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PRESS RELEASE

BGR Energy signs MoU for 2 X 660 MW Power Plant in Orissa

Chennai, April 09, 2010: BGR Energy Systems Limited ('BGR Energy'), the EPC Company for power projects has signed a Memorandum of Understanding (MoU) on Friday, the 9th April, 2010, with the Government of Orissa for setting up a 1320 MW (2 x 660) Independent Power Producer (IPP) at Bhapur in Nayagarh district, Orissa, at an investment of about Rs.6287 Crore. The MoU was signed by Mr. B.G. Raghupathy, Chairman and Managing Director, BGR Energy Systems Limited and Mr. P.K. Jena, Energy Secretary on behalf of the Government of Orissa, in the presence of the **Hon'ble Chief Minister of Orissa, Mr. Naveen Patnaik** and other distinguished dignitaries and senior officials.

The proposed project will be implemented by a Special Purpose Company. As per the MoU, the state government will assist the project with land acquisition, water and mandatory clearances, and facilitates allotment of captive coal blocks or coal linkage for the purpose of mining to be utilized for the project. The Orissa government is entitled to purchase 12 - 14 per cent power generated from the Plant, at variable cost as determined by the Orissa Electricity Regulatory Commission. BGR Energy Special Purpose Company would be free to sell the remaining Power within or outside Orissa. The Plant is scheduled to be commissioned in 54 months and expected to provide direct employment to more-than 1200 persons.

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Commenting on signing of the MoU, Mr. B.G. Raghupathy said, "It is a moment of great pride for all of us at BGR Energy, as we entered into a strategic partnership with Government of Orissa to be part of augmentation power generation capability of the nation. We are very happy to join hands with the industry-friendly Orissa government". He further added – "We are confident that our project will bring in all round integrated development in the region of Nayagarh district."

About BGR Energy Systems Limited

BGR Energy is engaged in the business of Engineering, Procurement and Construction (EPC) contracting and Balance of Plant (BOP) contracting for Power sector industry in India, LSTK contracts for Oil & Gas Projects and undertakes turnkey engineering, manufacture and supply of high technology equipment for Power, Oil & Gas industries in India and for international markets.

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