

## ASX/MEDIA RELEASE

21 February 2008

### Clough's Half Year results released

Engineering and construction company Clough Limited (ASX:CLO) today announced a \$34 million profit for the half year to 31 December 2007.

Underlying earnings increased by 25% over the same period last year to \$13.3 million excluding the one-off benefit resulting from the sale of Shedden Uhde.

Key financials at 31 December 2007 are:

- Net profit after tax of \$34.0 million (compared to a \$10.7 million profit in the six months to December 06)
- Revenue of \$256.5 million (Dec 06 - \$289.1 million)
- Turnover (including the share of activities performed in joint ventures) totalled \$355.1 million (Dec 06 \$366.3 million)
- Work in hand increased to \$1,007.3 million (Dec 06 - \$839.5 million)
- Cash holdings increased to \$142.2 million (June 07 - \$82.9 million)
- Net debt reduced by \$67.5m to \$12 million
- Net assets increased by \$93.3m to \$156.7 million

"Our markets continue to be strong and we have secured several new oil and gas contracts and major wins in mining through our Indonesian company PT Petrosea," said Clough's Chief Executive Officer, John Smith.

Work in hand increased by 20% to \$1 billion mostly due to the Pakar project mining and mine services contract for PT Ilthabi Bara Utama (IBU) awarded to Petrosea in Indonesia.

Cash holdings increased since last financial year end due to cash generation from the divestment of Clough's equity stake in Shedden Uhde and the capital raising of \$45m completed in December. The rights issue saw a 97% take up by shareholders. Subsequent to the half year Clough fully repaid its primary debt facility of \$47.6m. Operating cashflow movements also included payments to suppliers on the G1 project delayed from the previous year.

"Clough's disposal of its equity stake in Shedden Uhde was a strategic decision, since it was primarily focussed on engineering for the downstream petrochemical industries, whilst Clough provides a full EPC service to the upstream oil and gas sector. Our relationship with Shedden Uhde continues with a four year engineering services agreement allowing Clough to call upon resources as required," added Mr Smith.

Revenue and turnover were lower than the same period last year which included completion activities on Panna and a higher activity rate on the Maari project for OMV.

On G1, Clough and ONGC are progressing their dispute through an arbitration process. Clough has submitted its claim and a counterclaim has been received from ONGC. Their counterclaim 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. Although the outcome of any arbitration process is uncertain, Clough maintains its previous

guidance on this matter and is committed to continue with the rigorous pursuit of its rights under the contract as it continues to seek a negotiated settlement with ONGC.

Reviewing operations by business lines:

- Marine Construction – The Maari platform completed the fabrication phase and is awaiting arrival of a Dockwise vessel for transportation to New Zealand. The REM-Clough, the Company's new Dive Support Vessel is expected to be delivered in Q3 this calendar year. The Java Constructor has been working above normal capacity and remains on schedule to drydock for its upgrade, a US\$40m capital expenditure programme later this year.
- Capital Projects – Highlights include the completion of the Kalgoorlie Reservoir, continued support to Chevron's Gorgon project in the Kellogg Joint Venture and initial release of work for the Woodside Pluto Jetty that will use the core of the project team which successfully completed the Train 5 Jetty last year.
- Asset Support – Successfully completed a major shut down for ConocoPhillips on the Bayu Undan field and has taken on an expanding role in support of the Karratha Gas Plant operated by Woodside.
- Fabrication – Has completed the first delivery of topsides modules and a wellhead platform from our Sattahip yard in Thailand.
- Mining – In addition to the major contract awards referred to above for Pakar, Petrosea is currently undertaking an internal feasibility study on the Santan Batubara coal concession which it jointly owns with an Indonesian coal producer. The business has committed substantial capital expenditure on mining equipment to support the awards for both Pakar and Alhasani. The business has arranged stand alone finance capacity to fund this acquisition programme which is expected to increment overall company net debt levels (along with the Java Constructor upgrade) in the second half of this financial year.

In January 2008 the company announced it had completed the sale of Clough Engineering & Maintenance (CEM). This company operated outside of Clough's core market. The sale was completed in January and is expected to contribute additional "one-off" earnings of \$13.0m.

Prospects in the oil and gas and mining sectors remain strong. Clough has started work on a number of funded projects ahead of final contract award. Work in hand is expected to remain above \$1 billion through the second half. Underlying earnings are expected to be similar in the second half to those generated in the first half despite losing the earnings from Shedden and CEM.

Note: Financial summary tables are attached to this release.

Ends

For further information, please contact:

John Smith, Chief Executive Officer +61 8 9281 9407  
Gaye Gelok, Manager Communications & Marketing +61 8 9281 9451/0413 336 323

**About Clough**

Clough is an Australian based multidisciplinary engineering, construction and asset support contractor operating in Australia and South East Asia, and undertakes capital projects, marine construction, fabrication, asset support and mining. Clough focuses primarily on the upstream oil and gas industry sector, and in minerals and water infrastructure. It has significant capability in project management, engineering, supply chain management, fabrication, construction, commissioning, and operations and maintenance.

**[www.clough.com.au](http://www.clough.com.au)**

## CLOUGH LIMITED FINANCIAL SUMMARY

### CLOUGH LIMITED

<b>\$million</b>	<b>Dec 07</b>	<b>Dec 06</b>
Group Turnover *	355.1	366.3
EBIT ^	23.4	20.8
EBIT / Turnover %	6.6%	5.7%
Interest (net)	(5.9)	(4.2)
Net gain on disposal of Shedden Uhde Pty Ltd	20.7	-
Profit Before Tax	38.2	16.6
Tax + Minority Interests	(4.2)	(5.9)
Net Profit After Tax	34.0	10.7

\* Turnover includes share of revenues from jointly controlled entities and associates

^ Excludes net gain on disposal of Shedden Uhde Pty Ltd of \$20.7 million