



**Mercantile Ports & Logistics Ltd - MPL**  
Progress Update and Memorandum of Understanding  
Released 07:00 13-Mar-2017

RNS Number : 2156Z  
Mercantile Ports & Logistics Ltd  
13 March 2017

**13 March, 2017**

## **Mercantile Ports & Logistics Limited (the "Company" or "MPL")**

### **MPL Update, Memorandum of Understanding to develop operations hub at MPL's facility in Mumbai**

Mercantile Ports and Logistics (AIM:MPL), and its wholly owned subsidiary M/s. Karanja Terminal and Logistics Pvt. Ltd, provide the following update on progress developing its modern port and logistics facility in Navi Mumbai, India, and announces the signing of a Memorandum of Understanding ("MoU") with a publicly listed international construction company (the "Customer").

#### **Memorandum of Understanding**

MPL is pleased to announce that it has, following the Customer having conducted an extensive due diligence process, entered into a MoU with the Customer. Under the terms of the MoU, the Customer is expected to lease a significant proportion of the Company's completed project in order to develop an operations hub for steel superstructure fabrication. The infrastructure for this hub, which will be constructed by the Customer, would include supply, storage, fabrication, painting, assembly and waterway transport facilities at MPL's port. The land on which this operations hub is to be built is expected to be leased to the Customer for an initial period of three years, with an option to renew annually for a further three years.

The Company is pleased with the level of interest it has received from other potential customers, who are attracted by the ability to secure priority berthing at the Company's facility. The Company expects to enter into further MoUs in the coming months.

#### **Progress Update**

Over the last quarter, work has progressed well and the Board is pleased with developments. The focus has continued to be on land reclamation, and piling for the jetty. So far this year, the Company estimates that approximately 10 acres worth of reclamation material has arrived on site, some of which has been used for surcharging. Surcharge material (being material that is temporarily placed on top of reclaimed land in order to compact it) can itself be used as reclamation material once it has served its purpose as surcharge material. As at today's date, some 79 acres (or 40 per cent) of the overall reclamation target has been achieved, although the Company is pleased to report that an estimated 60 per cent of the total reclamation material required to complete the facility is now on site.

Piling for the construction of the berths capable of receiving vessels is progressing, with work being carried out on a 24 hour per day basis, as is the case with fabrication of precast concrete panels (deck slabs). Engineers did encounter previously undetected hard rock in the harbour basin during piling, and dredging this rock from the berth reduced the pace of piling whilst this matter was resolved. Notwithstanding this, as at today's date, piling for approximately 40 per cent of the final quay length has now been completed. In addition, the increased volume of traffic to the site caused significant wear and tear to the site's access road and meant that there was a reduction in the number of vehicles able to access the site during January 2017 whilst this problem was addressed. The Company can report that the issue has now been resolved and traffic to the site has returned to scheduled levels.

The Company's main contractor is operating at full capacity and the Company's engineers remain engaged with the contractor to ensure that the configuration of the final facility is optimised to achieve maximum utilisation of the land mass created. The Company is confident of completing its facility by the end of this year, although the matters referred to above, taken together, have contributed to adding approximately eight weeks to the previously reported timetable.

It is not appropriate for construction projects such as this to be commented upon on a daily basis but management will endeavour to provide regular updates to investors both by way of announcements and through drone footage on the Company's website. The Company would also welcome any shareholders who plan to visit Mumbai and wish to visit the site to see the progress that has been made.

Any shareholder interested in visiting the site should contact the Company's Investor Relations adviser, Redleaf Communications, by calling 0207 382 4769 or by emailing [MPL@RedleafPR.com](mailto:MPL@RedleafPR.com).

**Enquiries:**

**MPL**

Pavan Bakhshi/Jay Mehta

C/O Redleaf Communications

+44 (0) 20 7382 4769

**Cenkos Securities plc**

Stephen Keys/Camilla Hume

(Nomad and Broker)

+44 (0) 20 7397 8926

**Redleaf Communications**

Charlie Geller/Sam Modlin

(Financial PR)

+44 (0) 20 7382 4769

[MPL@redleafpr.com](mailto:MPL@redleafpr.com)

This information is provided by RNS

The company news service from the London Stock Exchange

END