

PRESS RELEASE

Issued by Corporate Communications Department
LARSEN & TOUBRO LIMITED
L&T House, Ballard Estate, Mumbai 400 001

Tel: 67525772 (Direct), 67525656 Ext: 772
Fax: 91-22-678525607/ 8
E-mail: jkp-ccd@lth.ltindia.com

L&T and SapuraCrest Petroleum In USD100 Million Joint Venture

Deep sea capable derrick lay barge to enhance parties' capability;
Further extend reach throughout South Asia and Middle East

Mumbai, June 8, 2006: Leading regional offshore oil and gas services providers Larsen & Toubro Limited (L&T) and SapuraCrest Petroleum Berhad (SapuraCrest) today announced the

Synergies for regional growth

This latest addition to SapuraCrest's fleet of vessels further strengthens one of the region's most advanced oil and gas services providers. SapuraCrest is currently already constructing the dynamically positioned deep sea capable heavy lift derrick and pipelaying vessel, the Sapura 3000, with its partner Acergy as part of its plans to extend its reach around the Asian and Middle Eastern regions.

The Sapura 3000, one of the most advanced vessels of its kind, when completed will be one of less than a dozen deep sea capable derrick lay barges in the world and the first Malaysian construction vessel to enter service.

Through the joint venture company, SapuraCrest and L&T are now better able to tender for installation and EPCI contracts. This offers both companies greater competitive advantages especially in the Indian and Malaysian markets – two of the fastest growing oil and gas services markets in the region.

This joint venture also represents the first investment in an Indian company by SapuraCrest, marking a new chapter for the company. SapuraCrest today already has investments in various parts of Australia, Europe and Asia. These include joint ventures for vessels, deep sea capable remote operated vehicles and other capabilities that further entrench the company as a leader in the provision of oil and gas services in the region.

SapuraCrest is one of the region's largest companies providing integrated services to the oil and gas sector today and is listed on the Main Board of Bursa Malaysia. With the joint venture the company's long term strategy of building deepwater capability, expanding regionally, and delivering quality work on all contracts and customers is further reinforced.

“This joint venture offers us the opportunity to leverage on our joint economies of scale, expertise and the resources to offer more competitive tenders in what is one of the fastest growing markets in the world. By investing in India with one of the most established and well regarded players there, we are also able to support our Government's call for greater inter-region economic cooperation while greatly enhancing our own competitive edge and capability at the same time,” Datuk Shahril added.

ABOUT LARSEN & TOUBRO LIMITED

L&T is a technology-driven engineering and construction organization, and one of the largest companies in India's private sector. It has further interests in manufacturing, services and Information Technology, with a strong customer-focussed approach and a constant quest for top-