

MARKET UPDATE

The Board of Structural Systems Limited (“Company”) advises that the Company received a claim from Tenix Australia Pty Ltd (“Tenix”) in relation to the Eastern Treatment Plant project (“project”) on Thursday, 14 November 2013.

Shareholders will be aware of the existence of unresolved issues relating to the project from the Company’s previous announcements but this is the first open claim that the Company has received arising from the project. Works on the project commenced in 2007. Tenix subcontracted the Company’s subsidiary, Structural Systems (Construction) Pty Ltd (“SSC”), to perform parts of the construction related to the project. All of the business operations of SSC, other than in its ongoing involvement in this project were discontinued by the Company in October 2009. The Company was also contracted as a sub-consultant to MWH Australia Pty Ltd (“MWH”) to undertake the post-tensioning design works as part of MWH’s overall design brief.

The claim emanates from a writ filed by Melbourne Water Corporation (“Melbourne Water”) in the Supreme Court of Victoria seeking costs and damages from a combination of Tenix, MWH and Aurecon Australia Pty Ltd (“Aurecon”). Melbourne Water claims up to \$41 million against Tenix, MWH and Aurecon.

Tenix’s claim against SSC is for contribution for any liability that it faces to Melbourne Water for its involvement in the project. It is the Board’s view that Tenix has made an ambit claim against SSC without regard to the circumstances of the project. In addition, Tenix has claimed \$10 million from SSC for additional alleged claims against it.

Shortly after advising the Company of its claim, Tenix then cashed the insurance bonds of \$2.428 million provided by the Company as security for the project.

The Company has rejected Tenix’s claims and will vigorously defend the claims made in relation to the project. Shareholders should also be aware that the Company has previously issued claims so far against Tenix to the value of \$10.7 million and will actively pursue its claims against Tenix (including recovery of the cashed insurance bonds).

David Perry

Managing Director

Released: 19th November 2013