's energy security. KG-D6 gas would also substantially reduce wealth transfer from India to other nations due to energy imports and bring down subsidy levels in the fertilizer, transportation and other sectors. Apart from the economic benefits to the nation, the impact of this gas will be significant in helping India in its climate change efforts and achieving a greener footprint.

RIL has started gas production in six and a half years from discovery, in comparison to the world average of 9-10 years for similar deepwater production facilities. This achievement is especially commendable as the Bay of Bengal is known for its extremely hostile weather conditions, inundated with storms, cyclones, waves up to twenty meters in height and subsea currents of over 4 knots, except a fair weather window of four months every year. RIL also had to overcome supply chain challenges and manpower shortages to adhere to tight schedules. Start of production of gas from the KG-D6 block was a complex task, requiring engineering ingenuity to develop critical infrastructure and use of latest cutting edge technology, never experienced in the region before. With this project, RIL has joined a select club of global deepwater operators.

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Media Release

The facilities comprises of wells, sub sea architecture, which are connected by flow lines and production risers to a Control and Riser Platform (CRP) and are tied back to the Onshore Terminal (OT), approximately 60 kms from the gas fields - amongst the longest tie backs in the world. At the seabed, equipment equivalent to over 110,000 MT tones of steel weight and over 2400 line kilometers of flowlines and umbilicals have been installed to construct a deepwater production system. Subsea installations were carried out by remotely operated vehicles (ROVs) at the sea bed depths ranging from 600 metres to 1200 metres, well beyond diver depths. At the peak of offshore construction, the largest marine construction spread in the world comprising of 89 vessels was deployed in an area of 400 square km.

Commenting on the start of the gas production, **Mr. Mukesh Ambani, Chairman & Managing Director, Reliance Industries Limited** said; *“This is a momentous occasion for India. Reliance takes great pride in this success. Reliance has created history and has once again demonstrated its ability to implement complex projects at par with the best performance benchmarks in the world. The clean energy from the Dhirubhai 1 and 3 discoveries of the KG-D6 block will be a boost for energy security and growth of India. We wish to acknowledge and thank all our stakeholders including the Government of India, the Directorate General of Hydrocarbons and our project partners for their continued support.”*

The initial production of gas from the Dhirubhai 1 and 3 discoveries of the KG-D6 block will be sold to existing gas starved Fertilizer and Power companies resulting in substantial reduction in subsidy burden of the Government.

The KG-D6 block (KG-DWN-98/3) in Krishna Godavari basin was awarded to RIL and Niko consortium under NELP-I. RIL holds 90% Participating Interest (PI) and Niko Resources Limited holds 10% PI in the block.

RIL’s partners in the project execution were Aker Kvaerner Group, Allseas, Afcons, Bechtel, Cameron, GE, Halliburton, Hellix, L&T, McDermott, Schlumberger, Siemens, and Transocean amongst others.

RIL is the largest exploration acreage holder in the private sector in India. Its E&P assets consist of 54 blocks spanning eight countries.

Reliance Industries Limited

Reliance Industries Limited (RIL) is India's largest private sector company on all major financial parameters with a turnover of Rs. 1,39,269 crore (US\$ 34.7 billion), cash profit of Rs. 25,205 crore (US\$ 6.3 billion), net profit (excluding exceptional income) of Rs. 15,261 crore (US\$ 3.8 billion) and net worth of Rs. 81,449 crore (US\$ 20.3 billion) as of March 31, 2008.

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RIL is the first private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' and ranks 103rd amongst the world's Top 200 companies in terms of profits. RIL is amongst the 30 fastest climbers ranked by Fortune. RIL features in the Forbes Global list of the world's 400 best big companies and in the FT Global 500 list of the world's largest companies. RIL ranks amongst the 'Worlds 25 Most Innovative Companies' as per a list compiled by the US financial publication-Business Week in collaboration with the Boston Consulting Group.

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