

OTHERS MUHIBBAH ENGINEERING (M) BHD ("Muhibbah" or "the Company") Wiggins Island Coal Export Terminal Contracts in Australia

MUHIBBAH ENGINEERING (M) BHD

Type	Announcement
Subject	OTHERS
Description	MUHIBBAH ENGINEERING (M) BHD ("Muhibbah" or "the Company") Wiggins Island Coal Export Terminal Contracts in Australia

Muhibbah Construction Pty Ltd, a wholly owned subsidiary of Muhibbah Engineering (M) Bhd ("Muhibbah" or "the Company"), holding a 50% interest in Monadelphous Muhibbah Marine JV ("MMM"), a joint venture with Monadelphous Engineering Pty Ltd, (a subsidiary of Monadelphous Group Limited), entered into two contracts through MMM for the construction of the approach jetty and ship berth, and shiploader ("The Work"), associated with the Wiggins Island Coal Export Terminal at Gladstone, Queensland for Wiggins Island Coal Export Terminal Pty Ltd ("WICET").

The Work under the contracts is completed and MMM has been granted practical completion. MMM has to date received successful payments pursuant to adjudication under the Building and Construction Industry Payment Act 2004 (Qld) ("BCIPA") for payments relating to the two contracts, totalling approximately AUD90 million. MMM expects to submit further claims under BCIPA.

WICET has filed a claim relating to the MMM contracts and associated costs in the Supreme Court of Queensland totalling approximately AUD130 million, the majority of which include those paid to MMM under BCIPA and variations previously approved by WICET. The claim names the MMM joint venture parties as defendants, along with each of the respective parent companies.

MMM and Muhibbah are of the view that the WICET claims are unwarranted and will vigorously defend the proceedings. Further, the Company will pursue a counterclaim through MMM in excess of AUD200 million and further claims are being compiled to recover costs associated with changes in scope and nature of the works. The Company considers MMM has good grounds for making such claims.

This announcement is dated 15 June 2015.

Announcement Info

Company Name	MUHIBBAH ENGINEERING (M) BHD
Stock Name	MUHIBAH
Date Announced	15 Jun 2015
Category	General Announcement for PLC
Reference Number	GA1-15062015-00017

