

PRESS RELEASE

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L&T-Lurgi-KQKS Consortium Wins Order

Mumbai, March 02, 2006: Larsen & Toubro Limited (L&T) in consortium with Lurgi, Germany and KQKS, Malaysia has been awarded a lumpsum turnkey order for a lube base oil project by PETRONAS Penapisan (Melaka) Sdn. Bhd., a PETRONAS refinery in Malaysia.

The order involves execution of a Group 3 lube base oil project in Melaka, a southern state in Malaysia, within a time frame of 29 months. The plant will produce high grade lubricating oils using Exxon Mobil Research and Engineering process technology.

The consortium represents a combination of cutting edge global expertise in different segments of project execution. The Germany-based Lurgi is an industry leader in innovative and customized solutions for the petrochemical industry. Lurgi's extensive experience in oil and gas projects combined with the project execution expertise of L&T and the familiarity and insight into local operating conditions of Kejuruteraan QKS are expected to ensure a high quality project and on-time delivery. Foster Wheeler (Malaysia) Sdn. Bhd. in consortium with OGP Technical Services Sdn. Bhd., another subsidiary of PETRONAS, is the Project Management Consultant

L&T with its consortium partners bagged the prestigious order against keen competition from internationally reputed EPC contractors, on the strength of its track record in meeting refinery project quality requirements and conforming to stringent delivery schedules.

With this order, L&T takes yet another significant step into the emerging EPC markets of South East Asia. L&T had entered the Malaysian market in 1999, when it executed a project order for an ammonia syngas reformer for P1(a)4(s)-10(re)7(f(whe)6Sl)-57W4