

ANNEXURE "1"

Extract from the statement of

SAYED ABU TAHIR BIN BUKHARY

**Managing Director of SMB Group of Companies
Kuala Lumpur, Malaysia**

The following statements were made by the witness in response to questions put to him by the recording officer:

1. I am Seyed Abu Tahir Bin Buhary, and I was born on 17 April 1959.
2. My uncle, Mohamed Farouk had a business in the United Arab Emirates called B.B Enterprises. He had an association with Pakistani nuclear expert Dr. A.Q Khan which involved his business being used to receive consignments of nuclear equipment destined for Pakistan's centrifuge programme.

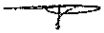
3. Gotthard Lerch was one of the suppliers to Pakistan but I do not know exactly what he supplied.

4. Lerch referred to me as Mr Junior and on Junior my uncle's business acted as a forwarding agent between Pakistan and the contractors. I was young at that stage and did not play a leading role in these activities and cannot recall the activities in any precise detail.

5. I assisted my uncle in processing invoices and shipping instructions supplied by the contractors and this is why the name Junior appears on certain documents.

6. Dr Khan also used other Dubai businesses such as International Pathfinder and Al Hadwa General Trading. These businesses were operated by a Captain Choudry.

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○ Selim Alguadis from Turkey, who would produce inverters and other parts.
 Also in Turkey, was Gunes Cüre, who would produce other parts.

○ Fred, Urs and Marco Tinner of Switzerland, who were required to produce the centrifuge components.

○ Lerch, who was required to produce the gas handling unit. Lerch used Wissner as his sub-contractor. The unit would be produced in South Africa.

10. Dr Khan arranged for several contractors to produce the components required for the said plant. These contractors included:

9. In 1997 Libya approached Dr Khan to supply it with a gas centrifuge plant. There was a meeting in Istanbul with Dr Khan and Mohamed Matuq from Libya. I was present at this meeting.

8. As I am not an engineer I did not pay any attention to the discussions but remember a visit to a factory where about an hours drive from Johannesburg.

7. In 1995, I visited South Africa with Dr Hashmi and Lerch. This was the first time for me to meet Gerhard Wissner as we visited his business. Dr Hashmi was an important member of both the Khan Research Laboratory and the Karachi Peoples Steel Mills.

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- Peter Griffin of Gulf Technical Industries, Dubai, who was to supply workshop machines for Libya to produce centrifuge components. This was referred to as the Machine Shop.

- All the above contractors were fully aware that the equipment that they were supplying was for the Libyan gas centrifuge programme. As Dr Khan was not technically minded he relied on Lerch for the plant. At a certain stage Dr Khan informed me that he had supplied the Libyans with plans for a non-working nuclear device. I, however, did not see them.

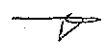
11. My role in the Libyan project was to merely act as the co-ordinator between Dr Khan, the Libyans and the contractors. My main contact with the Libyans was Mohamed Matuq, a senior member of the Libyan Government. I also occasionally met Karim, who was on the technical side. The contractors would furnish Dr Khan with progress reports and request payments for work done. Once he had approved them he would pass the details to me for payments to be made to the contractors. I in turn would pass the details on to Mohamed Matuq.

13. In some cases the Libyans made payments directly to the contractors. The contractors had opened bank accounts in various names. I recall E-Projects and JOVITE as being two of the accounts. I requested two of my friends, namely, Syed Fareed Al Habshi and Shah Hakim to allow the Libyans to deposit money into their off-shore accounts and to then transfer the money to the contractor's accounts.

14. Syed Fareed Al Habshi operated the following accounts:

- Aisha Investments in Labuan, Malaysia;

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- Al Hayat Investment LTD, attached hereto as Annexure "B";
 - Hussain Mohammed Musaddi, attached hereto as Annexure "A";
- the account E-Projects which show deposits into the account by:

18. I have been shown CREDIT SUISSE bank deposit SWIFT's relating to engaged in this project.

17. Lerch received approximately 55 million in German currency. Out of this he had to pay his sub-contractors and the rest was his profit made. Lerch would supply Dr Khan with progress reports and payment schedules. I met Wissner once or twice in Dubai when he was present with Lerch and

16. The Libyans sometimes made use of banks in Lebanon.

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- Zen Resources.
 - Shazzenin in Singapore, and
 - Shorthill Capital in Labuan, Malaysia;
15. Shah Hakim operated the following accounts:
- City Investment Off-Shore in Hong Kong.
 - Oryx Trading in Dubai, and
 - Perfect International in Hong Kong;
 - Al-Hayat Investments in Labuan, Malaysia;

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20. Dr Khan required the rotors for the centrifuges to be produced and he asked Lerch to look into this aspect for him. Peter Griffin had bought two flow-forming machines from a Spanish company for the machine shop. These machines did not have mandrels. The machines had been delivered to Gulf Technical Industries, Dubai. Lerch asked me to request Peter Griffin to have the one machine shipped to South Africa. Peter arranged for the value of the machine to be undervalued for customs purposes. The rotor project was unsuccessful (they did not have the experience, the raw material nor a mandrel) and the machine was returned to Gulf Technical Industries. The other machine was sent directly to Libya. The machine that initially went to South Africa was thereafter sent to Malaysia for Urs Tinner to also make rotors. This project was also unsuccessful and the machine was returned to Dubai and I then sent it on to Libya. The machine was never used before being sent to Libya.

19. Hussain Mohammed Musaddi was my employee and I instructed him on Lerch's request to make deposits into the E-Projects account. Annexure "E" reflects a direct deposit by the Libyans and Annexures "B", "C" and "D" depicts deposits made from my two friends' accounts.

- City Investment Offshore LTD, attached hereto as Annexure "C";
- Shorthill Capital Limited, attached hereto as Annexure "D", and
- National for Industrial Safety Libya, attached hereto as Annexure "E".

21. The gas handling unit required a number of valves. Lerch requested me to arrange with the Tinners for one sample valve to be sent to South Africa. The other valves were either delivered to my company, Desert Electrical, and sent on to Libya or remained in Switzerland. I had been shown three telefaxes which are attached hereto as Annexures "F", "G" and "H". These are addressed to "Junior" of "Dubai City" with the tax number "09971-4-2235425". This is my tax number. I received the faxes and passed them on to the Tinners who had to supply the valves.

22. Lerch arranged for two Libyans to visit South Africa to inspect the gas handling unit but I do not know who these Libyans were. Lerch also arranged for two South Africans to travel to Turkey to inspect the equipment being manufactured by Selim Alguadis.

23. Attempts were made to explore the possibility of exporting the gas handling unit via Mozambique and Zimbabwe. It was also decided to declare the gas handling unit as a water-purification plant. The Libyans had identified the Contracting and Trading Organization of Amman in Jordan to receive the unit and to deliver it to Libya. I have been shown "CONTRACT NO. 2001/4001", which is attached hereto as Annexure "I". The name "Prof Jabir", on the contract, appears as being that of the President of the organization. The "SMB COMPUTERS" business card, however, is one of my old business cards. My signature does not appear anywhere on the contract.

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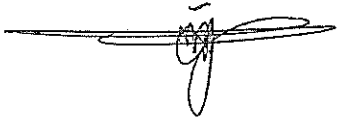
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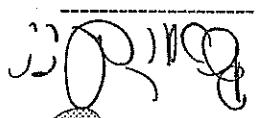
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Recording Officer

Deponent





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Dated 7 June 2006.

- 25. This statement was read back to me. I understand the nature of the statement made by me and do not wish to make any changes, corrections nor any addition thereto.
- 24. After the BBC CHINA incident the Libyans withdrew and I have had no further contact with Dr Khan, Lerch or Wisser. Wisser was the only South African that I can recall ever meeting in respect of the Libyan project.

EXA...
PARTOIA
2005-12-14
L.A.M.B.O.S.

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:72: /DCMT/DEK...
:71A: BEN
MR. JEAN PIERRE PERONELLE
:70: /CHG/BEN/
E PROJECTS
POSTFACH 5188
BK HOFMANN A.G., ZURICH
:59: /17244
ZURICH
POSTFACH 5188
:57D: BK HOFMANN A.G., ZURICH
:54: DEUTDEF
:53A: CHASDEFX
TORONTO
:52D: ROYAL BANK OF CANADA
FAX, INDIA
TEL, PATNA
P O BOX PASSPORT NO A 121773
:50: NAME/HUSSAIN MOHAMED MUSADDI
:52A: 010615EUR115000,67
:20: P3215921 870 1
108: 000159CB0366296
01001039010615CHASDEFX02133118910106151059N

HEADERS F01CRESCHZAR0A0414650652 INPUT FROM SWIFT
CIF number: 0835-0997914-9
Sender : CHASDEFXXXX
Chase Manhattan Bank AG
Frankfurt am Main
MT/Date/Time : MT100 15.06.01 10:39
Currency : EUR
Amount/par/nbr: 115000,67
Value Date : 15.06.01

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2009-12-14

:71A: BEN
E PROJECTS
:59: /17299
SWIFT HOEHCCHZ
GENEVA CH
:57D: BANK HOFMANN
:54A: DRESDEF
:53A: DRESDEF
:50: AL HAYAT INVESTMENT LTD
:32A: 010629DEM1000
:20: 331923908/R56274

HEADERS F01CRSCHZZA80A06427799289
0101500010628B0MLAEADAXX33515871890106281300N

INPUT FRDM SWIFT
CIF number: 0835-0988020-7
VALUE DATE : 29.06.01
Amount/pair/nbr: 610000
Currency : DEM
MT/Date/TIME : MT100 28.06.01 13:00
Out. addr./FOSN: AZ90A /670076
Sender : BOMLAEDAXXX
Mashreqbank PSC
Dubai

**CREDIT
SUISSE**



17:16

16/07/2009

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2005-12-14
DAMES

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HEADERS: FOTRESCHZKBA2641956107
01001256030614DEUTDEFFIXX0636978003004191256N
108:BOIKIS050419635
:20: 00IKIB030419635
:32A:03B614EUR106692
:50: CITY INVESTMENT OFFSHORE LTD
:52A:DHKHKHH
:57A:HOFMCHZ
:59: /17244
E PROJECTS
:70: EUR 106,792,00 LESS OUR CHARGES
:71A:BN
:72: /TELE/

Out addr./FOSN: 4290A /051672
Sender: DEUTDEFFXXX
MT/Date/Time: MT100 16.04.03 12:56
Currency: EUR
Amount/par/nbr: 106692
VALUE DATE: 16.04.03
CIF number: DBSS-0927957-0
INPUT FROM SWIFT

CREDIT
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2003-12-14
 2003-12-14
 2003-12-14

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72: //MR. JEAN-PIERRE FERRELLI
 71A: BEN
 70: FT LTR DD 14/3/02
 69: EPROJETS
 59: /17244
 57A: HOFMCHZZ
 56A: CRESCHZBA
 55B: D/0835-90227-83
 SEMANTAN, DAMAN, HEIGHTS, 50490 KL
 WISKA CHASE PERDANA, OFF JLN
 C-D SUITE 10.2 AND 10.3, 10TH FLOOR
 50: SHORTHILL CAPITAL LIMITED
 32A: 020319CHF302915
 20: FT02770021
 10B: XXXXX
 01001768020318BMBMYKAXXX962240311950203181098N

HEADERS FT02770021
 INPUT FROM SWIFI
 CTF number: 0835-0902227-B

19.03.02
 Amount/par/nbr: 302915
 Currency: CHF
 M/Dato/Time: MID 18.03.02 10:48
 Out addr./FDSN: AZ9DA /592919

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 2005-12-14
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HEADERS F01CRESCHZK80A2274448977
 01001337020507LAFBLYLTAXX35861164380205071337N
 108:11913
 :20: F10212731526
 :32A: 020509CHF336461
 :50: NATIONAL FOR INDUSTRIAL SAFETY LIBYA
 :53B: /D/990029-13-3
 :57D: CRESCHZ280
 :59: /17294
 :EPRDJECTS
 :71A: BEN

Out:addr./F0SN: A290A /596888
 MT/Date/Time: M100 07.05.02 13:37
 Currency: CHF
 Amount/par/hbr: 336461
 VALUE DATE: 09.05.02
 INPUT FROM SWIFT
 CIF number: 0835-0990029-1

Sender: LAFBLYLTXXX
 Libyan Arab Foreign Bank
 Tripoli

**CREDIT
 SUISSE**

LIBAN ARAB BANK
 2005/12/14
 14 12 14 08

~~JAM-FINTRADE~~

Regards

Most urgently required are full valve specifications and data sheets.

PLEASE SPECIFY:

DN16	DN15	21.34 mm	2.11 mm
DN20	DN20	26.67 mm	2.11 mm
DN25	DN25	33.40 mm	2.77 mm
DN35	DN40	48.26 mm	2.77 mm
DN50	DN50	60.32 mm	2.77 mm
DN63	DN65	73.02 mm	3.05 mm

NOMINAL DIAMETERS
VALVES PIPES
PIPE OUTSIDE DIAMETER
PIPE WALL THICKNESS

Valve Connection diameters should match pipe diameters as follows:

The following are standard external diameters of locally readily available seamless stainless steel pipes.

Dear Mr. Junior!

Dubai City

For Attention: Junior

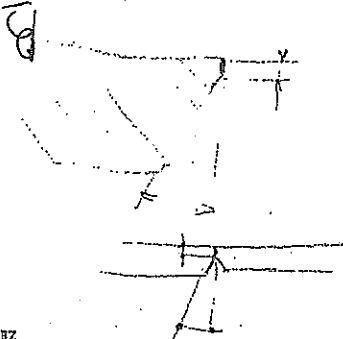
Date: 24-07-2001

Fax No 09971-4-2235425

TELEFAX



W I



zaidy@comp



zaGd9ga0T5x2



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JAM - FINTRADE

Regards

COURT COPY

Attached information as requested

Dear Mr. Junior!

Dubai City

For Attention: Junior

Date: 17-Aug-2001

Fax No° 09971-4-22 35 425

TELEFAX

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W 2

zlpLLATV9XB



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4

COUNT COPY

JAM-FINTRADE

Regards

Urgently require detailed Valve specifications.

Dear Mr. Junior!

Dubai City

For Attention: Junior

Date: 24-August-2001

Fax No 09971-4-2235425

TELEFAX

H

W3



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22.0	LANGUAGES AND UNITS	23.0
23.0	TAXES, DUTIES AND FEES	24.0
24.0	WHOLE CONTRACT	



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1. DEFINITIONS

For the purpose of this contract and all other documentation issued during the project, the following definitions shall apply:

- Whenever reference is made to "Project Manager" or "Managing Contractor", it shall mean "the Client."
- Whenever reference is made to "Engineering Services Company" or "the manufacturing engineering cc", it shall mean Tradefin Engineering cc

- Whenever reference is made to "Supplier", it shall mean all the various suppliers that supply equipment and/or materials to Tradefin Engineering cc for this project, as sub-contractors.

- Whenever reference is made to "Sub-Contractors" or "Installation Contractors", it shall mean all the various sub-contractors that are being employed by Tradefin Engineering cc to complete this project.

- Whenever reference is made to "The Specification", it shall mean the entire scope of technical specifications, data sheets, sketches, drawings, descriptions and so forth, all of which has been handed over to Tradefin Engineering C.C. during the course of the last six (6) months.

2. PURPOSE OF CONTRACT

This contract is entered into between The Client (Managing Contractor) and Tradefin Engineering C.C. for the design, manufacturing and supply of five Water Treatment plants to Jordan.

3. CONTRACT BASIS

The basis of the Contract is:

Lump Sum, Turkey. No escalation of labour and/or material is permitted. - Rate of Exchange variation shall apply only in some selected cases.



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TREATMENT PLANTS
HIGH PURIFICATION WATER
FIVE (5)

THE DESIGN,
CONSTRUCTION, WORKS,
TESTING, PACKING,
DELIVERY AND SUPPLY
TO JORDAN
COURT COPY

FOR

CONTRACT NO. 2001/4001

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AMMAN
in Jordan

Messrs. Contracting and Trade Organisation

of

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Vanderbijlpark
In the Republic of South Africa
and

Messrs. TRADEFIN ENGINEERING C.C.

of

the parties

concluded between

This Contract is

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21.0	COMPLETE ORDER	22.0	LANGUAGES AND UNITS	23.0	TAXES, DUTIES AND FEES	24.0	WHOLE CONTRACT		

COPY

1. DEFINITIONS

For the purpose of this contract and all other documentation issued during the project, the following definitions shall apply:

- Whenever reference is made to "Project Manager" or "Managing Contractor", it shall mean "the Client."

- Whenever reference is made to "Engineering Services Company" or "the manufacturing engineering cc", it shall mean "Tradin Engineering cc".

- Whenever reference is made to "Supplier", it shall mean all the various suppliers that supply equipment and/or materials to Tradin Engineering cc for this project, as sub-contractors.

- Whenever reference is made to "Installation" or "Installation Contractors", it shall mean all the various sub-contractors that are being employed by Tradin Engineering cc to complete this project.

- Whenever reference is made to "The Specification", it shall mean the entire scope of technical specifications, data sheets, sketches, drawings, descriptions and so forth, all of which has been handed over to Tradin Engineering C.C. during the course of the last six (6) months.

2. PURPOSE OF CONTRACT

This contract is entered into between The Client (Managing Contractor) and Tradin Engineering C.C. for the design, manufacturing and supply of five Water Treatment plants to Jordan.

3. CONTRACT BASIS

The basis of the Contract is:

Lump Sum, Turnkey. No escalation of labour and/or material is permitted. - Rate of Exchange variation shall apply only in some selected cases.



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- Heat Exchangers,
- Regeneration facilities,
- Storage Tanks,
- Water pumps,
- Vacuum Stations,
- Valving,
- Piping,
- PLC Control unit,
- Heating & Cooling Systems,
- Basic Instrumentation,
- Pre-assembly skids.

It will consist of the following items:

Each unit will be mounted in 3 frames.

5.2.1 Five off skid mounted high purification water plants.

The plant shall be the subject of this contract consists of:

5.2 TECHNICAL SCOPE OF SUPPLY
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Traderfin Engineering C.C. shall not be held liable for the correctness or suitability of the process information and the Entire Specification, supplied by the Client, or any decisions made based on the basis of this process and plant information.

The basis of the design is the Process and basic design information received from the Client. The approved P&ID's and Plot Plans will form the Basis for the Scope of Work.

5.1 BASIS OF DESIGN

5. SCOPE OF SUPPLY.

The official name of the project is:
High Purification Water Treatment Plants. According to the Project Manager, the plants shall be installed and operated in Jordan.

4. OFFICIAL NAME AND LOCATION

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- 5.4.2 All pressure vessels shall be designed to BS 5500 but not coded. Data books including QCP's shall be provided for each pressure vessel.
- 5.4.3 All atmospheric vessels and tanks shall be designed to BS 5500 and BS 2654 but uncoded. Data books including QCP's shall be provided.
- 5.4.4 All piping shall be stainless Steel 304L.
- 5.4.5 All valves shall be Globe Valves.
- 5.4.6 QA & QC will in accordance to ISO 9001.
- 5.4.7 Detail layout drawings will be prepared. General Arrangement drawing for units will be supplied.

d) Demineralised water for plant regeneration 40 mm NB flanged to BS 4504 Table 16/3
 Water Flow : 2 m³/h at 5 bar

c) Clean process air 40 mm NB flanged to BS 4504 Table 16/3
 Air required : 2 m³/min at 2 bar

b) Demineralised water outlet 40 mm NB flanged to BS 4504 Table 16/3
 Water Flow : 6 m³/h at 20 mtrs

a) Feedwater inlet 65 mm NB flanged to BS 4504 Table 16/3
 Water Flow, service filter washing : 6 m³/h at 30 mtrs
 Demineralised water outlet 40 mm NB flanged to BS 4504 Table 16/3 : 20 m³/h at 20 mtrs

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5.4.1 The Battery Limits of the plants are:

5.4 Supplementary notes:

- Conductivity : Less than 2.0 u s/cm at 20 C
- Total silica : Less than 0.05 mg/ltr as SiO₂
- Total dissolved solid : Less than 0.5 mg/ltr inclusive silica

The plant shall produce a net flow of 8 m³/h at 3 bar outlet pressure. The quality of the treated water shall be:-

5.3 Technical Data:

Five piping systems, each consisting of 120 distribution pipe spool sections.

5.2.2. Distribution piping systems



documents, including Original Bill of Lading.
consignment against presentation of shipping
Payment 3: - 30 % Final Payment upon shipment of the entire

the middle of May, 2002.
Project Manager's QA-Engineers). Target date is
assembly has been completed (to be witnessed by
Payment 2: - 40 % Progress Payment, if and when workshop

project milestones are met.
Payment 1: - 30 % Down Payment with order, if all agreed

Agreed Payment Schedule:

work will be allowed for:
This is the final, fixed and firm price for the work as detailed in the Scope
of Work in the specification and no discounts or price reductions or additional

R 6.664.463,00 (Six Million Six Hundred and Sixty-four Thousand
Four Hundred and Sixty-three Rand only, excluding value added tax).

The agreed pricing for the scope of work as detailed in the specification is as
follows:

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7: AGREED PRICING & PAYMENT SCHEDULE

The Engineering will be executed at Tradefin Engineering cc Works in
Vanderbijlpark. Tradefin will execute the remainder of the project tasks at their
Head Office, which is located in the same building. Tradefin will however
remain the responsible party and all orders, correspondence etc. will be
directed to Tradefin.
The detailed Engineering, procurement, expediting, inspection and accounts
will be the responsibility of Tradefin Engineering cc.

6. ORGANISATION AND PERSONNEL

The agreed project pricing does not include for any spare parts. The
manufacturing engineering company will, however, recommend spare
parts to facilitate easy maintenance and reduce downtime.

5.5 SPARE PARTS

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- Equipment & materials installed under this contract shall be covered by the standard equipment & material supplier's guarantees. The guarantees supplied by the equipment & materials suppliers shall be subject to the terms and conditions of each particular supplier.
- Tradefin shall guarantee the manufacturing of the equipment and materials for faulty workmanship for a period of 12 (twelve) months from the date of project completion. This guarantee shall be limited to the repair of the faulty workmanship and the associated engineering cost.
- Neither the equipment & material suppliers nor Tradefin Engineering cc shall be held liable for any consequential damages.

11. GUARANTEES

Tradefin Engineering cc and its employees will, however, do everything in their power to deliver the plant by the planned completion date.

Due to the limited time available for the completion of the project, no lag time is available in the project program to provide for late delivery of equipment, materials or services. As a result, Tradefin Engineering cc shall not be held liable for completion of the project after the planned completion date.

Contract award date: May 2001
Planned Project Completion date: November 2002

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10. PROJECT DATES

The project shall be deemed to be successfully completed the moment that all fabricated units and distribution piping are dispatched.

9. SUCCESSFUL COMPLETION OF THE PROJECT

However, since this order is for Export, no VAT payments will be necessary.

VAT is normally charged on all amounts at the rate applicable at the time of invoice. Currently this rate is set at 14% by the authorities.

All prices, payments and amounts stated in this document and in any other document pertaining to this project shall exclude value added tax (VAT).

8. PAYMENT & PRICING NOTES

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Work on the requested changes / additions shall only commence after the applicable documents have been signed.

These changes / additions shall be subject to all the terms, conditions and rules of this contract.

- A brief description of the change,
- The effect on cost budget and scheduled completion date,
- The effect on guarantees and process or utility requirements,
- The latest date by which approval to proceed can be given, without affecting scheduled completion date and
- The cost of preparing the change proposal.

Within ten (10) working days of receipt of the draft Change Notice, the Client will give his decision on incorporation of the change. Once approval has been given, a contract change order is issued to all interested parties and the payment terms and agreed pricing contained in this contract document shall be amended and signed.

In response to each modification request from the Client, Tradefin Engineering cc shall submit to the Client, within (20) working days from receipt of the request, a change notice, containing the following information:

14. CONTRACT CHANGE PROCEDURE

Each request for a design change or request for the completion of additional work by the Client shall be accompanied by a copy of the request. In response to each modification request from the Client, Tradefin Engineering cc shall submit to the Client, within (20) working days from receipt of the request, a change notice, containing the following information:

13. CANCELLATION OF PROJECT

If the Client should decide to cancel this project, the Client shall immediately inform Tradefin Engineering cc of this intention in writing. The Client's liability to Tradefin Engineering cc shall be limited to the capital committed at that stage. The value of the total capital committed will be supplied to the Client as part of the Progress reports that are issued from time to time. These progress reports will be backed up by photographic reports and evidence.

12. PLACING OF ORDERS

Tradefin Engineering cc shall place the orders required for the completion of this contract on the various suppliers and sub-contractors without prior consent of the Client. The suppliers and sub-contractors used on this project shall be left to the sole discretion of Tradefin Engineering cc.