

## **Punj Lloyd to acquire 25.1% stake in Pipavav Shipyard Limited** ***Strategic investment to aid PLL's core business***

**New Delhi, August 3, 2007**

Punj Lloyd Limited (PLL), a global EPC services provider in energy and infrastructure domains, has signed a Memorandum of Understanding (MOU) to invest Rs 403 crore for acquiring 25.1% stake in Pipavav Shipyard Limited (PSL). The investment is subject to receipt of corporate and statutory approvals and satisfaction of certain conditions precedent.

This is a strategic investment by Punj Lloyd to support the growth of its business in the offshore sector. In view of the robust oil prices and the substantial E&P activities in the country, the opportunity for revamping existing offshore platforms and deploying new platforms by upstream oil and gas companies is expected to be significant. The proposed investment in PSL will provide Punj Lloyd access to capabilities to serve this market more effectively.

PSL will provide Punj Lloyd access to fabrication facilities for platforms, SBMs, rigs and jackets to exploit the opportunities in this sector. Punj Lloyd is currently executing the Heera Field Redevelopment project for ONGC. The facility at Pipavav Shipyard can also be used for fabrication of vessels for petrochemicals and refineries.

Punj Lloyd expects to gain through this association given the increasing demand for offshore facilities in India and abroad and with the ongoing shortage of shipyard capacity in India and globally. Growth in the shipyard industry is expected to be over 30 % per annum in the next few years.

### **About Pipavav Shipyard Ltd**

Pipavav Shipyard Limited will be a large state-of-the-art shipyard, strategically located on the west coast of India along the Dubai-Singapore sea route. Spread over 725 acres of land, PSL has 175 acres of developed waterfront land. Pipavav has confirmed orders worth US \$ 358 million and a Letter of Intent for US \$ 513 million.

### **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 FY07, PLL has recorded consolidated income of Rs 5206 crore and consolidated net profit of Rs 196.03 crore. On a consolidated basis, EBIDTA for the fiscal was Rs 489.70 crore. Further information

about the Company is available at [www.punjllloyd.com](http://www.punjllloyd.com).

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