



**HM GOVERNMENT OF GIBRALTAR
PRESS OFFICE
No.6 Convent Place
Gibraltar
Tel:20070071; Fax: 20043057**

PRESS RELEASE

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Former tunnel contractor serves a claim on the Government

The Government has now been served with a claim from OHL, the company that was contracted by the previous administration to complete the tunnel project and whose contract they terminated. The Particulars of Claim were served on 24th April 2012.

OHL claims that it is entitled to approximately £20.1 million being the contract value of its works executed up to the date of termination (about £34.1 million) less the amount it has been paid already (about £14 million).

The company has further claimed an entitlement to an extension of time under the contract amounting to 660 days in the aggregate and thus full relief from Delay Damages under the contract.

OHL further claims damages for breach of contract, as a consequence of the previous Government's repudiation of the contract, of about £6.5 million made up primarily of loss of profit, financing costs and demobilisation and staff costs.

In the alternative, OHL claim for an indemnity primarily as a consequence of the then Government allegedly not obtaining the correct planning permission necessary for the Works.

They further claim interest and the return of the performance security.

The proceedings have been issued in the High Court of Justice of England and Wales following agreement between the parties that the Technology and Construction Court of the High Court should hear the claims and counterclaims.

The procedure now is that the Government has to file an Acknowledgement of Service by 8th May and its defence and counterclaim by 22nd May unless an extension of time is agreed.

The Government will strenuously defend the claims made by OHL and will be making a counter-claim against them.