



PRESS RELEASE

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L&T Takes Another Major Leap In Internationalizing Its Manufacturing Facilities

New Delhi, December 15, 2007: Larsen & Toubro Heavy Engineering LLC (L&T HE) has signed a SUA (Sub-Usufruct Agreement) with Sohar Industrial Port Company (SIPC) on Friday, 14th December 2007 in New Delhi, India, to establish a green-field plant in Sohar, Oman for the manufacture of high-tech equipment for the Process Industry.

L&T HE is a joint venture between India's largest integrated engineering and construction company, Larsen & Toubro Limited and the Zubair Corporation of Oman.

The agreement was signed on behalf of L&T HE by Mr. M.V. Kotwal (Senior Executive Vice President and Member of the Board of L&T), H.E. Maqbool bin Ali bin Sultan (Minister of Commerce and Industry, Oman) and on behalf of SIPC by Mr. Jan H. Meijer (CEO of SIPC).

The signing ceremony was attended by H.E. Alfadhl Alharthi, Under Secretary-Ministry of National Economy, H.E. Khalil Abdullah Alkhonji, Chairman, Oman Chamber of Commerce and Industry, H.E. Mohammad Shalwani, Oman's Ambassador to India, Mr. Khalid M Al Zubair of Zubair Corporation, Mr. Jan Meijer of SIPC, & other dignitaries.

This facility will be a pioneering venture in the G.C.C. region and will have the capability to manufacture critical equipment for Refineries, Petrochemicals and Fertilizer projects & other process industries

This heavy engineering project will carve out a special place for Oman in the industrial map of the world, with special manufacturing facilities. It would align with and promote the implementation of the Sultanate's policy for economic development of non-oil sectors.

This project will initially occupy an area of 300,000 Sq. M with provision for future expansion of another 100,000 Sq. M, for which land has already been

reserved. It is anticipated that the project will be established with an initial investment of approximately USD 50 million in Phase I.

The facility, which involves hi-tech manufacturing capabilities, will require a considerable number of skilled manpower in both the engineering office as well as on the shop floor. L&T, which lays considerable emphasis on training & development, intends to train high school graduates from Oman in the Vocational Training Institute for specialized trades like welding, fitting etc.

L&T has supplied critical equipments for the process industry world wide & this facility at Sohar, Oman will augment its manufacturing capacity with special focus in the GCC region.

Background:

Larsen & Toubro Limited is a 5 billion USD 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-focussed 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. L&T has a distinguished record of achievements including the world's largest coal gasifier made in India and exported to China, India's first indigenous hydrocracker reactor, oil and gas platform projects executed to global benchmarks and the world's largest Continuous Catalyst Regeneration reactor.
