

PRESS RELEASE

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L&T Acquires Stake In Upstream Engineering Business

Bangalore, December 23, 2004: Larsen & Toubro Limited (L&T), a leading engineering and construction company, has entered into an agreement to acquire a 50% stake in the upstream engineering business related to oil & gas production and exploration of the Bangalore-based Valdel Engineers & Constructors Private Limited. The new joint venture L&T Valdel Engineering Pvt. Ltd will expand prospects in detailed engineering for the oil & gas segment and explore new opportunities.

Mr. K. Venkataramanan, Member of the Board and President (Operations), L&T, offers design and engineering services for the oil & gas industry. In addition to