

HALF YEAR REPORT

Six months to 31 December 2008



Projecting the Future

CLOUGH

Letter to Shareholders

Dear Shareholder

Clough has performed strongly in the first half of the year. Total Revenue for the period was \$469m which includes Clough's share of revenue from joint ventures. Revenue from continuing operations excluding one off business disposals was up 24% compared to the same period last year to \$331m and earnings before interest and tax was up 78% to \$29.7m.

Project activity was high across all business lines, with Clough playing a leading role in reconstruction of the Varanus Island gas plant and in re-establishing the Western Australian gas supply. There was also increased activity on the Gorgon LNG project as Chevron and their partners move towards a final investment decision and Woodside's Pluto LNG jetty project moved into construction.

Our safety performance continues to improve and whilst, with a total recordable injury frequency rate of 3.44 for the period we are considerably ahead of the industry benchmark, we believe every injury and incident is avoidable and we will continue to strive for this goal.

Following a strategic review the Board resolved to start the process to sell the Company's 82% shareholding in Petrosea, the Indonesian coal mining contractor. This will release funds and allow a strengthened focus in the oil and gas sector.

Advisors have been appointed and discussions continue with a number of interested parties. Based on this the Company is confident that as a minimum the sale process will realise the carrying value of the Petrosea shareholding.

Good progress has been made with ONGC towards resolution of the dispute relating to the G1 contract with a proposed settlement agreement put to the respective boards for their consideration. Consequently arbitration proceedings have been suspended. There has been no change in the accounting provision.

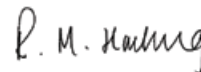
Cash holdings reduced to \$54m due to the capital investment spend on the Java Constructor and supporting Marine Construction equipment, payment of the G1 bond in July 2008 and the exclusion of Petrosea cash from the December 2008 balance. The anticipated sale of Petrosea and settlement on G1 are expected to substantially increment cash holdings in the second half.

At last financial year end the Board recommended the recommencement of a dividend which was paid in October 2008. The Board will consider a 2009 dividend on completion and consideration of the full year accounts.

Whilst we cannot expect to be immune from the effects of the global economic crisis there are significant opportunities for Clough particularly in the oil and gas sector.

Energy demand will continue to be driven by population growth, OPEX spend will continue to maintain production and well funded, long term projects such as Chevron's Gorgon, Exxon's PNG LNG project and the Santos Gladstone LNG project are likely to proceed. It will be the focus of the Board and Management to position and equip Clough to capitalise on these opportunities.

Yours sincerely



Mike Harding
Chairman



John Smith
Chief Executive Officer



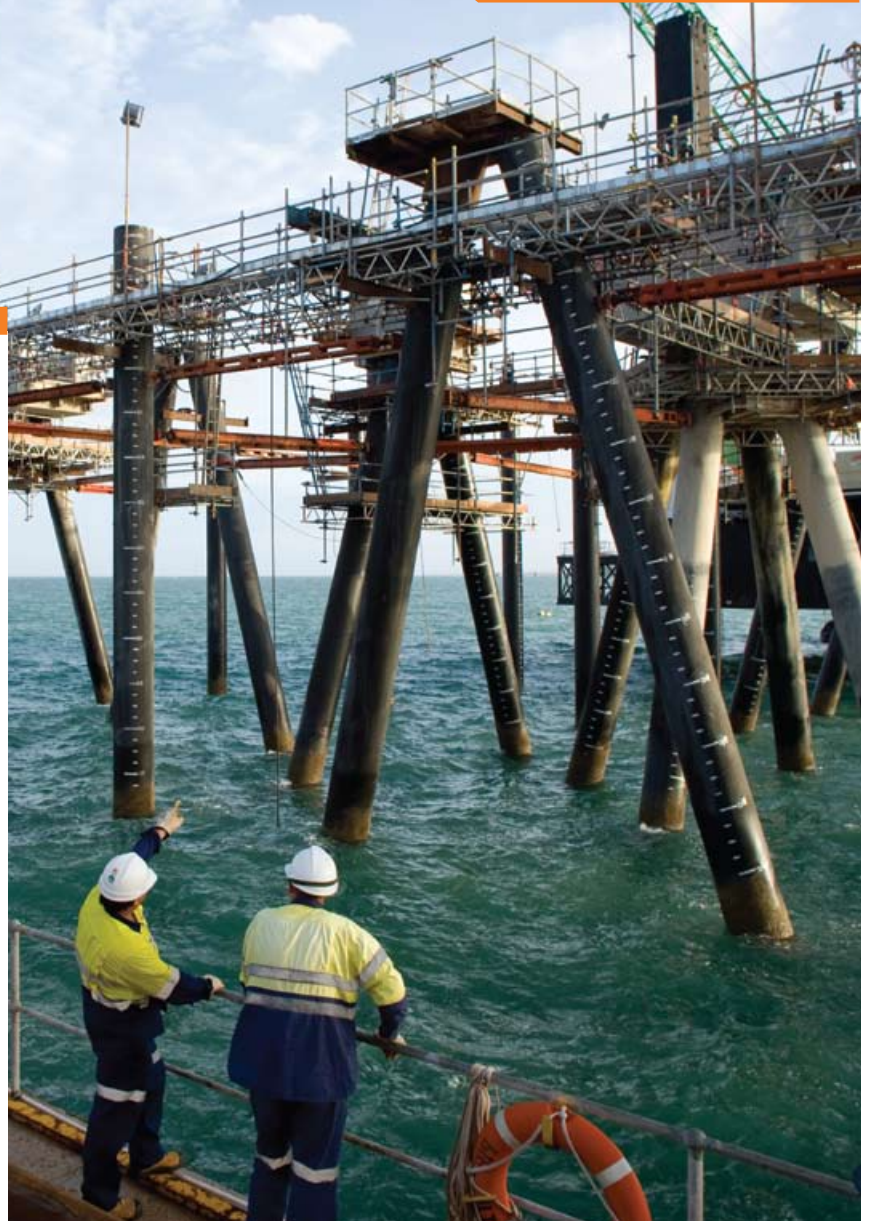
Andrew J Walsh
Chief Financial Officer



19 February 2009

Highlights

- ❖ Total Revenue on underlying activities up 24% to \$331m
- ❖ Earnings before interest and tax up 78% to \$29.7m
- ❖ Net Earnings excluding business disposals \$23.7m
- ❖ New Orders won in the period up 67% to \$387m
- ❖ Work in hand on continuing operations \$443m
- ❖ Cash holdings \$54m
- ❖ Net assets increased by \$49.6m to \$232.5m



Operational Overview

Income Statement	31 Dec	31 Dec
For the 6 months ended 31 December 2008	2008	2007
	\$'000	\$'000
Revenue	256,434	183,204
Profit before income tax	28,211	30,094
Income tax expense	(1,993)	(96)
Profit from continuing operations	26,218	29,998
Profit/(loss) from discontinued operation	(2,854)	5,005
Profit for the half-year	23,364	35,003
Profit attributable to members of Clough Limited	23,826	33,970
Profit/(loss) attributable to minority interest	(462)	1,033
	23,364	35,003
Basic earnings per share (cents)	3.57	5.96

Balance Sheet	31 Dec	30 Jun
As at 31 December 2008	2008	2008
	\$'000	\$'000
ASSETS		
Current assets	486,811	386,117
Non-current assets	143,527	168,995
Total assets	630,338	555,112
LIABILITIES		
Current liabilities	351,076	270,743
Non-current liabilities	46,774	101,493
Total liabilities	397,850	372,236
Net assets	232,488	182,876
EQUITY		
Shareholders' equity	213,182	167,544
Minority interest	19,306	15,332
Total equity	232,488	182,876

Focussing on the oil and gas sector with selective targeting of infrastructure projects has reaped rewards for Clough with several key contracts secured since 2007/08 year end. Despite the global financial crisis, the outlook in the oil and gas sector remains positive with well funded, long-term projects likely to proceed and OPEX spend to continue.

Our Marine Construction business secured contracts to undertake remediation pipeline repair work for both Oceaneering International and Apache Corporation using the Normand Clipper in the Gulf of Mexico. An agreement was signed with APL to support their offshore construction program through 2010 with the Normand Clipper. The first project involves installation of the Neptune LNG import facilities located offshore Boston, USA.

Rem Clough was christened in Ulsteinvik, Norway on 1 November 2008 and proceeded to the Gulf of Mexico to start on her maiden 12 month project with Wild Well Control Inc.

A contract for pipeline installation within the B17 Field Development was secured for the Java Constructor. This is due to commence in fourth quarter 2008/09 for Real Offshore Installation Company, Malaysia, following the vessel upgrade, which continues on schedule and within budget. Prior to this, the Java Constructor successfully completed the Ca Ngu Vang pipeline installation in Vietnam for Hoan Vu Joint Operating Company, and the Chevron installation of 10 new pipelines in the Gulf of Thailand.

Clough Thailand also successfully completed the NuCoastal Songkhla wellhead and process platform fabrication at Sattahip Fabrication Facility.

The Capital Projects business was fully engaged throughout the period with work commencing on key projects including Apache Energy's Varanus Island repair program and Mars Compressor project, Woodside's Pluto LNG jetty and Chevron's Gorgon project.

Operational Overview (cont)



Clough's repair program work on Varanus Island following the explosion in June 2008, saw first gas returned to the domestic gas market in August. Optimisation work will continue until March 2009 along with work on the Mars Compressor, due for completion in May 2009.

In Dampier a 190 strong workforce for the Harbourworks Clough JV are in full construction mode on the Pluto LNG jetty with completion scheduled for October 2009.

Clough and its Kellogg Joint Venture Gorgon partners (KJVG) were awarded an additional work order by Chevron Australia for approximately \$360m, to finalise the front end engineering and design (FEED) for the Gorgon LNG project.

The Devil Creek Onshore EPC contract awarded in April 2008 was terminated by Apache Energy in December 2008 due to the foundation gas customer withdrawing. This situation has since been rectified and we are in discussions with Apache on how to support the project going forward.

The Asset Support business progressed well in the period with Clough AMEC securing new contracts with Chevron and ConocoPhillips and entering negotiations with Woodside for a new four year services contract.

Chevron awarded Clough AMEC a services contract in October to support its oil production facilities at Barrow and Thevenard islands. Services include engineering, procurement, fabrication and construction management for an initial period of three years, with a two year extension option. This contract is strategically significant considering Chevron's LNG plans for Barrow Island.

In November, the Clough AMEC contract with ConocoPhillips to provide operations, maintenance and shutdown services to the Bayu-Undan facilities located in the Timor Sea was extended by three years with an option for a further four year extension.

Two water pipeline contracts are underway in Queensland. Clough and its partners continue to provide support to the Gladstone Area Water Board on a cost plus basis for construction of the Gladstone to Fitzroy pipeline and construction commenced in January on LinkWater's Toowoomba pipeline, a 38km pipeline between Wivenhoe and Cressbrook Dams.

The Boddington Gold Mine EPCM contract is in full construction mode with Clough and its partner Aker Solutions managing 18 subcontractors and a workforce of 2,500 personnel. The Murray Basin Mineral Sands project for Iluka reached a milestone in November with completion of the accommodation and central facilities followed by commencement of bulk earthworks.

Clough's future continues to look bright with sustained levels of bidding activity for long-term, well funded projects in our focus markets of LNG, domestic gas and SURF.



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