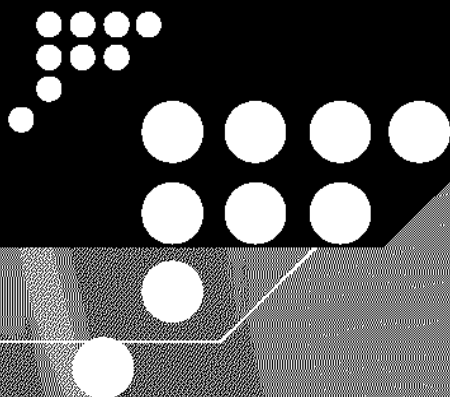


HALF YEARLY REPORT



6 months to 31 December 2006

CLOUGH

Income Statement
for the 6 months ending 31 December 2006

	31 Dec 2006 \$'000	31 Dec 2005 \$'000
Revenue	289,112	304,008
Earnings before interest and tax	20,786	(12,753)
Less net interest	(4,160)	(1,808)
Profit (loss) before income tax	16,626	(14,561)
Less income tax expense	(5,149)	(1,603)
Profit (loss) for the half-year	11,477	(16,164)
Less profit attributable to minority interest	(780)	(517)
Profit (loss) attributable to members of Clough Limited	10,697	(16,681)
Basic earnings (loss) per share (cents)	2.10	(3.42)

Balance Sheet
as at 31 December 2006

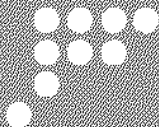
	31 Dec 2006 \$'000	30 June 2006 \$'000
ASSETS		
Current assets	429,518	391,779
Non-current assets	135,814	181,085
Total assets	565,330	572,864
LIABILITIES		
Current liabilities	306,217	321,754
Non-current liabilities	69,640	63,428
Total liabilities	375,857	385,182
Net assets	189,473	187,682
EQUITY		
Shareholders' equity	169,718	167,245
Minority interest	19,755	20,437
Total equity	189,473	187,682



Woodside LNG Jetty expansion

Highlights

- Profit \$10.7 million
- Improved project performance in Offshore Oil & Gas
- Continued growth in Services & Construction
- Petrosea underlying earnings improved
- Work in hand increased to \$840 million



Letter to

SHAREHOLDERS

Dear Shareholder

We are pleased to present Clough's half year financial results for the six month period ending 31 December 2006.

The Company recorded a net profit after tax of \$10.7 million, building on the profitable second half of last financial year.

The main driver of this improvement is project performance in the Offshore Oil & Gas business. The Services & Construction business again reported growth and Petrosea's underlying earnings also improved. The performance in our Offshore Oil & Gas business is the most pleasing because we are now executing projects successfully in this major part of Clough's operations.

Revenues in the period were in line with expectations, however were lower than the comparative period which included high activity on the G1 and Panna projects. Work in hand increased to \$839.5 million,

due to new contract wins and contract renewals and extensions in asset support, infrastructure and mining.

The Company's cash holdings improved during the period due to cash inflows on current projects and a convertible note offered to all shareholders that was fully underwritten by Murray & Roberts, raising \$39.2 million. Net debt however increased due to cash outflows on the Panna and G1 contracts, legal costs related to the BassGas arbitration process, and financing of existing projects in the property business mostly funded through project finance.

OLDERS

The offshore work on Panna is now complete, and the remaining contract issues are being closed out. On G1, the Company expects the independent mediation process agreed with ONGC to deal with completion issues on the contract to commence within the next two months. Resolution of the company's dispute with Origin Energy on the BassGas contract has advanced with the Arbitration hearing held in October last year, and a decision expected before the end of the current financial year.

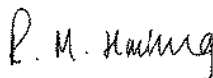
With respect to Clough Property, we are realising value through the sale of the majority of projects with the remainder being retained for development by the group.

While the Company has reported a profit, the Board does not consider it an appropriate time to recommence dividend payments.

Looking forward, the Company is now in a robust position from which to expand and take advantage of the opportunities in the buoyant resources market. We are currently examining a

number of options to grow the business and are working closely with clients to take advantage of the long-term project pipeline in our key sectors to deliver continued revenue and profit growth.

Yours sincerely,



Richard M (Mike) Harding
Chairman

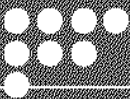


John D Cooper
Chief Executive



Andrew J Walsh
Chief Financial Officer

27 February 2007



Operational Overview

OIL & GAS

The buoyant oil and gas market continued to be Clough's major focus during the period with the Company securing several new contract awards and extensions.

In December, detailed design engineering had been essentially completed for the DrillCo's self-installing platform on OJV's Maari Field Development contract awarded to Clough last July. The project team's current focus remains with finalising procurement activities, fabrication works in Malaysia and preparation for the installation and commissioning scheduled to take place later this year.

Work on transportation of the platform topside module for Woodside's Angel Gas Field Development by the Clough Aker Joint Venture reached its half way point in the period. Installation engineering work in support of the floatover was completed and procurement activities steadily increased.

Clough's *Norman Carrier* is over half way through its rig recovery efforts for Apache Energy in the Gulf of Mexico. The state of the art subsea construction vessel has completed works on three platforms in the West

Delta Area which were severely damaged during Hurricanes Katrina and Rita and is currently working on the remaining two platforms.

Offshore works on the Parma Project in India have been completed and the OJV's conciliation process on the G1 Project is due to commence shortly.

Clough Thailand entered the buoyant FPSO conversion market with a subcontract awarded for the Patrick FPSO to fabricate five topside process modules.

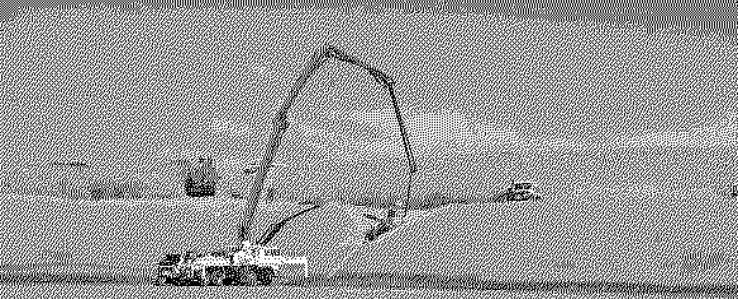
Petrosas and Clough successfully completed pipeline construction and installation works for Santos' major Maleo Gas Field Development. Petrosas's Offshore Supply Base upgrade attracted two new contracts from ENI and Total Indonesia.

The highly successful LNG Jetty Expansion construction project for Woodside has experienced an excellent safety record and is on schedule for a March 2007 completion. Clough's work scope for the Woodside Engineering & Services Contract to maintain oil assets expanded to include work at Karatha Gas Plant.

Operational Overview

MINERALS &

INFRASTRUCTURE



Kalgoorlie Reservoir construction 2008

The mining sector is a major focus for Indonesian subsidiary, Petrosea, and Clough's strategic alliance with major shareholder Murray & Roberts. Clough's expanding capabilities in the infrastructure sector are positioning the company for future growth in this market.

The Aker Kvaerner Clough Murray & Roberts Joint Venture is undertaking work in Santiago, Chile for detailed design engineering and procurement work on the Boddington Gold Mine project. Infrastructure activities and earthworks commenced on site.

The WaterHorizons alliance between Clough, Kellogg Brown & Root and the Water Corporation to build a new 400 megalitre

water reservoir at Kalgoorlie, Western Australia had its first concrete pour in December 2008. An under-floor drainage system in Cell One of the reservoir was completed with Cell Two work commenced.

New safety initiatives and a heightened client focus on mine planning saw production levels increase from original expectations for Petrosea's four year Sanga Sanga mining contract for PT Pinang Coal in East Kalimantan.

Petrosea began to upgrade an extensive fleet of heavy equipment and purchased new additional equipment to facilitate overburden removal for its contract extension for PT Gununbayan Pratamacoal to contract mining operations in East Kalimantan.



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