

Punj Lloyd ventures into Integrated Drilling Services

New Delhi, July 30, 2007

PLL, a global EPC player in the Energy and Infrastructure sector, has set up a new subsidiary - Punj Lloyd Upstream Limited (PLUL).

PLUL shall initially be engaged in providing Onshore Integrated Drilling Services to exploration and production companies in the domestic oil and gas sector. The drilling requirements under the New Exploration Licensing Policy (NELP) coupled with the high crude oil prices has resulted in a substantial increase in the requirement of Integrated Drilling Services (IDS).

The current fleet of drilling rigs is unable to meet the market requirements throwing up a huge demand supply gap and an attractive business opportunity for Punj Lloyd.

The new subsidiary shall address this business opportunity with the deployment of two onshore drillings rigs by the end of this fiscal and the fleet shall be periodically increased in order that PLUL becomes a significant player in the IDS space.

An initial investment of Rs.44 crores is being made in the equity of PLUL.

About Punj Lloyd Limited

Punj Lloyd (BSE SCRIP ID: PUNJLLOYD, NSE SYMBOL: PUNJLLOYD), is the second largest engineering and construction companies in India providing integrated design, engineering, procurement, construction and project management services for energy and infrastructure sector projects with operations spread across many regions in the Middle East, Caspian, Asia Pacific, Africa and South Asia. For the quarter ended June 30, 2007, PLL recorded consolidated total income at Rs 1417.95 crore. Consolidated EBITA was at Rs 144.41 crore, while net profit stood at Rs 59.47 crore. Further information about the Company is available at www.punjllloyd.com.

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