



PRESS RELEASE

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L&T consortium bags USD 150 million methanol plant order in Saudi Arabia

Mumbai, August 24, 2006: Larsen & Toubro Limited (L&T), India's leading engineering, technology and construction organization, along with its consortium partner, Haldor Topsoe AS of Denmark has been awarded an order worth around USD 150 million from Saudi Formaldehyde Chemical Company Limited (SFCCCL) in Saudi Arabia. This E&P (Engineering & Procurement) order involves setting up high technology methanol and carbon monoxide plants.

SFCCCL is a private sector enterprise, developed, promoted and financed by a group of leading industrialists from the Gulf Co-operation Council (GCC) countries. It is a grass-roots, second-generation petrochemical complex located in the Al Jubail Industrial City, Saudi Arabia, manufacturing formaldehyde and its derivative products. SFCCCL is undertaking backward integration by installing a 700 tonnes per day (TPD) of methanol and 100 TPD of carbon monoxide plant near its existing plants. Methanol and carbon monoxide are critical building blocks for producing several value-added chemicals such as formaldehyde, acetic acid, methyl carbonate and methylamines.

Haldor Topsoe, one of the world's most reputed technology licensors, will provide the process technology and the license for methanol and carbon monoxide process.

L&T's scope of work comprises residual basic engineering, detailed engineering, project management and procurement of the equipment and materials for the plant. L&T will manufacture some of the critical equipment at its Powai and Hazira Works. L&T and Haldor Topsoe will also provide the technical services for the erection and commissioning of the plant.

L&T and Haldor Topsoe have a long association, having worked on many domestic and international hydrogen, ammonia and reformer projects. Haldor Topsoe's extensive experience in petrochemical projects in the world along with L&T's EPC capabilities will ensure delivery and successful commissioning of the plant meeting international standards.