



BGR ENERGY

BGR ENERGY SYSTEMS LIMITED
443 ANNA SALAI, TEYNAMPET, CHENNAI 600018 INDIA
TEL: 91 44 24326171, 24326174 FAX: 91 44 24364656
E-mail: rrk@bgrenergy.com Web site: www.bgrcorp.com

Formerly GEA ENERGY SYSTEM (INDIA) LIMITED

PRESS RELEASE

BGR ENERGY SIGNS UP CREDIT LINES FOR Rs.2,105 CRORES

Chennai, December 18, 2008. BGR Energy Systems Limited, the Chennai head-quartered EPC and BOP Turnkey Engineering and Contracting Company for Power Projects, has signed up credit lines to fund its working capital requirements for execution of 1 x 600 MW Mettur Thermal Power Project of Tamil Nadu Electricity Board. The Rs.3,100 Crore EPC contract was awarded to BGR Energy by TNEB on 25th June '08. BGR Energy secured this project in competition with the Power major BHEL.

The Company estimated its fund based and non-fund based working capital facilities at Rs.2,105 Crores and mandated SBI Capital Markets Limited to arrange the financing facilities. A consortium of banks led by State Bank of India evinced keen interest to finance these facilities and the loan book was over written by Five Banks. The structured funding facilities will have participation from the following banks:

Particulars	Bank	Credit Line (Rs Crs)		
		Fund Based	Non Fund Based	Total
Lead Bank	State Bank of India	200	325	525
2 nd Lead Bank	Indian Overseas Bank	310	270	580
Participating Banks	State Bank of Patiala	125	375	500
	Punjab National Bank	75	175	250
	Vijaya Bank	75	175	250
Total		785	1320	2105

The Company was successful in raising these credit lines in an environment of credit squeeze and tough liquidity situation in financial markets. The lines of credit were tied up recently. The Banks have evinced keen interest to participate in the consortium and offered competitive pricing and terms to the Company. It may be recalled that the Company has availed similar credit lines from the consortium of banks for the EPC and BOP contracts executed by the Company and serviced the facilities to the satisfaction of the Banks.

The credit lines would enable the Company to meet the cash flow, BG and LC requirements of the Project for a period of 39 months.

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REGISTERED OFFICE :

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Current Order Book Position

The Company is currently executing EPC and BOP Contracts for Power sector and LSTK contracts for Oil & Gas sector. An overview of the current order book is as follows:

S/N	Description	Rupees in Crores	%
A	Power Sector – EPC & BOP Contracts	10,069	95
B	Oil & Gas sector turnkey contracts	370	4
C	Equipment business	152	1
	Total	10,591	100

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.

For further information, please contact :

Mr. Sreenivasa Rao Behara
Senior Manager – Corporate Communications
Tel : 044 – 24334940
Mobile : 96001-31318
Website : www.bgrcorp.com

