



Transnet's Berth Deepening Contract Update

[Johannesburg; 21 May 2019] On 29 July 2018, Transnet awarded the main marine package of the Durban Container Terminal (DCT) Berth Deepening project to create deeper berths at the DCT's North Quay to CMI Emtateni Joint Venture.

On or about 18 November 2018, Transnet received an unsolicited report from "Forensics for Justice", with allegations of procurement irregularities on the project. Transnet issued a Project Manager Instruction to the *Contractor* on the 20 November 2018 to "stop all works".

This was to afford Transnet time and space to conduct its own internal forensic investigation into the allegations. On the 20 February 2019, the *Contractor* issued Transnet with a "notice of termination" as they may choose to do in accordance with the contract.

In the best interest of both parties, Transnet accepted the *Contractor's* notice of termination and issued CMI Emtateni JV a termination certificate on the 16 April 2019.

Transnet's internal forensic investigations are still ongoing and have not been concluded. Transnet is currently reassessing a way forward on the main marine contract scope of works in order to minimize any further delays in realizing the benefits of the project.

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