

**PRESS RELEASE  
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**SAPURACREST PETROLEUM EXPANDS REGIONAL REACH THROUGH  
RM483 MILLION LARSEN & TOUBRO JOINT VENTURE**

- *Advanced HLPV to address regional market needs as part of long term strategies*
- *Further extends companies' reach throughout the South Asian and Middle East markets*

**KUALA LUMPUR, MALAYSIA - APRIL 3 2007:** Leading regional offshore oil and gas services providers SapuraCrest Petroleum Berhad ("SapuraCrest") and Larsen & Toubro Limited ("L&T") of India formalised plans for the formation of a joint venture company in India to build, own and operate a heavy lift cum pipe laying vessel (HLPV).

The joint venture is part of the long term strategy for SapuraCrest that has over the past 24 months been on an aggressive regional expansion drive. This focus has seen it making additional investments and efforts to secure new assets, technological capabilities, human capital and strong partners to enhance its regional reach within the oil and gas services industry.

"This joint venture brings together two companies with complimentary strengths to address the needs of the fast growing Indian and Middle Eastern oil and gas industry. It also offers us an opportunity to increase our capacity to meet customer demands in South East Asia while strengthening our long term goals of increasing our regional revenue contribution," said Dato' Hamzah Bakar, Chairman, SapuraCrest Petroleum Berhad.

L&T is a technology-driven engineering and construction organisation with additional interests in manufacturing, services and Information Technology. In the oil and gas sector, it is already acknowledged as a leader in the provision of fabrication, engineering and construction services including turnkey projects.

"The relationship between our two companies further enhances L&T's ability to meet the needs of our customers in EPIC (Engineering, Procurement, Installation and Commissioning) projects for the oil and gas industry in the Indian and Middle Eastern markets. It offers us the advantage of proven capabilities in the area of installation services, allowing our customers greater satisfaction and our shareholders greater returns," said Mr K. Venkataramanan, President (Operations), Larsen & Toubro Limited.

The USD138 million\* (RM483 million) shallow water HLPV will, when completed in early 2009, allow the companies to better address the growing global demand for oil and gas engineering, procurement, installation, construction and support services.

"The financial commitment that we are making to this joint venture underscores our on-going commitment to be a leading provider of offshore installation services in the region. With L&T we have the right partner, with access to growing markets that we do not currently address. We will also be able to better serve the needs of our offshore installation customers in Malaysia," said Datuk Shahril Shamsuddin, Executive Vice Chairman, SapuraCrest Petroleum Bhd.

SapuraCrest will own 40 per cent of the joint venture company with the remainder 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, the largest drilling and pipe laying vessel fleet operator in Malaysia, is currently already constructing the dynamically positioned deep sea capable heavy lift derrick and pipe laying vessel, the Sapura 3000. The USD250 million\* (RM875 million) vessel is being constructed with its partner Acergy as part of SapuraCrest's on-going plans to extend its reach around the Asian and Middle Eastern regions.

With this joint venture the companies are now better positioned to tender for installation contracts in India and the Middle East - two of the fastest growing oil and gas services markets in the region.

This joint venture, the first investment in an Indian company by SapuraCrest, marks a new chapter for the company. SapuraCrest today already has investments in vessels, deep sea capable remote operated vehicles and other capabilities that further entrench the company as a leader in its field around the region.

SapuraCrest is listed on the Main Board of Bursa Malaysia. With the L&T joint venture the company's long term strategy of building deepwater capability, expanding regionally, and delivering quality work on all contracts and customers is being reinforced.

SapuraCrest secured its largest overseas contract to date – valued at USD70 million\* (RM245 million) - last year when it was selected to provide offshore services to India's Oil and Natural Gas Corporation. With the addition of the HLPV and the L&T joint venture, the company believes that it will see even greater growth in India and the Middle East over the next five to 10 years.

"With this partnership, we will be able to leverage on our joint economies of scale, expertise and resources to offer more competitive tenders in what is one of the fastest growing markets in the world," said Datuk Shahril.

*\*Exchange rate of USD1 = RM3.5 applied within this press release*

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#### **ABOUT SAPURACREST PETROLEUM BERHAD**

SapuraCrest Petroleum, a public-listed subsidiary of the Sapura Group, 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>.

#### **ABOUT LARSEN & TOUBRO LIMITED**

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>.