

Punj Lloyd takes over SembCorp Engineers & Constructors, Singapore

New Delhi, June 2, 2006

Engineering and construction major, Punj Lloyd Limited (PLL) has through its wholly owned subsidiary in Singapore viz Punj Lloyd Pte Ltd, acquired a majority stake in SembCorp Engineers & Constructors (SembE&C), a wholly-owned subsidiary of SembCorp Industries (SCI) which is a leading utilities and marine group in Asia. Punj Lloyd has acquired 88% stake in SembE&C at a consideration of Singapore Dollar 35.2 million. The remaining 12% stake would be acquired by Punj Lloyd Pte Ltd on or before 31st December 2007.

SembCorp Engineers & Constructors (SembE&C) is a design-and-build engineering and construction service provider with core capabilities encompassing process & plant engineering, heavy civil engineering and building. SembE&C recorded revenue of over 1 billion Singapore dollars for year ending December 2005 (1 Singapore Dollar (SGD) is equivalent to Indian Rs 29.33).

This acquisition is in line with Punj Lloyd's strategic intent to expand its geographical reach and portfolio enhancement in complementary sectors. Punj Lloyd already has a formidable presence in South Asia, Middle East, Asia Pacific, Caspian and Africa. With this acquisition, its operations will expand to Europe, China besides Iran and other SE Asian market, by leveraging the opportunities through this acquisition.

This is an important milestone in Punj Lloyd's ability to offer a complete portfolio of EPC solutions. With this acquisition, Punj Lloyd will add airports, jetties, MRT/LRT, tunneling, sewerage amongst others, to its capabilities in infrastructure domain. In petrochemical sector, Punj Lloyd can leverage Simon-Carves's (a wholly owned subsidiary of SembE&C) capabilities in engineering, procurement and construction of LDPE, PVC, Styrene and refinery processes domain. At present, Punj Lloyd provides engineering construction services in the oil and gas sector for pipelines, tanks and terminals, process facilities, and in the infrastructure sector- for construction of highways and expressways, power plants and high specification buildings besides value added engineering and plant & facility maintenance.

PricewaterhouseCoopers Corporate Finance, Singapore acted as advisors to Punj Lloyd on this transaction.

"This entity will contribute significantly to our top-line and will provide our Group access to new geographies and enhance our competitive positioning in existing markets. This acquisition will substantially enhance our Group's capabilities to tap into complementary growth sectors like infrastructure and petrochemicals. We will also greatly benefit from the experienced and quality manpower as this acquisition will add a very large number of experienced and qualified engineers

to our existing talent pool" said Mr Atul Punj, Chairman & Managing Director, Punj Lloyd Ltd.

About Punj Lloyd Limited

Punj Lloyd is one of the largest engineering and construction companies in India providing integrated design, engineering, procurement, construction and project management services for energy and infrastructure sector projects with operations spread across many regions in the Middle East, Caspian, Asia Pacific, Africa and South Asia. With a presence in 14 countries, Punj Lloyd has executed as many as 180 projects: onshore and offshore pipelines, cryogenic tanks and terminals, process plants, highways, bridges, railways and infrastructure services, plant & facility management and power plants. The company has recently announced a JV in Saudi Arabia and will form 'Dayim-Punj Lloyd Engineering Limited'. Punj Lloyd recently acquired 18% equity stake in the Naresh Trehan-promoted MediCity project in Gurgaon, which will give it an entry into the healthcare project segment. Further information about the Company is available at www.punjilloyd.com.

About SembCorp Engineers & Constructors

Headquartered in Singapore, SembCorp E&C was established in 1982, it is member of SembCorp Industries, Asia's foremost engineering services group. The group has far reaching operations throughout South-East Asia, China, India, United Kingdom, Middle-East and Russia. It is South-East Asia's largest Engineering and construction company outside Japan, China and Korea with experience spanning across more than 35 countries. SembE&C has more than 1,640 employees worldwide, including 650 design professionals. Further information about the Company is available at www.sembcorpenc.com

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