

**RPL refinery project completes one year since kick-off.
Significant progress achieved on all fronts**

Refinery execution on fast track for completion by December 2008

MUMBAI, 12th January 2007: Reliance Petroleum Limited (RPL) successfully completed the first year of implementation of its world-class complex refinery, being built in a special economic zone at Jamnagar. The refinery project was kicked off in December 2005.

The refinery project has made rapid strides on all implementation fronts, including physical progress at the site and has achieved several key milestones during the first year itself. Significant accomplishments since the project kick-off include the following:

- All statutory approvals, including SEZ approvals, have been obtained.
- The equity financing of the project was completed through a highly successful IPO that established several new records in the Indian capital markets.
- Through successful global syndication, RPL obtained commitments for US\$2bn of debt, which is the largest foreign currency financing for any single project from India.
- RPL concluded a strategic partnership with Chevron.
- Basic engineering and a major part of detailed engineering is complete.
- All long lead and critical equipments have been ordered and remaining procurement/contracting activities are nearing completion.
- Construction work at site has taken-off and is progressing at a rapid pace.

The fast track implementation of the project has led to substantial change in the skyline of the project site with civil, structural and mechanical works in full swing. RPL has developed sufficient site infrastructure to sustain construction on fast track and is ready to receive peak implementation workforce required for the project. RPL has thus set a perfect launch pad for creating new industry records for project implementation and is well on its way towards scheduled completion by December 2008.

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The engineering progress achieved thus far has been commendable. Nearly two-thirds of detailed engineering work is complete and a substantial part of concrete, underground and structural steel drawings have been released to the site. A massive 3D site modelling effort is underway and is expected to provide benefits of superior engineering quality, reduced construction interferences and minimum rework at site. Over 7,500 engineers are working on the project at several interconnected locations across the globe.

On the procurement front, RPL has made significant strides. All long lead and critical equipments have been ordered and a substantial part of overall procurement and contracting activities has been completed. Equipment deliveries have commenced and more than 80% of structural steel and a significant part of piping materials have also been delivered to the site. Emphasis has now shifted towards vendor monitoring and follow-up for ensuring compliance with quality and delivery commitments.

The construction activities have gained further momentum with over 600,000 cubic meters of concreting already completed (equivalent to several scores of skyscrapers). The month of December 2006 witnessed the creation of a new record with over 168,550 cubic metres of concrete poured in a single month. Through this, RPL has even surpassed the record created during the implementation of RIL's refinery at Jamnagar. Structural works have taken off with more than 30,000 tonnes of steel and tankage fabrication work already completed. *Please visit www.reliancepetroleum.com for a photo preview of progress at the project site.*

At the industry level, the global refining fundamentals remain intact and promise exciting value creation opportunity for complex refineries. The continuing shortage of global refining capacities coupled with tightening product specification, slow growth in desulphurization capacities and widening light heavy differentials is expected to result in widening demand supply gap for transportation fuels globally. Buoyant outlook for the global economy augurs well for petroleum products demand and reinforces confidence on the long term prospects for the sector.

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Commenting on the progress Mr Mukesh Ambani, Chairman of Reliance Petroleum Ltd said *“I am extremely encouraged by the rapid progress made by RPL on all aspects during the first year of implementation. The substantial progress achieved at site gives me further confidence that the refinery is well on its way towards scheduled completion by December 2008. RPL is well positioned to capitalise on the emerging opportunities in the sector and create superior value for its shareholders”*.