



BGR ENERGY SYSTEMS LIMITED

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PRESS RELEASE

**BGR Energy secures 2 x 500 MW Marwa Thermal Power Project
BOP contract for Rs.1633 Crores**

Chennai, August 27, 2009: BGR Energy Systems Limited ("BGR Energy"), the EPC company for power projects, has been awarded the Balance of Plant ("BOP") contract for 2 x 500 MW Marwa Thermal Power Project. Chhattisgarh State Power Generation Company Ltd., is setting up the 2 x 500 MW Marwa Thermal Power Project at Marwa of Janjgir – Champa District in Chhattisgarh State. The turnkey contract is valued at Rs.1633.71 Crores. The contract price comes with a price variation clause whereby the company will be able to adjust the price based on movement of cost of raw-material, equipment and labour with a ceiling of 15%.

The scope of BOP contract includes Design, Engineering, Manufacturing, Shop Fabrication, Assembly, Inspection, Testing, Transportation, Erection of Equipment, Civil works, Structural works, Commissioning and Guarantee Test for the 2 x 500 MW coal based Thermal Power Project. This green field project will have features like Ash Dyke and Intake Water System from Hasdeo River. This project is funded by Power Finance Corporation and the Owner viz., Chhattisgarh State Power Generation Company Ltd.,

The bidding for this project witnessed competition from seven companies, of which Larsen & Toubro, TATA Projects and BGR Energy were only qualified. BGR Energy emerged successful in the price bid.

The Company's current order book is over Rs.12,500 Crores which includes EPC and BOP Contracts for Power sector and LSTK contracts for Oil & Gas sector.

A handwritten signature in black ink, appearing to be the initials 'be' followed by a flourish.

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It may be recalled that the company has so far secured five contracts comprising six 500 MW Units for supply of Balance of Plant equipment and Civil works. This will be the BOP for Seventh and Eighth 500 MW Units. Thus strengthening the company's market leadership position in BOP business segment. In addition, the company is executing EPC contracts for three units of 600 MW capacity viz.,

- a) 2 x 600 MW Kalisindh Thermal Power Project at Rajasthan.
- b) 1 x 600 MW Mettur Thermal Power Project at Tamil Nadu.

About BGR Energy Systems Limited

BGR Energy carries on business in two segments as a manufacturer of Capital Goods and as an executor of Turnkey Engineering Projects.

1. Capital Goods – Design, Engineering, Manufacture and Supply of Hi-Tech Systems and Equipment for the Power, Oil & Gas, Refinery, Petrochemical and Process Industries.
2. Turnkey Engineering Projects – Engineering, Procurement and Construction (EPC) and Balance of Plant (BOP) contracts for Power, Water and Infrastructure projects and LSTK contracts for Oil & Gas sector.

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