

ASX/MEDIA RELEASE

19 August 2010

Clough Full Year Results Announced

Engineering and construction company Clough Limited (ASX:CLO) today announced a strong performance for the 2009/10 financial year, recording improved financial results. Underlying earnings before interest and tax increased by 13% to \$63.6m, total revenue from continuing operations increased by 26% to \$805.0m, and order book closed at \$1bn. Cash holdings increased in the year to end at \$107m.

2009/10 Highlights:

- Continuing operations:
 - Total revenue increased 26% to \$805.0m.
 - Underlying earnings before interest and tax, up 13% to \$63.6m.
 - Net profit after interest and tax (NPAT) continuing operations up 4% to \$51.1m.
- Statutory NPAT of \$50.1m compared to \$52.4m in 2008/09.
- Work in hand at 30 June 2010 totalled \$1.0b.
- Acquisition of 31.3% Forge shareholding completed; cash investment of \$55m in April 2010. Strategic Alliance implemented.
- Completion of Petrosea sale in July 2009.
- Final settlement achieved with the Oil and Natural Gas Corporation in December 2009, cash collected.
- Strategic investment in Ocean Flow International, Peritus, Clough Helix Joint Venture and Clough Seam Gas.
- Cash holdings increased to \$107m; net cash of \$51.6m.
- Continued improvement of HSE performance, LTIF of 0.36.

Commenting on the performance, Clough's CEO, John Smith stated:

"In the past year Clough has achieved a strong operational result whilst continuing to build our order book with world class LNG projects. Major awards in the period include the EPCM contract on Chevron's Gorgon LNG Project (as part of the Kellogg Joint Venture) and the Upstream Infrastructure and EPC4 contracts on Exxon's PNG LNG project. In the same period we resolved our dispute with ONGC and made significant progress in the implementation of our strategy as an engineering-led EPC contractor to the oil and gas industry".

A number of key acquisitions and investments were made during the period, the most high profile being a major shareholding and strategic alliance with the Forge Group, formalised in April 2010.

Clough Seam Gas, established in May 2010, sees Clough enter the coal seam gas market with a team of industry experts dedicated to providing EPC services to the promising coal seam gas industry in Queensland.

Investments to strengthen Clough's participation in the subsea and marine construction sector included the acquisition of Ocean Flow International, a Houston based deepwater engineering specialist, and investment in Peritus International, a subsea, pipelines and floating structures engineering specialist, established in January 2010. Both businesses are currently performing to plan.

The Clough Helix Joint Venture, announced in February 2010, offers a wide range of subsea services from well intervention to subsea construction and the Normand Clough has mobilised for the JV's first project for China National Offshore Oil Corporation in the South China Sea.

Looking to the future, Mr Smith commented "Current oil prices and recovery in the financial markets will, we expect, stimulate offshore oil and gas projects and return the subsea sector to growth. The prospect for Australian gas to provide an increasing proportion of world LNG supply looks bright. We will continue to work hard to equip Clough to deliver in these two important sectors."

Ends

For further information, please contact:

John Smith, Chief Executive Officer	+61 8 9281 9407
Kristy McGrath, Manager Marketing	+61 8 9281 9344/ 0448 877 298

About Clough

Clough delivers an integrated Engineering, Procurement and Construction service to projects in the oil and gas, mineral and infrastructure sectors in Australia, South East Asia and the USA. The Group's services range from concept development through design, construction, installation, commissioning, operations and maintenance.

We deploy a first class suite of integrated management systems and are committed to the concept of zero harm and the wellbeing of our people and to the sustainability of the environment and communities in which we work.

www.clough.com.au

CLOUGH LIMITED FINANCIAL SUMMARY

	FY 2009/10		FY 2008/09		Year on Year Change
	Revenue \$m	EBIT \$m	Revenue \$m	EBIT \$m	
Marine Construction	194.0	24.1	196.0	27.0	
Capital Projects	517.7	34.2	377.3	28.9	
Asset Support	59.9	4.5	42.2	2.9	
Other	33.4	0.8	22.2	(2.8)	
Total Underlying - Revenue	<u>805.0</u>		<u>637.7</u>		+26.0%
- EBIT	*	<u>63.6</u>		<u>56.0</u>	+13.5%
Percentage Margin		7.9%		8.8%	
Adjusting items:					
Business Disposals	*	1.6		4.5	
Amortisation (Forge)	*	(2.4)			
Revaluation of Options	*	1.8			
G1 legacy contract costs	*	(3.1)		(0.2)	
Earnings Before Interest & Tax - Continuing Operations		<u>61.5</u>		<u>60.3</u>	+2.0%
Interest	*	(3.9)		(6.1)	
Tax		(6.5)		(5.2)	
Net Profit After Interest & Tax- Continuing Operations		<u>51.1</u>		<u>49.0</u>	+4.0%
Discontinued Operations and Non-controlling Interest		<u>(1.0)</u>		<u>3.4</u>	
Net Profit Attributable to Clough Shareholders		<u><u>50.1</u></u>		<u><u>52.4</u></u>	-4.5%
Profit Before Tax – Continuing Operations per Statutory Accounts	*	= 57.6		54.2	