



ASX RELEASE

23 November 2007

2007 AGM - Chairman's Address

My first year as Chairman will be remembered with mixed feelings.

Clough's underlying performance has again improved but has been more than offset by the provisions we have needed to make in relation to the BassGas and G1 projects.

However, I am pleased to report that the BassGas dispute has now been settled.

John Cooper, who has done a tremendous job as the Company's Chief Executive Officer over the past year, has stood down as CEO but will remain on the Board as a non-executive Director. He will also be responsible for progressing the resolution of the G1 project dispute.

We must now put the past behind us and shape the future for Clough. The Board has supported a growth strategy which our new CEO John Smith will outline later.

In order to manage the provisions and implement our growth strategy it will be necessary to refinance the Company. Murray & Roberts have provided loan facility guarantees. In addition, the Company needs to conduct a rights issue and a placement; and we are reviewing our non-core assets. Andrew Walsh, our CFO, will give a brief presentation on the refinancing shortly.

To enable Clough to implement our growth strategy we need to have the best people. As a first and very important step, we have recently employed John Smith as CEO to lead the company. John is an experienced Chief Executive who has strong expertise within the international oil and gas contracting industry.

Board changes have occurred with Norbert Jorek and Jock Clough resigning earlier in the year, Michael Robinson not standing for re-election and Harold Clough resigning late last month.

In addition, to assist Clough in recruiting, retaining and motivating staff we have overhauled our remuneration policies to ensure we can compete in a tight market. The Board recently approved a revised Employee Share Option Plan that will be presented to you today for approval.

Finally, I would like to thank:

- Murray & Roberts, particularly Brian Bruce, for his personal support and commitment given to Clough;
- Thanks to Mike Robinson for his time at Clough – Mike will not be standing for re-election at today's meeting;
- Thanks also to Jock Clough and Norbert Jorek, who have resigned from the Board, for their efforts over the years;

- Welcome back Roger Rees to the Board, subject to your approval today; and
- In particular I would like to thank Harold Clough for his wonderful contribution to this organisation. He has dedicated 53 years to Clough and is highly respected by all past and present employees and the industry. He will be sorely missed.

In addition, I would like to thank our shareholders, clients and partners for their support.

The past few years have been very difficult for Clough. With the provisions taken and the refinancing, we can now concentrate on the future and return Clough to being a great Company again.

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About Clough

Clough is an Australian based multidisciplinary engineering, construction and asset support contractor. The Company operates in Australia and South East Asia in industry sectors that include offshore and onshore oil and gas, minerals, water and related infrastructure. Clough has significant capability in project management, engineering, supply chain management, fabrication, construction, commissioning, and operations and maintenance.

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