

17 December 2021

AGREEMENT REACHED TO PROGRESS WEST GATE TUNNEL PROJECT AND TRAFFIC UPDATE

Transurban announces today that it has reached agreement with the Victorian Government (the “State”) and the CPB John Holland Joint Venture (the “D&C subcontractor”) on revised terms for the delivery of the West Gate Tunnel Project, including a new Completion Date of late 2025. The parties will now finalise binding detailed documentation, expected to be completed in early 2022.

As previously communicated¹, Transurban has been working actively with the State and the D&C subcontractor to seek a commercial resolution to disputes between the project parties relating to changes in the requirements for disposal of soil potentially contaminated with PFAS.

While Transurban remains confident in its legal position, the company has reached this agreement in order to facilitate the most efficient and timely completion of the project, which Transurban believes is in the interest of all parties, Victorian road users and the broader community. Under the agreement, the D&C subcontractor has committed to commence tunnelling in early 2022.

The total cost of the D&C contract will be increased by \$3.4 billion (“Contract Sum Adjustment”), with Transurban and the State each contributing \$1.7 billion. Additional costs to Transurban of approximately \$300 million include the company’s share of site activation and insurance costs as well as Transurban’s direct project management costs. Transurban will also incur revenue impacts due to the delays up to the new Completion Date (see the Investor Presentation for more detail). The D&C subcontractor withdrew their claims to additional construction costs which were significantly higher than the agreed Contract Sum Adjustment, and will also forgo profit margin and overheads.

Chief Executive Officer Scott Charlton said the West Gate Tunnel Project is a critical infrastructure project for Melbourne which will end the city’s reliance on the West Gate Bridge and create new links to facilitate the movement of people and goods between the port and city.

“We recognise this situation has been disappointing, however we believe this agreement represents the best path forward to deliver the West Gate Tunnel Project in the interests of all stakeholders, particularly the millions of Victorian motorists who will benefit from a vital alternative to the West Gate Bridge and a second river crossing”, he said.

West Gate Tunnel Project key benefits

- Reducing reliance on the West Gate Bridge and providing a direct freight link to the Port of Melbourne
- Approximately \$11 billion in estimated economic benefits for the State of Victoria²
- Approximately 6,000 construction jobs created including up to 400 regional jobs

¹ Refer to the Transurban FY21 Results Investor Presentation dated 9 August 2021 and WestConnex Acquisition and Transurban Equity Raising Investor Presentation dated 20 September 2021.

² Victoria State Government - Western Distributor Business Case (2015).

- Up to 20 minutes in expected travel time savings per trip³
- Removes an estimated 9,000 trucks per day from local streets following the opening of the West Gate Tunnel
- More than 14 kilometres of new and upgraded walking and cycling paths will be built as part of the West Gate Tunnel Project
- Approximately 9 hectares of new parks and wetlands currently under construction

Traffic update

Transurban also today releases a traffic update in the Investor Presentation which shows volumes improving across all markets, with the recovery trend particularly evident in Sydney and Melbourne following the lifting of restrictions during October 2021.

Further information and market briefing

Further information in relation to the West Gate Tunnel Project agreement is set out in the Investor Presentation released by Transurban to the ASX today.

Transurban will provide a market briefing at 9.30am (AEDT) today, 17 December. The market briefing will be webcast via the Transurban website at transurban.com.

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This announcement is authorised by Transurban CEO, Scott Charlton.

³ Victorian Government [West Gate Tunnel Project website](https://www.vic.gov.au/west-gate-tunnel-project).