



ASX Announcement

October 8th, 2015
NRW Holdings Limited
181 Great Eastern Highway
Belmont, 6104, Western Australia

NRW announces Supreme Court awards.

NRW is pleased to announce that it has been successful in both its actions against Samsung C & T (Samsung) to enforce payment of the claims awarded in NRW's favour through the *Construction Contracts Act 2004 (WA) (CCA)* process.

NRW provided in its FY15 full year results commentary on its dispute with Samsung on the Roy Hill rail project, including the status of the adjudication process. An update is provided below.

- The adjudication process under the CCA has to date resulted in awards of circa \$35M in favour of NRW, an increase of \$9 million from that previously advised, following two further successful adjudication claims.
- Samsung have continued to contest payment through either judicial review of the determinations or by resisting enforcement.
- The application by Samsung for judicial review of the first determination in NRW's favour was heard in the Supreme Court of WA on 14 September 2015 and judgment was delivered on the 6th October 2015.
- The application for the enforcement of the second determination in NRW's favour was heard in the Supreme Court of WA on 29 September 2015 with judgment delivered today.

The first Supreme Court decision handed down this week dismissed Samsung's application for judicial review and granted NRW leave to pursue enforcement against Samsung for the \$17.5 million awarded by the Adjudicator (plus interest and costs).

The second Supreme Court decision, handed down today, again found in NRW's favour finding there was no set-off and granted leave to pursue enforcement against Samsung for \$8.5 million, as initially awarded in adjudication (plus interest and costs).

Jules Pemberton, NRW's Chief Executive Officer and Managing Director, commenting on the rulings said:

"Whilst I am pleased that the Supreme Court has ruled in our favour in these two matters, I am disappointed that we have had to revert to legal processes to progress a commercial resolution, particularly given the prolonged period of negotiations with Samsung."

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Our objective on the Roy Hill Rail Project remains to achieve a fair commercial outcome through ongoing discussions with Samsung senior management, and if necessary further Supreme Court action and the contractual dispute resolution process”.

The Supreme Court judgment on the 6th October 2015 included some information that requires clarification. In particular:

- The claims submitted for adjudication by NRW do not constitute all of the claims by NRW under the contract. In addition it should be noted that the \$93 million identified in Justice Mitchell’s judgment as the quantum retained by Samsung includes a \$31 million warranty bond. The expected outcome of the amounts that continue to be in dispute remain commercial in confidence.
- NRW contends, and it has been confirmed in two Adjudications, that Practical Completion was achieved on the 24th April, 2015. Notwithstanding that operations have commenced on the railway, Samsung has continued to refuse to issue the certificate of Practical Completion. Consequently NRW will continue to dispute Samsung’s claim for liquidated damages which are included in the “backcharges” referred to in the judgment.

The Supreme Court judgments support the position adopted by NRW in its FY15 results with respect to the Roy Hill contract. NRW will continue to inform the market in accordance with its continuous disclosure obligations as the matter progresses.

At the time of this announcement NRW has received no indication from Samsung as to its intentions in respect to complying with the Supreme Court judgments and outstanding CCA adjudications.

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Company Secretary

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About NRW Holdings Limited:

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia and internationally. With extensive operations in Western Australia and Queensland, NRW’s geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also encompasses a comprehensive refurbishment and rebuild service for earthmoving equipment and machinery.

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