



DURBAN CONTAINER TERMINAL (DCT) BERTH DEEPENING AND LENGTHENING PROJECT

[Johannesburg, South Africa, 23 November 2018] Transnet SOC Ltd has issued a stop work instruction on the Main Marine Construction works contract of the Durban Container Terminal (DCT): Pier2's North Quay berth deepening and lengthening project.

The contract for the multi-billion-rand Main Marine Construction Works package of the project was awarded to CMI Emtateni Joint Venture, following an open tender process that started in January 2017 and closed on 22 August 2017. Four tenders were received and evaluated and adjudicated by November 2017. The contract with CMI Emtateni JV was signed on 30 July 2018.

In August 2018, one of the unsuccessful bidders indicated their unhappiness to Transnet on not being awarded the contract and raised a number of issues. They also lodged a Court application challenging Transnet's decision to award the contract to CMI Emtateni JV.

Transnet was also provided with unsolicited information from a forensic investigator. This has led to management initiating its own independent forensic investigation on these allegations raised.

In the interest of good corporate governance Transnet has decided to issue a stop work instruction on the Main Marine Construction Works contract pending the outcome of the investigation.

Transnet will provide further information regarding the implications to the Main Marine Construction contract and its impact on the timelines of the project once the findings from the investigation have been received and studied.

Issued on behalf of Transnet Group Capital

For more enquiries please contact:

Molatwane Likhetho

GM: Corporate Affairs and Public Affairs

Molatwane.likhetho@transnet.net