

Wood Group

NEWS REL

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WOOD GROUP'S MUSTANG ENGINEERING AWARDED MULTI-MILLION DOLLAR ENGINEERING CONTRACT BY CAIRN IN INDIA

Mustang Engineering ('Mustang'), a subsidiary of international energy services company John Wood Group PLC ('Wood Group'), has been awarded a multi-million dollar contract by a subsidiary of UK-based Cairn Energy PLC ('Cairn'), to provide front-end engineering design verification, detail engineering, procurement and construction management services for the new Mangala production facility to be located in the Rajasthan Desert in Western India. The facility, expected to deliver 150,000+ barrels of oil per day, will include water treatment and injection, gas production, power generation, fluid gathering and treatment, and crude oil export. Multiphase Solutions, Inc. ('MSi'), another Wood Group company, will provide flow assurance expertise to the project.

The Mangala field development represents one of Cairn's major current projects worldwide and will materially increase India's internal oil producing capacity. Cairn hold a 70% interest in the project, with Oil and Natural Gas Corporation Limited ('ONGC') holding a 30% interest. Mustang is entering into an agreement with L&T Valdel in Bangalore, India to provide some detailed engineering support to the project.

Steve Knowles, Mustang operations manager, said, 'We are looking forward to working with Cairn in delivering this important project in India. We appreciate Cairn's confidence in the breadth of services that Mustang and Wood Group bring to Cairn to perform the work.'

Phil Tracy, Engineering and Operations Director for Cairn said, 'We are pleased to have awarded this significant contract to Wood Group and Mustang who will be valuable members of the team developing Mangala. Mustang & MSi have a long history of delivering complex projects in remote locations around the world, and we are looking forward to working with them to deliver a successful project in Rajasthan.'

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Wood Group is an international energy services company with \$2.3bn sales, employing more than 14,000 people worldwide and operating in 36 countries. The Group has three businesses -Engineering & Production Facilities, Well Support, and Gas Turbine Services-providing a range of engineering, production support, maintenance management and industrial gas turbine overhaul and repair services to the oil & gas, and power generation industries worldwide.

Mustang Engineering is an independent services provider to the global oil, gas and chemical industries. Mustang specializes in design, engineering, procurement, project management and construction management of upstream oil and gas facilities and structures, midstream projects, process plants, petrochemical and chemicals, pharmaceuticals, pipelines, and automation and control projects. Capabilities range from feasibility studies through startup

for both onshore and offshore projects. Mustang has U.S. offices in Houston; Tampa, Florida; Birmingham, Alabama; Savannah, Georgia; Monroe, Louisiana; Columbus, Ohio; Martinez, California; and Philadelphia; as well as international offices in London, Perth and Melbourne.

Multiphase Solutions, Inc. (MSI) provides services and software applications for use in the design, operation and optimization of oil and gas pipelines and production facilities. MSI's services address a broad range of flow assurance and production design and operations problems, including design and operations support through state-of-the-art transient multiphase pipeline simulation, computational fluid and process dynamics analysis, thermodynamics modeling, finite element modeling and field-testing capabilities. MSI's asset and pipeline management software systems provide real-time, on-line monitoring, control, optimization and operator trainer capabilities for single- and multiphase pipeline operations, including production, gathering, transmission and distribution systems.

Cairn focuses its activities on the geographic region of south Asia. The Group holds material exploration and production positions in west India, east India and Bangladesh, along with new exploration rights in northern India and Nepal. This focus on South Asia has resulted in a significant number of oil and gas discoveries. In particular, the company made a major oil discovery (Mangala) in Rajasthan in the northwest of India at the beginning of 2004. India currently imports approximately 2 mmbbls of oil per day . Domestic production is approximately 650,000 BOPD, of which approximately 50,000 BOPD comes from the Cairn-operated Ravva field. www.Cairn-Energy.PLC.UK

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