



PRESS RELEASE

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L&T to Build India's First Heated Pipeline for Crude

Secures another Major Order from Cairn India for Oil and Gas Pipelines

Mumbai, February, 21, 2008: The Engineering and Construction Projects Division of Larsen & Toubro Limited (L&T) has been awarded another major contract by Cairn India for the Engineering Procurement and Construction (EPC) services for the Export Crude Oil Insulated Pipeline and Gas Pipeline from Barmer, Rajasthan to Salaya, Gujarat.

The scope of work involves the laying of a cross country 24-inch skin heat traced pipeline with PUF insulation for crude oil transportation from the Mangala terminal, located at Barmer, Rajasthan to the Salaya Oil Export terminal, near Jamnagar.

The pipeline travels 330 kilometres (kms) south from the Mangala Field to a pump station and oil take off point at Viramgam. From Viramgam the pipeline continues for 261 kms south west up to an Export Oil terminal at Salaya.

Another pipeline of 8-inch diameter will be laid for transporting natural gas from the Raageshwari Fields which will be laid alongside the 24-inch pipeline to the Salaya receiving facility for feeding the gas generator sets located at 32 sites enroute. These gas generator sets are meant primarily for producing electricity for 'Skin Effect Heat Management System' (SEHMS) to maintain the fluidity of the waxy crude.

L&T's Pipeline Engineering Centre – L&T Gulf located at Faridabad, is a Joint Venture of L&T and Gulf Interstate, Houston. It will provide complete engineering services for the cross-country pipeline and the intermediate facilities for this project.

The multi-million dollar order was secured by L&T against stiff competition and the project is slated for commissioning by June 2009.

Cairn has a resource base of 3.6 billion barrels of oil equivalent in place. Field developmental activities have already commenced with a targeted production level of more than 150,000 bopd.

Completion of this export oil pipeline will match the evacuation plans of Cairn for H2 2009.

Announcing the order, Mr. K. Venkataramanan, President (Engineering & Construction Projects) & Member of L&T's Board said, "L&T is proud to be associated with Cairn in being able to leverage our own strengths to build the unique mega pipeline of this kind, for the first time in India. Our technical expertise in engineering and construction, and a dedicated team, will enable us to deliver the job on time"

Mr. Rahul Dhir Chief Executive, Cairn India said: “This is another key milestone in the development of these valuable resources from Rajasthan and we remain confident of achieving first oil in the second half of 2009.”

Notes to Editors:

L&T is a USD 6 billion technology, engineering and construction group with global operations. It is one of the largest and most respected companies in India’s Private sectors.

A strong customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business across 7 decades.

L&T is presently executing an 80 MMSCMD onshore Gas Processing Terminal for M/s Reliance at Kakinada. It is also executing an Aviation Fuel Oil terminal with Pipelines for M/s Kuwait Aviation Fuel Company, Kuwait.

Cairn India is headquartered in Gurgaon on the outskirts of Delhi, with operational offices in Chennai, Gujarat, Andhra Pradesh and Rajasthan.
