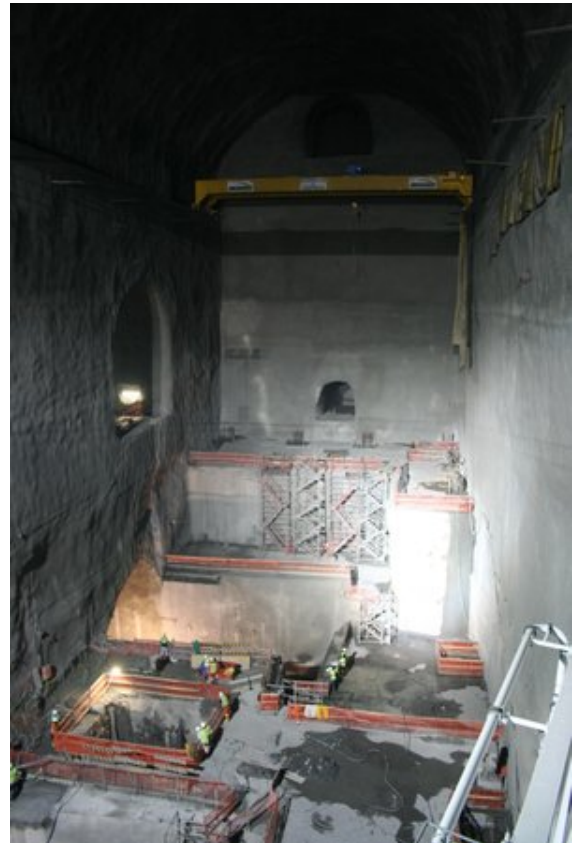


The 1332MW Ingula Pumped Storage Scheme is currently the largest tunneling project under construction in South Africa. The underground excavation is substantially complete with the Machine Hall excavation expected to be completed in March 2012.





The only remaining excavation work will then be the reaming of the 3.3m diameter Smoke Extractor Shaft and the drill & blast excavation of the two 20m diameter 120m deep Surge Chambers. It is expected that all excavation work will be completed by August 2012 and the expected Project completion date is October 2014.

Tender documents for the 40MW Kabompo Gorge Hydropower project in NW Zambia were issued towards the end of 2011 and the completed bids are awaited. This scheme comprises an underground powerhouse and transformer chamber, and approximately 4km of tunnels. The Client wishes to use the FIDIC EPC/Turnkey conditions of contract which will need to be modified to allow for some sharing of the geological risk. It is hoped that construction will start early in 2013.

Phase 2 of the Lesotho Highlands Water Project is expected to get under way in the near future with bids having been called for the Project Management Unit of the scheme. It is anticipated that the Project Management Unit will be appointed in March 2012 and bids for the engineering design will be sought later this year.

There a number of other tunneling projects in the offing including the fitting out of the second bore of the Huguenot Road tunnel in the Western Cape.

South Africa (SANCOT) continues to be represented in the ITA WGs 2 (Research), 3 (Contractual Practice) and 12 (Use of Sprayed Concrete). In the case of the latter

SANCOT's representative is preparing draft recommendations on ways to ensure the Durability of Sprayed Concrete.