

Chairman's Address – Clough Limited
AGM – Wednesday, 9th November 2005

It is disappointing to report that our loss for the twelve months to 30 June 2005 was a little under \$60 million. This loss can be largely attributed to the BassGas Project and the ongoing dispute with Origin Energy and its partners Australian Worldwide Exploration, Cal Energy and Mitsui. The company's CEO David Singleton will comment more on this dispute and the Project in his address. The comment I would like to make on this subject is that the Clough Board believes we remain in a sound position to successfully prosecute our arguments in the Arbitration currently underway. As a board we are determined and resolved to achieve a fair financial outcome for our shareholders through this Arbitration process.

I don't intend in this short address to cover operational ground, suffice to say that I am pleased with the contributions and efforts displayed by our people. When there is a large loss as we have reported it is easy not to recognise the wonderful contributions made throughout the organisation. In particular Petrosea, Services and Property were tremendous and I acknowledge their performance. Oil & Gas and Infrastructure & Construction have both large and small issues which they are grappling with. We believe we recognise these operational issues and are all working to support these business units and some of the difficult challenges they face.

On the basis of shareholders voting in favour of Resolution 4 of the formal business, Murray & Roberts will eventually reach a shareholding of 49% in the company. The Clough Family will reduce its shareholding to just under 20%. Murray & Roberts, at an executive and Board level, has been a committed partner over the last twelve months and has provided valuable

commercial, systems and some personnel support to Clough during the period. I thank them for this support.

Also with the passing of Resolution 4 a further Murray & Roberts nominee, Mr Roger Rees, will be appointed to the Clough Limited Board of Directors. This will bring the Murray & Roberts representation on the ten-member board to three. I have known Mr Rees for a number of years and I am confident he will provide a valued contribution to Board discussion and decision making.

This time last year I had envisioned a different process whereby the Clough Family shareholding was to be reduced more slowly over a longer period. Events overtook the company and a new transaction has now been proposed that the shareholders of Clough will vote on today. The Clough family fully supports Murray & Roberts and, assuming an affirmative vote on Resolution 4, welcomes them as the company's largest shareholder.

I would like to thank our shareholders and bankers for their ongoing support of Clough while the company is repositioning itself. I also wish to thank, on behalf of the Board, the talented and committed group of senior executives who are supported by a skilled and hardworking team of people employed throughout the organisation.

Jock Clough

Chairman of Clough Limited