



ASX/MEDIA RELEASE

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Update on G1 contract

Engineering and construction company Clough Limited (ASX:CLO) today advised that in connection with the arbitration process on the G1 project, it has submitted its claim to ONGC and a counterclaim has been received from ONGC.

Shareholders were advised of the G1 dispute in an announcement made by the Company in July, in the Company's annual report and in the recent rights issue Prospectus. The purpose of this announcement is to update shareholders on the status of the arbitration.

The ONGC counterclaim of US\$1.2 billion ignores the limits of liability contained in the contract, and is substantially for the recovery of consequential damages which are explicitly excluded by the contract.

The outcome of the arbitration process is uncertain. However, the Company is of the opinion that Clough's performance liability is expressly limited in the contract in that completion costs are capped at 20% of the contract value (US\$43 million), and liquidated damages for delay are capped at 10% of the contract value (US\$21 million). After careful consideration, the Company maintains its previous guidance on this matter and commits to continue with the rigorous pursuit of its rights under the contract as it continues to seek a negotiated settlement with ONGC.

Ends

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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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