

Press Release**Punj Lloyd to build process facilities for a crude oil storage cavern****- Project worth Rs 330 crore in Mangalore**

New Delhi, July 27, 2011: Punj Lloyd Group, a leading engineering, procurement and construction (EPC) conglomerate, today announced winning an order for process facilities & utilities at an upcoming crude oil storage cavern in Mangalore, Karnataka. Worth Rs 330 crore, this is the first cavern project for the Group and has been awarded by Indian Strategic Petroleum Reserves Limited, a wholly owned subsidiary of Oil Industry Development Board, Ministry of Petroleum and Natural Gas.

The scope of work for the project involves engineering, procurement, construction and commissioning of systems for crude oil receipt, pumping out, metering, recirculation, heating, waste water treatment, utilities production, flaring and operation buildings. The Mangalore crude oil storage will comprise two separate but identical underground caverns, each approximately 900 metres long, having a total capacity of 1.5 MMT (Million Metric Tonnes) of crude oil. The project, located near Mangalore Refinery and Petrochemicals Limited, is scheduled to be completed within a period of 29 months.

On winning the contract, P.K.Gupta, Director, Punj Lloyd, said: "Punj Lloyd has turnkey in-house expertise of working on storage facility projects. We have constructed over 300 tanks globally, with over eight million m³ of storage capacity. We are proud to be a part of this strategic initiative of the Government of India to build reserves of crude oil at important locations, which will feed a cluster of refineries."

The Ministry of Petroleum and Natural Gas plans to store 5.33 million tonnes of imported crude oil in these crude reserves, based on a 15 day crude oil requirement of all the refineries in the country. The crude oil reserve near Mangalore will cater to the requirements of refineries of Mangalore Refineries & Petrochemicals Ltd (MRPL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL).

With this contract, the order backlog for the Punj Lloyd Group on a consolidated basis has gone up to Rs 25,739 crore. This is the total value of unexecuted orders as on March 31, 2011 and new orders received after that day.

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About Punj Lloyd:

Punj Lloyd (BSE SCRIP ID: PUNJLLOYD, NSE SYMBOL: PUNJLLOYD) The Punj Lloyd Group is a diversified international conglomerate offering EPC services in Energy and Infrastructure along with engineering and manufacturing capabilities in the Defence sector. Known for its capabilities in delivering mega projects "on time," thereby ensuring repeat customers, the Group possesses a rich experience of successfully delivered projects across the globe, while maintaining the highest standards of health, safety, environment and quality (HSEQ). Further information about the Group is available at www.punjloydgroup.com.

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