



MEDIA RELEASE
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CLOUGH SIGNS A\$170 MILLION BG INDIA CONTRACT - Looks to Growth in Indian Energy Sector Opportunities

Clough Limited (**ASX:CLO**) has announced the signing of a US\$131 million (A\$170 million) contract with BG Exploration and Production India Limited (BGEPIIL) to develop the shallow water Panna oil field and the South Tapti gas field located north west of Mumbai (Bombay) in the Arabian Sea off India's west coast.

The company has previously announced receiving a Letter of Intent to award the contract. Internal compliance processes have now been completed and contracts signed by both parties, confirming the go ahead for Clough's work on the energy project.

Clough will start work immediately on the engineering, procurement, installation and commissioning of three wellhead platforms and modifications to existing platforms and inter-field pipelines, with project completion expected in 2006.

Confirmation of the contract follows the announcement last month that Clough had been awarded a US\$215 million (A\$280 million) contract by India's Oil and Natural Gas Corporation (ONGC) for the first development of a deepwater oil and gas field lease in the Bay of Bengal off the country's east coast – the largest offshore contract ever awarded to Clough.

Vic Hall, CEO of Clough's Oil and Gas Division, said the latest contract confirmed the value of the group's strategy to set up regional centres to support the strategic business plan. He said Clough have a dedicated team working in Mumbai. This team has been upgraded to a fully operational regional office with a general manager relocated to India earlier this month.

David Singleton, CEO & Managing Director of Clough Limited, said: "This latest project award takes the Clough group's work-in-hand in excess of A\$900 million. It is now back up to a healthy level, which we can comfortably handle to deliver sound margins from good quality contracts.

"India is one of the top four countries in Asia for projected domestic energy demand growth. Clough has developed considerable experience in oil and gas projects throughout the Sub-Continent over the past five years. We have identified some US\$4 billion in offshore oil and gas projects in India over the next four years and are confident there will be many opportunities for the Clough group for further new work." Mr Singleton said.

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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.

BG Group plc has been active in India for over a decade and is one of the country's largest foreign investors in the oil and gas sector. The company holds 30 per cent interests in the Panna/Mukta oil and gas fields and the Tapti gas field. It is also a shareholder in two gas distribution companies – Gujarat Gas Company Limited (BG 65.12 per cent) in Gujarat and Mahanagar Gas Limited (BG 49.75 per cent) in Mumbai. Together, these two companies supply natural gas to over 450,000 customers.

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