



PRESS RELEASE

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L&T To Supply Rs. 200-crore Fuel-Extraction Systems To China

Mumbai, June 29, 2004: Larsen & Toubro Limited (L&T) won yet another contract for coal gasification equipment from China valued at Rs.95 crores - for the Zhong Yuan Project in Henan Province, Central China. To be executed by L&T's Heavy Engineering Division, this gasification unit will generate synthesis gas, a raw material for a 400000 TPA methanol plant. The technology for the unit is from Shell, The Netherlands.

This follows the earlier contract from China worth Rs.105 crores for a similar system being executed for Yuntianhua Group for its 500,000 TPA ammonia plant in Yunnan province in Southern China.

L&T Senior Vice President (Operations), Mr. M. V. Kotwal, said that these orders indicate the confidence that clients and consultants worldwide have in L&T for its capability to manufacture critical equipment. They also demonstrate L&T's ability to answer the growing demand for high-tech heavy engineering equipment in China.

Earlier, L&T's Heavy Engineering Division supplied critical reactors worth Rs.65 crores for downstream petrochemical projects in China, promoted by world leaders like BASF, BP and Shell.

With rising cost of oil and natural gas, coal gasification provides a cost-effective alternative feedstock for downstream fertilizer, methanol and coal-liquefaction plants.