

**Focus Energy Limited
("Focus" or "the Company")**

Significant Take or Pay gas sales arrangement signed with GAIL

Focus, an oil & gas exploration and development company with assets in India, is pleased to announce it has signed a take or pay gas sales arrangement with the Gas Authority of India Limited ('GAIL'), with a total gas sales value expected to be in the region of \$600m.

Under the arrangement, GAIL has a take or pay commitment to acquire at least 90% of the agreed quantity of gas supplied. Focus will initially supply 7 MMscfd of gas, which will commence on or before 15 April 2010. The amount supplied will then increase to 33.5 MMscfd no later than 15 April 2011.

The gas supplied to GAIL will be from the Company's SGL Field, within Block RJ-ON/6. Focus along with its affiliates Indus Gas Limited (AIM: INDI.L) holds 70% interest in SGL Field, with ONGC holding 30%.

The arrangement has been put in place based on confirmation that all conditions under the term sheet have now been satisfied. These conditions include:

- Certification of Gas Reserves by Director General of Hydrocarbons of India ('DGH')
- Approval of SGL Field Development Plan by Management Committee formed under the Production Sharing Contract (comprising: ONGC, DGH, Indus, Focus Energy Limited and Government of India nominees)
- Confirmation from DGH regarding the gas reserves (recoverable) and the production profile for supply of at least 33.5 MMscfd of gas for a period of 12 years
- GAIL management approval for laying a pipeline to connect to the Seller's Facilities
- Signing of gas sales arrangements between the downstream customers and GAIL.

GAIL will be responsible, at its own cost, for the installation of the pipeline from the SGL field to the end user, a power plant located in Ramgarh, Rajasthan. Ahead of commencing supply of the additional balance of 26.5 MMscfd of gas, Indus and its co-ventures will be required to install a CO2 removal facility. Should a short fall of gas supply occur below the 90% of quantities agreed, the Sellers will be required to offer GAIL certain pre-agreed discounts.

With the additional supply of gas made possible from the SGL Field, the Ramgarh power plant will be able to increase the amount of electricity it is able to produce from 110 MW to 270 MW. This arrangement with GAIL signifies the opening of a significant new commercial gas resource region in India. The Indus Basin straddles eastern Pakistan, where it has proven to be a highly prospective area with a large number of oil and gas field discoveries, and western India, where until now the basin has remained relatively under-explored.