

Punj Lloyd Ltd

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January 09, 2009

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001

Disclosure pursuant to the Listing Agreement

Pursuant to its obligations under the Listing Agreement, the Company wishes to inform you that its wholly-owned UK subsidiary, Simon Carves Limited ("SCL"), has commenced adjudication proceedings against SABIC Petrochemicals UK Limited ("SABIC"). These proceedings are ultimately aimed at seeking restitution, through the U.K. Courts, of £28.5 million (pounds sterling) in respect of an advance payment bond and a performance bond called by SABIC following in SCL's view, the wrongful termination by SABIC of the contract between SABIC and SCL. Additional costs and damages will also be sought by SCL against SABIC associated with cost overruns in the project caused by changes in scope and design requested by SABIC and also to recover damages for losses arising as a consequence of the termination of the contract.

SCL had contracted with Huntsman Petrochemicals (UK) Limited (subsequently acquired by SABIC) in early 2006 to design, build and pre-commission a 400 kte per annum low density polyethylene plant ("LDPE") at Wilton, Teeside in the UK. This contract was entered into between SCL and SABIC prior to the acquisition of SCL by Punj Lloyd in May 2006. After completion of the initial front-end engineering design works for the proposed plant, the contract was converted into a lumpsum engineering procurement and construction contract. SABIC recently terminated the contract on the basis that, inter alia, SCL failed to undertake completion of the contractual works with due diligence. This allegation is strongly denied by SCL on the basis that the project is significantly complete and was on track to be fully completed in accordance with the requirements of the contract and within the relevant scheduled completion date specified in the contract with SABIC. SABIC has called the performance and advance payment bank guarantees issued by SCL amounting to £28.5 million (pounds sterling).

SCL intends to defend its claims vigorously.

Thanking you,

Yours faithfully,
for **Punj Lloyd Limited**

A handwritten signature in black ink, appearing to read "Dinesh Thairani".

Dinesh Thairani
Company Secretary