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PRESS RELEASE

MAHARASHTRA SEAMLESS BAGS ONGC ORDER WORTH RS.178 CRORES.

- A healthy Order Book Position of over Rs.465 Crore.
- Hydril Joint Venture is also putting up Second Line for Premium Threading.
- MSL has placed Order for Major Plant & Machinery for its Coating Plant.

Maharashtra Seamless Limited, the flagship company of Rs.2000 Crore D.P. Jindal Group, market leader in Seamless & Higher Dia ERW Pipes in India has bagged an order from Oil & Natural Gas Corporation Limited (ONGC) for supply of Higher Dia Seamless Casing Pipe & Line Pipes for a value of Approx. Rs.178 Crore.

Both Seamless & ERW Divisions of the company are performing efficiently. The newly setup higher dia Seamless mill is also currently operating at higher capacity utilization. With the Buoyancy in Oil & Gas Sector and the facilities being stabilized and in place, it is likely to result in a good year ahead for the company.

With the above, the total order book position of the company stands at Rs. 400 Crores for Seamless Pipes & Rs.65 Crores for ERW Pipes. The company has built up sufficient inventories of raw material for executing the above orders to combat against the rising steel prices.

The 50:50 Joint Venture with US based Company Hydril LP to manufacture Premium Connection on OCTG Pipes has also stabilized its operations. These connections find wide application in High-Pressure and Deep Water Drilling activities in Oil & Gas Sector. Premium Connections is a high end product and commands premium in the International Oil and Gas Market. The demand is expected to grow at the faster rate as investments in Exploration activities have also been witnessing spurt even for difficult,

harsh & deep water operating environments. Realising this, JV has also placed order for imported equipments for its second line and the equipments have already arrived and the facilities are likely to come on stream by September 2006.

As regards setting up of Steel Billets Project is concerned, the company is keen to set up steel project, as it offers many strategic and key advantages for the seamless division in the long run. In Orissa, the company started construction work, but could not proceed further because of the resistance from local people. It is well known that MSL and other companies are facing problems from the locales in Kalinga Nagar and the construction work can only be started after the improvement in law & order situation. In view of the above difficulties and the consequent delays, MSL is also considering alternatively for the change of the location of the proposed project.

MSL has recently decided to put up the coating facilities in view of uptrend in Oil and Gas sector at the total project cost of Rs.25 Crores. The necessary land has been identified and the order has been placed for all major plant and machinery. The facilities are likely to come on stream by March 2007 and would enable the company to increase its capacity utilization for its pipe mills in a significant manner.