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Company Announcements Office
Australian Securities Exchange
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20 Bridge Street
SYDNEY NSW 2000

CLOSE OF CLOUGH PROPORTIONAL TAKEOVER OFFER; STRATEGIC ALLIANCE ESTABLISHED

Clough Limited (**Clough**) and Forge Group Limited (**Forge**) are pleased to announce that Clough's proportional takeover offer (**Offer**), made through its wholly owned subsidiary Clough Operations Pty Ltd, for 50% of the ordinary shares in Forge, closed yesterday.

Clough now holds a 31.3% stake in Forge, triggering a Strategic Alliance between the two companies that will target joint project opportunities in the LNG and oil and gas sectors and provide a platform to support the continuation of Forge's anticipated growth trajectory.

As part of the Strategic Alliance, key personnel from Clough will strengthen the Forge Board and Management teams. Clough Chief Executive Officer John Smith will join the Forge Board as a non-executive director and a senior Clough executive will be appointed to Forge's executive management team. Forge will also appoint a new Independent Chairman to the Board.

Both Clough and Forge anticipate that the Strategic Alliance will generate substantial benefits for both companies in FY11 and beyond. Initial activities under the Strategic Alliance include provision of resources to assist with recent project opportunities and the identification of new opportunities which the two companies can pursue.

Clough Chief Executive Officer John Smith said Clough looked forward to accelerating project co-operation with Forge.

"Forge's proven construction capability will strengthen our engineering-led EPC service offering to the oil and gas sector particularly in domestic, conventional LNG and coal seam gas projects. We believe we can now capture a significant time and place opportunity, and are already working with Forge on a number of specific prospects."

Forge Managing Director Peter Hutchinson said the company was delighted the transaction had been successfully concluded and the Strategic Alliance launched.

"The Strategic Alliance provides Forge with an outstanding springboard to pursue new opportunities and the capital injection from the recent placement to Clough strengthens our balance sheet to ensure we keep growing at a strong rate.

"Last year, we indicated that we were seeking a major strategic partner to provide corporate and operational capacity to support and accelerate our next phase of growth. Clough is ideally placed to assist us in accessing new contract opportunities across our target sectors of oil and gas as well as hard rock minerals."



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ABOUT CLOUGH

Established in 1919, Clough delivers an integrated Engineering, Procurement and Construction service primarily to oil and gas projects in Australia, South East Asia and the USA. The Group's services range from concept development through design, construction, installation, commissioning, operations and maintenance.

Backed by an experienced management team, over 2,300 personnel around the world and sophisticated project management systems, we are recognised for our commitment to safety, sustainable development and the wellbeing of the people, communities and environments in which we operate.

For more about Clough visit www.clough.com.au

ABOUT FORGE

Forge Group Limited (ASX: FGE) is a Western Australian based public company. Its core business is engineering, construction, management and maintenance, particularly for the resource and oil and gas sectors. Listed on the ASX in 2007, the Company has established operations in WA and West Africa, with more than 550 staff and a suite of blue chip clients including Woodside, BHP Billiton, Rio Tinto, Newmont and Goldfields. Forge provides a "whole of life" engineering, construction and asset management service to clients, through three wholly owned subsidiaries:

Cimeco: provides a complete suite of construction services to the resources industry including civil and concrete, mechanical, electrical and maintenance services.

Abesque Engineering: is a specialist provider of engineering design, construction and project management services to the resource and oil and gas sectors.

Webb Construction: based in Ghana for more than 15 years, Webb provides a comprehensive mine and project construction service to the resource sector in West Africa.
For more about Forge visit www.forgegroup.com.au