



ASX/MEDIA RELEASE
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Clough appoints new Chief Executive Officer

Engineering and construction company Clough Limited (ASX:CLO) today announced the appointment of a new Chief Executive Officer, John Smith.

Clough Chairman Mike Harding welcomed Mr Smith to the company.

John Smith is an engineer with 30 years broad international experience within the oil & gas contracting industry, having held a succession of engineering, project management, general and executive management positions in the UK, Norway and Australia. Recently he led the strategic process resulting in the formation of Subsea7 and was CEO of that company for the first two years of its existence. John has demonstrated both strong operational and strategic leadership of contracting organisations similar in size and complexity to Clough. Clough is determined to grow its business, particularly within the oil & gas sector and John's strong industry knowledge will be a major asset to that process.

John Cooper, current Clough CEO, will remain in his position until Mr Smith joins the company on the 1st August this year. Mr Cooper will continue his relationship with Clough as a Company Director.

"I would like to thank John Cooper for steering the company over the past six months and in particular for developing and implementing the first stages of Clough's growth strategy," added Mike.

John Smith's biography and remuneration package are attached.

Ends

For further information, please contact:

Mike Harding, Chairman	+618 9281 9281
John Cooper, CEO	+61 8 9281 9407

About Clough

Clough is one of Australia's largest multi-disciplinary engineering, construction and asset management groups. The Company operates globally in industry sectors including onshore and offshore oil and gas, petrochemicals, minerals and infrastructure. Clough has significant capability in project management, engineering, construction, installation, commissioning, operations and maintenance.

www.clough.com.au

REMUNERATION PACKAGE

The principal terms of Mr. Smith's remuneration package as agreed by the Clough Board are set out below. All of the equity components of the package are subject to shareholder approval.

A performance-based remuneration package has been provided and the terms include:

- A total fixed cost of employment of \$1,300,000 per annum, including base salary, all allocations to superannuation and all taxes including any fringe benefits tax.
- An annual incentive payment of up to 80% of base salary based on successful performance to the satisfaction of the Board.

Non cash benefits include:

- Relocation costs of up to \$10,000 per month for up to 12 months for short term accommodation until permanent accommodation is arranged.
- Reasonable legal costs and stamp duty incurred in purchasing a home in Perth.
- A lump sum of \$90,000 to cover sundry costs of relocation.
- Return flights between Perth and Norway for each completed 12 months service will be provided to Mr. Smith, his spouse and children.
- Cover under a Salary Continuance Plan and Life Insurance Plan.

Subject to shareholder approval Mr. Smith will also be issued with 6 million options in the company with the following conditions:

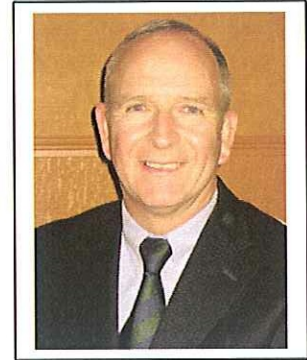
- Options will be exercisable at a premium of 10% to the average market price during the week prior to the date of execution of the contract of employment.
- Options can be exercised after the third (3million), fourth (1million), fifth (1million) and sixth (1million) anniversary dates of the commencement of employment, subject to certain performance criteria.

John Smith

Biography

Synopsis

John Smith has 30 years experience in the Oil & Gas industry in the United Kingdom, Australia and Norway. After working for over a decade as a Project Engineer and Project Manager in marine and subsea construction and maintenance projects mostly in the North Sea, Mr Smith moved into operational management at global engineering company Brown & Root Energy Services (BRES) in 1990. At BRES he ran operations in Norway and Australia building the subsea businesses through new client contracts and acquisitions. Mr Smith then worked with Halliburton-Subsea for three years in a Vice President capacity managing numerous Joint Ventures, and led the strategic process in the formation of Subsea7 in 2002 as the CEO, where he built the order book by expanding into new markets. Mr Smith currently heads the Oil & Gas consulting business he established in 2004.



Professional Qualifications and Board Memberships

Bachelor of Science, Mechanical Engineering (1977) - Glasgow
Director, Subsea 7, Remora Technology and Orion Comtetentia.

Career Summary

Managing Director, Smith Holdings – Aug 2004– present

Mr Smith established a subsea consulting business in 2004; major clients/projects include:

- Participated in Siem Offshore's acquisition of Halliburton's 50% holding in Subsea 7 through a rights issue and was also involved in the subsequent split and public listing
- Participated in the private placement and subsequent public listing of Consafe Offshore and its eventual sale to Prosafe
- Participated in the IPO of Grenland Offshore
- On behalf of Subsea 7, established a JV with Technip for all Asia Pacific activities
- Restructured Northern Offshore which has productions operations in the UK and drilling activities in South East Asia

Chief Executive Officer, Subsea7 – May 2002 – July 2004

Mr Smith was appointed CEO of the company that was established from the amalgamation of the subsea activities of DSND (now Siem Offshore) and Halliburton. He built the order book to US\$1bn which included projects in new deepwater markets in Angola, Nigeria and Mauritania.

Vice President, Halliburton-Subsea – July 1999 – April 2002

As Vice President of the Halliburton Dresser merged company, Mr Smith managed numerous Joint Ventures with industry partners in the rockwater, subsea offshore and wellstream businesses. He built turnover to US\$650m and EBIT of \$42m in 2002.

Country Director Norway / Country Director Australia, Brown & Root Energy Services (BRES) – Jan 1990 – July 1999

Mr Smith built the Norway operation from a rockwater subsea business to also include engineering and maintenance activities; leading to a 1997 turnover of US\$500m. During his tenure he worked with all major Norwegian oil and gas operators and managed partnerships with Stolt CSO, Saipem and Njorge. In Australia in 1998 and 1999 he managed the Engineering business including Granherne, maintenance and modifications and CAPEX projects.

Project management and engineering roles at BRES/COMEX, Wilhelmsen Underwater Engineering, Wharton Williams and Weir Pumps – 1977 - 1989

Mr Smith was involved in engineering and project management of marine and subsea construction and maintenance projects primarily in the North Sea during this period.