



P R E S S R E L E A S E

RESPONSE TO OBSERVER ARTICLE OF 11TH JANUARY 2009

In its 11th January edition, the Observer notes that an English law firm, Leigh Day & Co, 'is suing' Erinys (UK) Ltd in respect of an incident that took place in Iraq in October 2007.

The incident happened on 18th October 2007 when employees of Erinys Iraq Ltd (a company in which Erinys International Ltd holds a minority interest) were stopping traffic on the road between Kirkuk and Sulaymaniyah in Northern Iraq.

This was a road identified by the Coalition's National Reconstruction Operations Centre, responsible for the coordination of all security contractor road moves, as 'high risk' and there had been two incidents at the same location on the day before. One of Leigh Day's clients states that he had initially thought that his injuries had been cause by local schoolchildren throwing grenades at the traffic.

Traffic had stopped and there was a queue of stationary traffic, as is shown in photos taken at the scene.

The taxi in which Leigh Day & Co's clients were travelling unaccountably ignored the queue of stationary vehicles, which should have alerted the taxi driver (and passengers) that there was a road block ahead. Road blocks were routine precautions in Iraq at that time – due to the high incidence of Coalition forces and Iraqi civilian deaths from suicide car bombs.

There is a routine escalation procedure (Rules on the Use of Force) which has been established to deal with potential suicide car bombs. This was in force in Iraq and complying with these rules was part of Erinys Iraq's contractual obligations to its client – the US Army Corps of Engineers.

The Rules require an escalation of alerts to the oncoming vehicle and the penultimate stage is to fire aimed shots into the engine block to stop the vehicle. This was the stage reached in the subject incident and three rounds were fired, but the bullets ricocheted off the road and impacted the taxi windscreen, with two of the bullets entering the taxi.

The taxi then stopped and within a couple of minutes a local ambulance arrived.

The Erinys team noted that the injured passengers had been carried into the ambulance and considering that their further involvement would not add any material advantage to the victims, continued on their mission.

Within a week the US Army held an official enquiry into the incident and concluded that the Erinys team had acted correctly in all respects.

Erinys Iraq Ltd sincerely regrets the injuries to the passengers of the taxi, but it is clear from a review of the facts that all injury would have been avoided had the taxi driver (who is not participating in the Leigh Day action) observed normal practice in Iraq at that time.

12th January, 2009