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PRESS RELEASE

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Her Majesty's Government of Gibraltar to re-start work immediately on airport and frontier tunnel and approach roads

- *Cabinet decision clears works for immediate restart*
- *GJBS will undertake the works*
- *Completion expected in 14 to 24 months*

At this morning's meeting of the Cabinet, the Government decided to re-start works on the frontier and airport tunnel and the related approach roads.

On 16th April this year the High Court of Justice of England & Wales handed down its Judgment in respect of the liability proceedings between Obrascon Huarte Lain SA and Her Majesty's Government of Gibraltar relating to the Gibraltar Airport Frontier Access Road Contract, often referred to as the Tunnel Project. The Government was found to have terminated correctly on 20th August 2011 and was thus entitled to recover from OHL all costs associated with the termination and the completion costs of the Tunnel Project which are over and above OHL's original Contract Price.

As the Government has repeatedly stated since it was elected, it has always been the Government's intention to complete this important project.

Having considered its various options in respect of the completion of the Tunnel Project, including having pre-qualified tenderers, the Government has now decided to appoint the publicly-owned GJBS to complete the works.

GJBS will begin to mobilise immediately, with works commencing as soon as reasonably possible.

It is expected that the works will take between 14 to 24 months to complete but more accurate assessments of the timing of the works will not be possible until GJBS has been able to inspect the state of the works already undertaken by OHL. The works will be undertaken in parallel with the continuing litigation between OHL and Her Majesty's Government of Gibraltar in London.

In the legal case, a final hearing to assess the quantum of damages payable is scheduled for trial in late 2015.

The Chief Minister, Hon Fabian Picardo QC MP, said: "The Cabinet's decision this morning means that the work can re-start on this important project. It is vital that we undertake this work now so that the bulk of the works will be finished by the time the tenants of the new affordable homes at Eastern Beach are moving in. It is also propitious that the works should be back on track as soon as possible if we are to see works start on the development of the Eastside Reclamation plot. The new traffic flow arrangements will also be generally beneficial. I am confident that the Government's wholly-owned Gibraltar Joinery and Building Services Ltd will be able to complete the works as effectively as every job they have previously undertaken. This is a huge project, a project Gibraltar needs and a project GJBS will deliver as well as they have all others to date."