Half Year Results to 31 December 2006

John Cooper - CEO
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27 February 2007

Presentation Outline

- Key points
- Financial highlights
- Business unit performance
- Strategy update
- Summary

Key Points

- Profit $10.7m (NPAT)
  - Offshore Oil & Gas major contributor
  - Growth in Services & Construction
  - Underlying growth in Petrosea
- Work in hand maintained with quality contracts
- Property sale progressing
- Convertible note issue completed
- New CEO appointed

Financial Highlights

Financial Performance - Summary

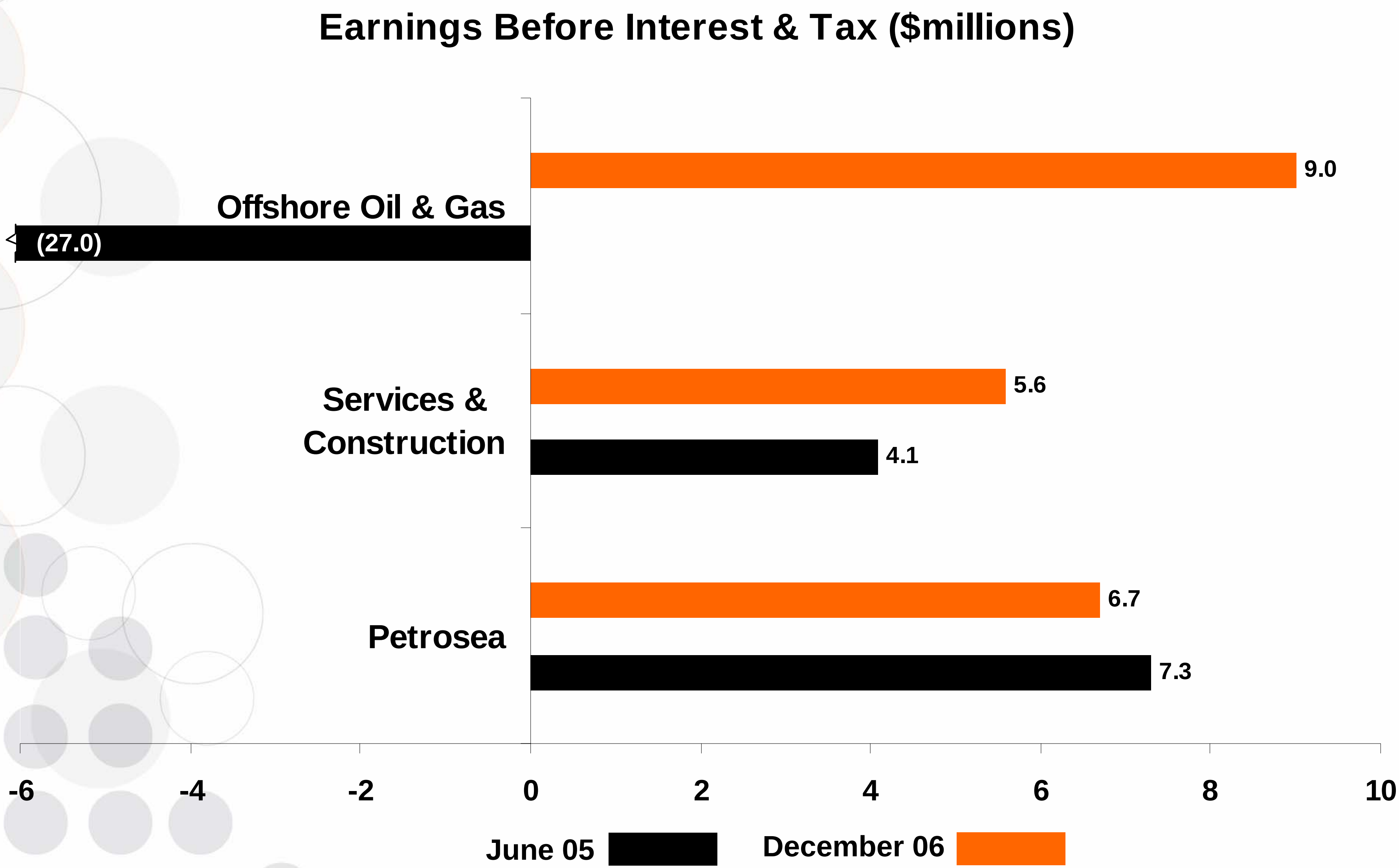
CLOUGH

Half Year Ended 31 December 2006

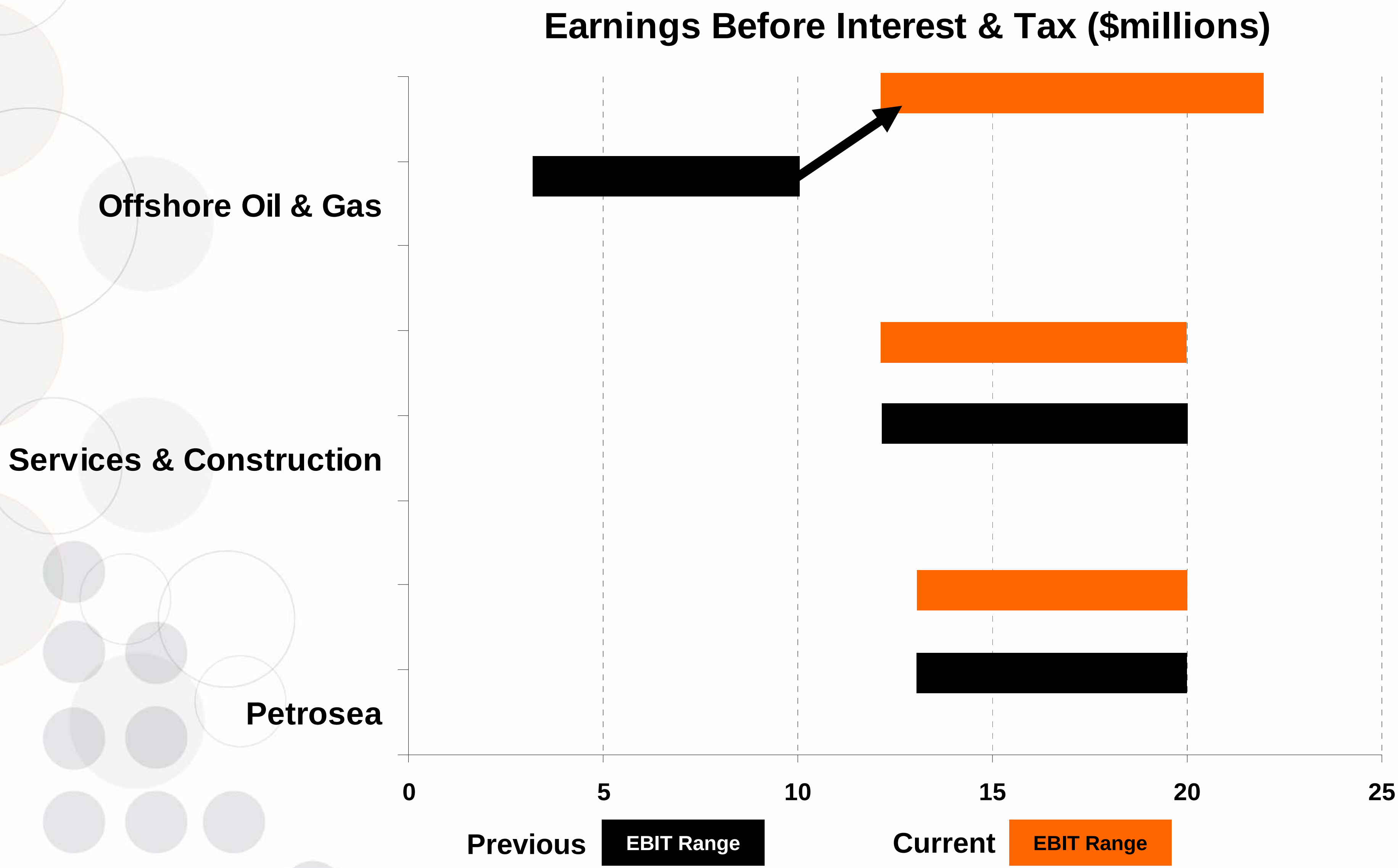
	2006 ($m)	2005 ($m)
Earnings Before Interest & Tax (EBIT)	20.8	(12.8)
Net Profit (Loss) after tax	10.7	(16.7)
Group Turnover	366.3	426.0
Cash Holdings	58.8	* 53.6
Net Debt	(107.0)	* (60.4)
Net Assets	189.5	* 187.7
New orders – Order Intake	388.6	413.1
Order Book	839.5	* 808.7

* June 06

Results by Line of Business



Profit 2 Year Outlook - EBIT



Cashflow and Funding

- Net Debt increased by $46.6m to $107.0m
  - Legacy projects cashflow mostly loaded to first half
  - Property project transactions in progress will fully reverse first half outflow and reduce Property borrowings ($28.7m)
- Net debt related to Property and bank borrowing expected to improve in second half

Cashflow & Funding	$m
Legacy Projects (G1, Panna, BassGas)	(43.6)
Property transaction	(26.0)
Operating cash from current projects	23.0
	(46.6)

Financed	$m
Convertible note (in borrowings not equity)	(38.0)
Property debt	(16.0)
Cash holdings	7.4
	(46.6)

Business Unit Performance

Offshore Oil & Gas

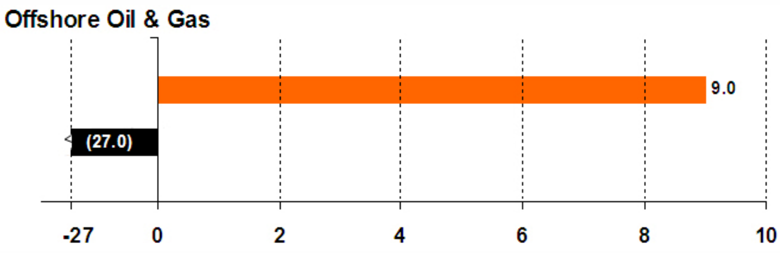
Highlights

- Turnover $160.5m (Dec 05 $207.6m)
- Earnings improvement from new contracts including Maari (OMV) and Rig Remediation (Apache)
- Updated project delivery systems deployed on new contracts

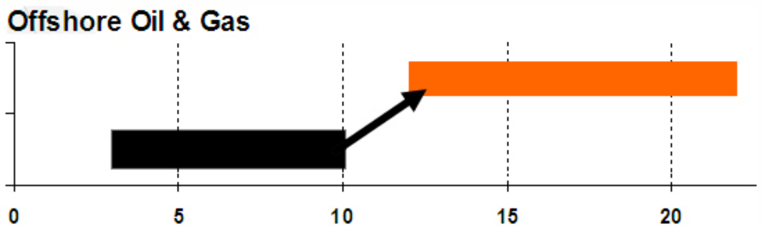
Outlook

- Market outlook remains strong
- New projects delayed due to oil company investment processes
- Asset availability key to new business

HALF YEAR RESULT (EBIT)



2 YEAR OUTLOOK (EBIT)



Offshore Oil & Gas Legacy

Panna

- Offshore programme completed Feb 07
- Negotiations with British Gas finalised
- June 06 accounting position maintained

G1

- Project stalled due to ONGC Deepwater drilling delays
- Milestone progress (cash) frustrated by drilling delays – however ONGC have made further payments in line with expectations
- Contract renegotiation underway with ONGC and through external mediation process (OEC)

BassGas

- Arbitration hearing held November 06 – closing statements heard February 07
- Announcement expected before end of financial year

Services & Construction

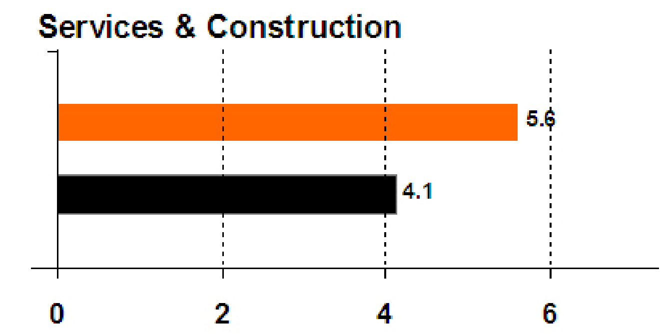
Highlights

- Revenues increased to $129.0m (up 15% on Dec 05)
- Earnings at $5.6m (up 36% on Dec 05)

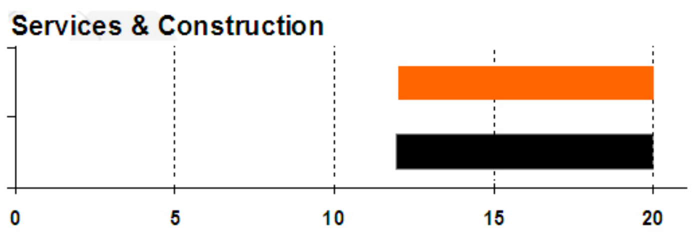
Outlook

- Continued growth in Asset management – Woodside and ConocoPhillips asset support contracts
- Significant opportunities to support major LNG projects as EPCM contractor (e.g. Gorgon, INPEX Browse, Pluto)
  - Plus related construction of LNG export facilities – Jetties and “Off Plot”
- WaterHorizons alliance – additional work from WA Water Corporation as follow on to Kalgoorlie reservoir project

HALF YEAR RESULT (EBIT)



2 YEAR OUTLOOK (EBIT)



Petrosea

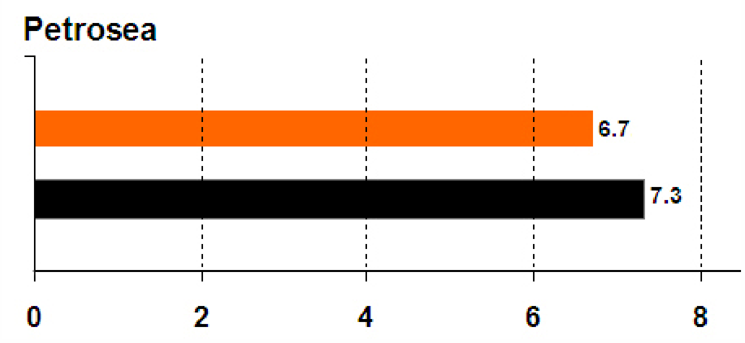
Highlights

- Revenues - $73.5m (Dec 05 $86.6m)
  - (05 result includes $14m of Revenues on Mine Services)
- Earnings at $6.7m
  - (05 results included a ‘one off’ contract settlement – underlying earnings improved)

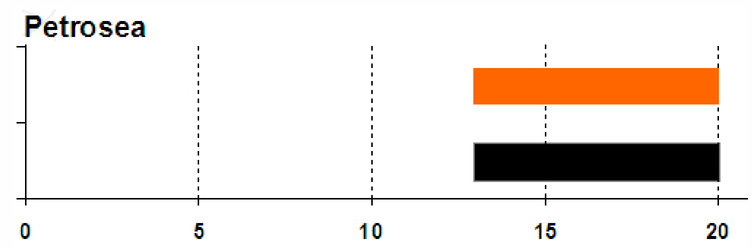
Outlook

- Supply base to Oil and Gas sector - upgrade in progress attracting new customers – ENI, Total and Chevron
- Bontang coal mine extension - growing requirement
- Thermal coal market growing strongly

HALF YEAR RESULT (EBIT)



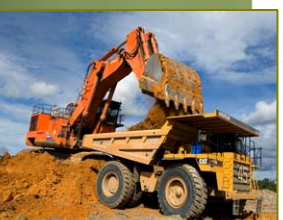
2 YEAR OUTLOOK (EBIT)



Strategy Update

Strategy Update






- **Focus** -
  - Differentiation critical, strong regional focus
  - Motivated work force using world class systems and processes
- **Grow** - Oil and Gas opportunities in an expanding market
  - Additional Offshore construction vessel capability
  - Increased capacity in Thailand with both Fabrication and Engineering established
  - Further options to grow in core markets are a key focus

Summary

Summary

- Clough returned to profit – NPAT $10.7m
- Offshore Oil & Gas major contributor
- Petrosea and Services & Construction again showed improvement
- Legacy contracts progressed positively – Panna work complete, G1 mediation process agreed, BassGas arbitration hearing completed
- Property sale progressed
- Strategy focus centred on:

“being a leading Field Development Contractor, focused on small to medium sized offshore oil & gas fields, in the Australasian region, within the next 24 months”.

Questions?