

ASX/MEDIA RELEASE

23 June 2011

Clough to Appoint Kevin Gallagher as CEO

Engineering and construction company Clough Limited (ASX:CLO) today announced Kevin Gallagher will be appointed to succeed John Smith as Chief Executive Officer of Clough. Mr Gallagher will take up his appointment with Clough towards the end of August.

Mr Gallagher brings 20 years experience in oil and gas operations, including 13 years experience with Woodside Energy, where he has led oil and gas operations in Australia, the USA and North and West Africa. Mr Gallagher currently holds the positions of Executive Vice President, North West Shelf Business Unit and CEO of North West Shelf Venture at Woodside. During Mr Gallagher's tenure Woodside's North West Shelf LNG project achieved new revenue and production records.

"After an extensive local and international search, I am delighted to welcome Kevin Gallagher as Clough's new CEO" said Clough's Chairman Keith Spence.

"Kevin has held senior management and executive positions on many high profile Australian oil and gas projects in the past 11 years. He has an established track record in strategy development, execution, and building and motivating high performance teams. He also has significant experience working in complex contractual environments.

"I would also like to acknowledge and thank John Smith for his contribution during his four years as CEO of Clough. During his tenure John successfully guided Clough through turbulent times to return the company to profitability. John leaves the company in an excellent position, with a strong balance sheet and a robust order book of world class projects.

"Under Kevin's leadership I believe we can build on this strong market position to achieve the next phase of growth".

Ends

For further information, please contact:

Keith Spence, Chairman - 0417 227422.

Kristy McGrath, Marketing and Communications Manager – 0417 451 724

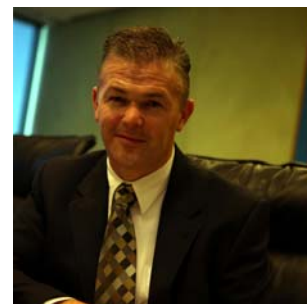
About Clough

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 3,000 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.

www.clough.com.au

Biography: Kevin Thomas Gallagher



Career Synopsis

Kevin Gallagher is a senior executive with 20 years experience in managing oil and gas operations in Australia, the USA and North and West Africa. A qualified mechanical engineer, Mr Gallagher commenced his career as a drilling engineer with Mobil North Sea, before joining Woodside in 1998.

During his 13 year tenure with Woodside, Mr Gallagher has led the drilling organisation through rapid growth, delivering several Australian and international development projects and exploration campaigns and setting drilling performance records whilst improving safety. He has also led the Australian Oil Business Unit to record production and started two new development projects, while divesting non-core assets and increasing revenue and earnings. Most recently Mr Gallagher was responsible for production on Australia's largest resource project, the North West Shelf.

Career Summary

Executive Vice President North West Shelf BU	Woodside Energy Ltd	Jan 2010 – Current
CEO North West Shelf Venture	North West Shelf Project	Jan 2010 – Current
Chairman Business Operating Committee	Woodside Energy Ltd	Feb 2008 - Current
Senior Vice President Australia Business Unit	Woodside Energy Ltd	Feb 2008 – Dec 2009
Senior Vice President, Wells & Subsea	Woodside Energy Ltd	2007 – 2008
Director, Drilling & Completions	Woodside Energy Ltd	2005 – 2007
Drilling and Completions Manager	Woodside Energy Ltd	2001 - 2005
Senior Drilling Engineer	Woodside Energy Ltd	1998 – 2001
Various positions in Drilling Engineering and Offshore Supervisory	Mobil North Sea Ltd	1994 – 1998
Drilling Engineer	Mobil North Sea Ltd	1991 - 1994

Professional Qualifications and Memberships

1991 – University of Glasgow – Bachelor of Engineering, Mechanical Engineering (Hons)

2003 – Business News – West Australian 40 under 40 winner

2003 – Mt Eliza Business School – Management Development Program

2005 – Australian Institute of Company Directors – Company Directors Course

2005 – Member of the Australian Institute of Company Directors

2008 – Australian Institute of Management – Senior Executive Forum

2009 – Harvard Business School – Advanced Management Program

CLOUGH LIMITED

Summary of terms of employment for Chief Executive Officer

1. Role

- **(Employer)** Clough Projects Pty Ltd (a wholly owned subsidiary of Clough Limited).
- **(Duties)** Perform the duties and responsibilities of Chief Executive Officer of Clough Limited.
- **(Clough director)** Subject to being appointed in accordance with the Corporations Act and the Clough Limited constitution, act as a director on the Clough Limited Board.
- **(Reporting)** Reporting directly to the Chairperson of Clough Limited.

2. Commencement and term

- **(Commencement)** Commence on 15 August 2011 or no later than six months after the date of the contract.
- **(Term)** Employment continues until terminated or for six years, whichever occurs first.

3. Remuneration

- **(Base salary)** Base salary of \$1 million per annum, plus nine per cent superannuation contribution.
- **(STIP - cash)** Will be eligible to participate in the Clough Short Term Incentive Plan in accordance with the terms set out in the Clough Remuneration Standard.
- **(LTIP – options)** Subject to obtaining any necessary shareholder approvals, will be issued Clough share options annually in accordance with the Clough Limited Employee Option Plan.
- **(Review)** Clough may review remuneration and benefits from time to time, but at least annually.

4. Sign-On Payments

- **(Sign-On Payments)** Paid on commencement (i) \$400,000 cash and (ii) subject to obtaining shareholder approval, \$900,000 worth of Clough Limited shares.
- **(Resignation within 12 months)** If the Chief Executive Officer resigns (other than (i) for reasons of serious personal ill health or (ii) if the Chief Executive Officer's employment ceases in circumstances of material diminution in his status) within 12 months, the Chief Executive Officer will repay to Clough Projects an amount of \$715,000 (being the agreed estimated after tax value of the Sign-On Payments).

5. Termination

- **(With notice by Clough)** Clough may terminate with 12 months notice or (subject to obtaining any necessary shareholder approvals) may give payment in lieu of notice.
- **(With notice by Employee)** The Chief Executive Officer may resign on giving 12 months notice.
- **(Diminution of responsibility)** The Chief Executive Officer may treat his employment as being terminated (by giving notice) if for any reason, at the instigation of the Clough Board, the Chief Executive Officer suffers a material diminution in his status as Chief Executive Officer of Clough due to (i) material diminution in his authority in respect of the business of the Clough Group as a whole or (ii) a change in his reporting relationship with the Clough Board. In these circumstances, Clough will provide 12 months payment in lieu of notice of termination (subject to obtaining any necessary shareholder approvals).
- **(Without notice)** Termination without notice or payment in lieu of notice in certain circumstances (eg breach of agreement, misconduct, failure to discharge duties and responsibilities,

Summary of terms of employment for Chief Executive Officer

engaging in conduct which is likely to affect adversely the reputation of the Clough Group, bankruptcy).

6. Post employment restraints

- **(Non competition)** Restrained from carrying on or being interested in any capacity, or be employed or engaged in any capacity, in any business or activity that is in competition with the Clough Group for 12 months after employment ends.
- **(Non solicitation)** Restrained from solicitation of employee, contractor, officer, agent or supplier of the Clough Group for 12 months after employment ends.
- **(Restrained area)** Restrictions apply within Australia, Brunei, China, Indonesia, Malaysia, Papua New Guinea, New Zealand, Thailand and Vietnam.
- **(Restrained business)** A business or activity that is in competition with the Clough Group includes engineering, construction and asset support contractor businesses, in so far as these businesses operate in the oil and gas or mining industries.