Ingersoll-Rand Commends Passage of New National Energy Plan: 'The Energy Policy Act of 2005'

– Sees Incentives Helping Increase Demand for Microturbines –

DAVIDSON, North Carolina, August 8, 2005 -- Ingersoll-Rand Energy Systems, a business of Ingersoll-Rand Company (NYSE: IR), today welcomed the passage of "The Energy Policy Act of 2005," which calls for new tax credit incentives for the use of microturbine technologies and expands existing renewable electricity production tax credits.

"In light of the soaring worldwide demand for energy along with our nation's aging power infrastructure, it is clear that there has never been a greater need for clean, reliable, energy-efficient technologies," said Chip Bottone, president of Ingersoll-Rand's Energy Systems business. "The Energy Policy Act of 2005 will help foster the implementation of innovative energy technologies, such as microturbines, which are playing a vital role in providing environmentally friendly, cost-effective energy solutions for a wide range of environmental, commercial and industrial businesses, as well as for public utilities, to help reduce demands on the nation's increasingly overburdened power grids."

Microturbines are compact, integrated systems comprised of a gas turbine engine, a recuperator and a generator that efficiently convert fuel and heat into high quality electricity and thermal energy. Provisions in the Act include a 10-percent investment tax credit for the purchase of microturbine-based power systems and an extension of existing renewable electricity production tax credits utilizing microturbine technologies.

Designated for electricity produced from municipal solid waste and agricultural livestock waste, the Act extends, from January 1, 2006 to January 1, 2008, the time frame in which onsite power generation systems, such as microturbines, must be placed into service to qualify for the renewable electricity production tax credits. Also, the duration in which this tax credit incentive is offered was expanded from 5 years to 10 years. Ingersoll-Rand's Energy Systems business is a leading developer of distributed-generation power technologies, offering a comprehensive line of microturbine solutions that can deliver energy to supplement public utility grids, and reduce emissions by transforming harmful waste gases produced by wastewater treatment facilities, landfills, agricultural livestock waste and oil production facilities into reliable electricity. Ingersoll-Rand Energy Systems offers a wide range of consulting and engineering services, as well as lease and financing alternatives, along with its extensive Planned and Total Maintenance Program for its entire line of solutions.

To help customers lower energy expenses, manage business risks and offset infrastructure costs, Ingersoll-Rand Energy Systems offers unique environmental and energy solutions, in which the company will install, own and operate microturbine-based systems that generate on-site electricity and thermal energy.

Ingersoll-Rand Company Limited (NYSE: IR)
Ingersoll-Rand is a global provider of products, services, and integrated solutions to industries as diverse as transportation, manufacturing, construction, and agriculture. The company brings to bear a 100-year-old heritage of technological innovation to help companies be more productive, efficient, and innovative. Examples include cryogenic refrigeration that preserves agricultural produce worldwide, biometric security systems for airports, corporations, and government facilities, the efficient harnessing of air to drive tools and factories, and versatile, compact vehicles for construction and efficient movement of people and goods. In every line of business, Ingersoll-Rand enables companies and their customers to turn work into progress. For more information, visit www.irco.com.

About Ingersoll-Rand Energy Systems
Energy Systems Inc., a business of Ingersoll-Rand Company Limited, is a developer of distributed-generation power technologies that produce electrical energy that is cost-effective, reliable and safe for the environment. The company specializes in developing microturbines (70- and 250-kilowatt) for energy applications that supplement utility grids. Energy Systems also provides microturbine-based solutions for transforming harmful waste gases produced by wastewater treatment facilities, landfills, agricultural livestock waste and oil and gas production facilities into cost-efficient energy produced on site with comparatively few emissions. With an emphasis on developing solutions that will enable its customers to fulfill specific business goals, Energy Systems offers the most comprehensive maintenance, service, lease and financing programs available in the microturbine and generator markets. For more information, visit www.irenergysystems.com.

This news release includes "forward-looking statements" that involve risks and uncertainties. Political, economic, climatic, currency, tax, regulatory, technological, competitive and other factors could cause actual results to differ materially from those anticipated in the forward-looking statements. Additional information regarding risk factors and uncertainties is detailed from

time to time in the company's SEC filings, including but not limited to its report on Form 10-Q for the three months ended June 30, 2005.