



PRESS RELEASE

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L&T to Supply World's Largest Coal Gasifier to China

Mumbai, March 18, 2008: The Heavy Engineering Division of Larsen & Toubro Limited (L&T) has bagged a contract valued at Euro 28 million (Rs 170 cr.) for supply of the “Coal Gasifier and Syngas Cooler assembly” to M/s. Hebi Coal and Electricity Co. Ltd., subsidiary of Zhongyuan Coal Chemical Industry Group, People's Republic of China.

The complete Gasifier assembly & the structure, which is expected to weigh 1740 MT, is the world's largest and heaviest Gasifier assembly, with a capacity to handle 3400 tpd of coal. The assembly will be the heart of a Methanol Plant with a capacity of 600,000 tpa. The order was won through an international competitive bidding process.

The equipment will be manufactured from advanced technology steels at L&T's state-of-the-art manufacturing facilities at Powai & Hazira. The Hazira facilities are situated on the waterfront with easy access to the sea for ease of shipment.

Mr. M. V. Kotwal, Member of the Board & Senior Executive Vice President, L&T, stated that the manufacture of this Gasifier will require transportation of the large fabricated sections, with on-site assembly, testing and erection. He said that although such jobs pose enormous challenges, the teams at L&T are confident of meeting the requirements, given their track record of having successfully completed similar work on Gasifiers supplied to remote locations in China, where ambient temperatures were as low as minus 30 degrees Celsius.

L&T has supplied several large Coal Gasifiers to China for various Ammonia, Methanol, Olefin and Coal-to-Liquid Fuel projects.

With rising costs of oil and natural gas, coal gasification provides a promising future to provide a cost effective alternative feedstock for downstream Power, Fertilizer, Petrochemical complexes and Coal to Liquid Fuel plants.

Background:

Larsen & Toubro group is a USD 6 billion technology, engineering and construction company, with global operations. It is one of the largest and most respected companies in India's private sector.

A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.