

Praj – Aker Kvaerner Joint Venture signed

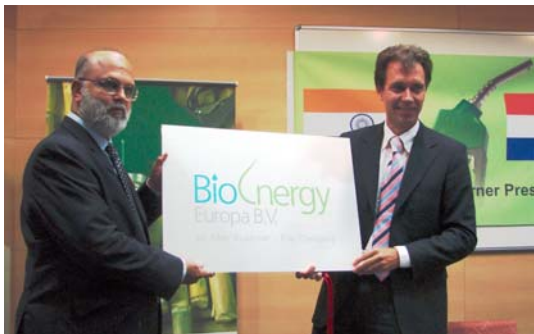
BioEnergy soon to commence operations in Europe

Pune/Oslo, 12 June 2007:

Praj Industries, the leading biofuels solution provider and Aker Kvaerner, global provider of engineering and construction services, today announced the finalisation of an agreement to form a Joint Venture Company in Europe that will be called BioEnergy Europa B.V.

Pramod Chaudhari, Chairman, Praj and Wim van der Zande, Managing Director, Aker Kvaerner Netherlands B.V. confirmed that, following the approval of the joint venture (JV) by the Boards of both companies in April, the agreement has now been finalised, paving the way for the Company to commence operations. Praj holds 60 percent in BioEnergy, while Aker Kvaerner holds 40 percent of the shareholding.

BioEnergy will build upon the individual strengths of its founding partners to offer European customers access to customised solutions for their biofuels projects. The JV will provide the technology package, engineering services, equipment and systems, project management services, construction and erection services, and commissioning, as well as turnkey biofuel plant. BioEnergy will address both the ethanol and biodiesel opportunities in Europe – an interesting potential given the Biofuels demand is likely to go up more than three-four times the present consumption by 2010.



Aker Kvaerner Netherlands B.V., a wholly owned subsidiary of Aker Kvaerner ASA, is the legal entity entering into the JV with Praj. The JV will be located in Zoetermeer, The Netherlands, 50 kms from Amsterdam.

“There is no equivalent Company which operates exclusively for the biofuels industry offering turnkey solutions. BioEnergy will demonstrate a new business model and offer value added services to its customers, which will make biofuel projects more competitive. Aker Kvaerner’s execution capabilities and extensive European market knowledge will complement Praj’s expertise in the biofuels industry,” says Wim van der Zande of Aker Kvaerner.

“We are very excited with the formation of BioEnergy. As its name implies, it will bring together the core strengths of Praj and Aker Kvaerner to provide value plus solutions to the biofuels industry. The future is very promising and we are well poised to take advantage of the opportunities,” adds Pramod Chaudhari of Praj.

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The relationship between the joint venture partners is well established. Through a strategic alliance formed in 2006, the two Companies (Praj and Aker Kvaerner) have developed serious leads in the market and created valuable visibility. The Board of BioEnergy will consist of two members each, from Praj and Aker Kvaerner. Ronald van der Vlist, presently Director of Technology at Aker Kvaerner, will head the Company.

About Praj:

Praj is a global Indian company that offers innovative solutions to significantly add value in ethanol, bio-diesel and brewery technology and related wastewater treatment systems for customers, worldwide. Praj is a knowledge-based company with expertise and experience in Bioprocesses and engineering. It delivers know how, License, engineering design, plant & equipment, project management, commissioning and customer care and turnkey projects. Led by an accomplished and caring leadership, Praj is a socially responsible corporate citizen. Praj is listed on the Bombay and National Stock Exchanges of India with a market capitalization of more than **USD 1 billion**.

About Aker Kvaerner:

AKER KVÆRNER ASA, through its subsidiaries and affiliates ("Aker Kvaerner"), is a leading global provider of engineering and construction services, technology products and integrated solutions. The business within Aker Kvaerner comprises several industries, including Oil & Gas, Refining & Chemicals, Mining & Metals and Power Generation. The Aker Kvaerner group is organised in a number of separate legal entities. Aker Kvaerner is used as the common brand/trademark for most of these entities.

The parent company in the group is Aker Kværner ASA. Aker Kvaerner has aggregated annual revenues of approximately **USD 8 billion** and employs approximately 23 000 people in about 30 countries.

Aker Kvaerner is part of Aker (www.akerasa.com), a group of premier companies with a focus on energy, maritime and marine-resources industries. The Aker companies share a common set of values and long traditions of industrial innovation. As an industrial owner with a 40.1 per cent holding in Aker Kvaerner, Aker ASA takes an active role in the development of its holdings.

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