



MEDIA RELEASE
January 28, 2005

BASSGAS STATUS UPDATE

Clough Limited has previously released progress statements to advise the status on the BassGas project.

Clough's application for an interim injunction in relation to the bonds issued to Origin Energy Resources Limited came before the Federal Court in Melbourne today. Clough was seeking restoration of the \$19.3 million bond that was called by Origin on the 29th November 2004 and was also seeking to restrain Origin from dealing with the remaining \$19.3 million bond that Origin still holds.

The court noted that arbitration had been commenced in relation to the dispute and that the arbitrator would have the power to award damages to Clough if he found that Origin acted improperly in relation to the bonds. As the bank bonds were on their face unconditional, and as Clough would be able to recover adequate damages if successful in the arbitration, the judge indicated he was not disposed to make orders at this stage. On legal advice, Clough then withdrew its application. The court did not deal with or make any findings of fact regarding Clough's claims, which will now be dealt with by the arbitrator.

David Singleton, CEO and Managing Director of Clough Limited, said: "Origin has changed industry practice about when it is appropriate to call contractor-provided bonds and this is likely to have a profound effect on the industry. We are disappointed that the court was not willing to intervene at this point but we understand the court's reasoning and will pursue our claims with vigour in the arbitration process. In the circumstances we feel it is prudent to take a provision in our accounts in relation to the bond that has been called. However, we remain resolute in our view that ultimately we will be successful in recovering the bond monies through the arbitration process."

Clough is proceeding with the arbitration process as outlined in previous market releases. The outcome of the above court hearing will not have any effect on the arbitration proceeding. Clough will pursue recovery of the bond monies and damages relating to the calling of the bond, in addition to the other amounts that Clough is claiming in the arbitration.

Origin Energy Resources Limited is the BassGas project operator (32.5%), in joint venture with AWE Petroleum Pty Ltd (30.0%), CalEnergy (Australia) Limited (20%), Wandoo Petroleum Pty Ltd (12.5%) and Origin Energy Northwest Limited (5%).

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Clough is one of Australia's largest multi-disciplinary engineering and construction groups. Clough operates globally in industry sectors such as onshore and offshore oil and gas, petrochemicals, minerals, infrastructure and property and has a significant capability in project management and engineering.

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