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Formerly GEA ENERGY SYSTEM (INDIA) LIMITED

PRESS RELEASE

BGR ENERGY SIGNS COLLABORATION WITH TERMOMECCANICA, ITALY

HIGHLIGHTS

- **Import of technology for critical Condensate Polishing Plants from an European major.**
- **BGR Energy's BOP solutions gains added strength.**

Chennai, 22nd December, 2008, BGR Energy Systems Limited ("BGR Energy"), the company engaged in EPC and BOP turnkey contracting for power projects and LSTK contracts for Oil & Gas projects, has recently entered into "Technical Collaboration and License Agreement" with TM.E. S.p.A. Termomeccanica Ecologia, Italy (TME) for "Condensate Polishing Plants" in India.

TM.E. S.p.A. Termomeccanica Ecologia, Italy

TME, the Euro 167 million La Spezia headquartered company in Italy, is certified by UNI EN ISO/9001/2000 standards and specialized in environmental and industrial engineering projects in the fields of :

- Waste to energy plants.
- Renewable energy plants.
- Biogas energy recovery plants.
- Waste sorting plants.
- RDF and compost production plants.
- Drinking water plants.
- Desalination plants.
- Remineralization plants.
- Softening and demineralization plants and
- Industrial and municipal sewage water treatment plants.

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Condensate Polishing Plants

"Condensate" is demineralised water emerging from the condenser of Thermal power plant. "Condensate Polisher" is a device installed to remove contaminants from condensate to enable its reuse. Condensate polishing is essential to high pressure steam generators in Thermal power stations for better efficiency of the unit by reducing down time and improving heat rate.

Key features of Collaboration

The Technical Collaboration and License Agreement is on exclusive basis for Indian market and non-exclusive for Overseas markets. TME will transfer and impart technical know-how for Condensate Polishing Plants to BGR Energy. It will also render additional technical and commercial assistance to BGR Energy during initial phases of collaboration. The agreement is for a period of five years with a scope for extension for further period. Under this agreement, TME will train the Engineers of BGR Energy in Design, Engineering, Manufacturing and other facets of Contracts Management in execution of Turnkey projects for CPP.

Competition in India for CPP & Market scenario in India.

The market potential for Condensate Polishing Plants in India is closely linked to the capacity addition in power sector. In view of the ambitious capacity addition programme of Central Government, State Governments and IPPs, the company expects huge potential for CPPs in India. The company envisages atleast 15 CPP units to be procured annually by power generation companies / utilities. As of now, Driplex Water is perhaps the only company which has been supplying CPPs in Indian market.



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Benefits of Collaboration

This collaboration for Condensate Polishing Plants enables BGR Energy to expand its high-tech products portfolio and this will reinforce its strength to offer BOP equipment package solutions to power utilities and IPPs. The ramp-up of competency in the critical CPP equipment will provide competitive edge to BGR Energy in its BOP and EPC business.

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 Equipments 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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