

Punj Lloyd group to construct residential community in Bahrain *Contract valued at Rs 542 crore*

New Delhi, March 26, 2007

Sembawang Engineers and Constructors, a subsidiary of Punj Lloyd Limited (PLL), has entered into agreement with Riffa Golf and Residential Development Company of Kingdom of Bahrain to construct 325 villas of a residential community, Riffa Views, adjacent to the existing Riffa Golf Club.

Sembawang along with its Joint Venture partner, G.P. Zachariades, a prominent local contractor, will build 325 villas under the Lagoons package. The value of construction cost is Bahraini Dinar 45 million (Rs 542 crore).

This will reinforce Sembawang's success in similar logistically challenging projects in the Middle East region, after having successfully completed the Jumeirah Islands development for Nakheel in Dubai.

The entire project involves the development of three distinct signature estates - The Lagoons, The Oasis, and The Park. In total, the development consists of 970 villas with access to a world-class golf course, hotel, country club, health club, shopping centre and an international school. The order received by Sembawang is the largest single package in the development of the three estates.

Riffa Views is the result of the vision of Arcapita.

About Punj Lloyd Limited

Punj Lloyd (BSE SCRIP ID: PUNJLLOYD, NSE SYMBOL: PUNJLLOYD), is amongst 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. Further information about the Company is available at www.punjllloyd.com.

About Sembawang Engineers & Constructors

Head quartered in Singapore, Sembawang E&C, a 100 % subsidiary of Punj Lloyd was established in 1982. It is South-East Asia's largest engineering and construction company outside Japan, China and Korea with experience spanning across more than 35 countries. It has core competencies in civil engineering, process and plant engineering and building with certificates of ISO 9001 (Quality), ISO 14001 (Environmental) and OHSAS 18001 (Safety). It has been awarded Singapore quality class by the Productivity & Standards Board. Sembawang E&C has more than 1200 employees worldwide, including 500

design professionals. Further information about the Company is available at www.sembawangenc.com.

About Riffa Views

The first of its kind in Bahrain, Riffa Views is an exceptional master-planned community where every day brings you a little closer to the life you have always imagined was possible. Riffa Views takes the stress out of life, pleasure back in, with a wealth of activities, from golf to walking and jogging trails, and beautiful, spacious homes that offer the privacy you desire and the amenities that you need.

About Arcapita

Arcapita is a Bahrain-based bank operating out of three offices in Bahrain, Atlanta and London. Arcapita is a catalyst of investment opportunity, bringing together the best of today's partners, investors and ideas to create tomorrow's success stories, with real estate investments totaling more than USD 2.5 billion in value. Arcapita is dedicated to bringing new concepts in residential living and commercial investment to the Middle East.

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