



PRESS RELEASE

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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 formation of a joint venture to build, own and operate a derrick cum pipelaying barge valued at USD100 million.

The 270-person vessel, to be completed in the fourth quarter of 2008, will allow the companies to better address the growing global demand for oil and gas engineering, procurement, installation, construction and services. The 130-metre conventional vessel is capable of lifting heavy loads of up to 1600 tonnes revolving, and 2400 tonnes in fixed mode. It will provide offshore installation services including sub-sea pipelaying, platform installation opportunities across India, the Middle East, South East Asia, Australia and the Sakhalin region.

“Quality and delivery in our work has always been SapuraCrest’s key focus in ensuring that we continually grow our shareholder’s value and enhance our competitive advantage while delivering our primary focus – customer satisfaction,” said Datuk Shahril Shamsuddin, Executive Vice-Chairman, SapuraCrest Petroleum Berhad. “This joint venture is the latest in a line of similarly strategic efforts that we have undertaken over the last two years to ensure that we possess the right technology, infrastructure, reach and human capital to address the needs of our clients from India to Australia. L&T is a leader in its field and this joint venture will be mutually beneficial to both companies.”

L&T is a technology-driven engineering and construction organisation, and one of the largest companies in India’s private sector. It has additional interests in manufacturing, services and Information Technology along with its interests in the oil and gas industry where it is already acknowledged as a leader in fabrication and engineering, construction services including turnkey projects.

“Today’s partnership further strengthens our ability to meet the needs of our customers in EPC projects and services for the oil and gas industry. SapuraCrest is an acknowledged regional leader in its field and our partnership strengthens both our companies while allowing our customers greater satisfaction and our shareholders greater returns,” said Mr. A. M. Naik, Chairman and Managing Director, L&T. “To L&T’s existing capabilities of EPC, this new company will add a vital new dimension – the power of I – Installation,” he added.

SapuraCrest will own 40 per cent of the yet to be named joint venture company with 60% being held by L&T.

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-class quality. This has enabled the Company to attain and sustain leadership in its major lines of businesses across seven decades. It has an international presence and spans across the globe, thrusting on international business across the last few years. Therefore, L&T enjoys an image and equity in virtually every district of India. For more information, please visit <http://www.larsentoubro.com>.

ABOUT SAPURACREST PETROLEUM BERHAD

SapuraCrest Petroleum, a public-listed subsidiary of the Sapura Group of Companies, is one of the largest local oil and gas well drilling and marine construction contractors in Malaysia. Through its subsidiaries, SapuraCrest Petroleum is involved in marine installation and construction, offshore drilling and marine services in Malaysia and around the South East Asian region. In addition to this, SapuraCrest Petroleum is involved in the chartering of vessels and tender assisted rigs, installation of offshore pipelines, drilling of offshore oil wells, managing of rigs involved in drilling offshore oil wells, oilfield production and provision of offshore geotechnical and geophysical services. For more information please visit <http://www.crest.com.my>.