



MEDIA RELEASE  
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## **BASSGAS STATUS UPDATE**

The BassGas project located in the Yolla field in Bass Strait for the T/RL1 Joint Venture is currently nearing completion.

Clough Limited today wishes to advise a status update on the above project.

The project has been impacted by a number of issues which will delay completion. Completion of the offshore works have been hampered by restrictions in access and in the provision of offshore accommodation by the Client and progress at the onshore plant has been impacted by the offshore delay as well as by productivity issues and weather delays.

Our Client has indicated its intention to levy liquidated damages on Clough with respect to the next milestone in the project (Separable Portion 3). We firmly believe that these liquidated damages are not payable, as a key reason for non-achievement of that milestone is that the Client has yet to complete its offshore drilling program and provide gas suitable for introduction into the development. However, the Client is withholding cash due to Clough under the contract.

Clough will continue to pursue settlement of outstanding issues with the Client. In this regard Clough has recently employed a third party independent claims specialist from the United Kingdom to assist in this process.

“Clough has outstanding claims on this project as noted in the year end accounts which have not been recognised and provide an opportunity against cost increases although the timing for resolving these claims is difficult to forecast.” Mr David Singleton, CEO & Managing Director of Clough Limited said today.

Origin Energy Resources Limited is the BassGas project operator (32.5%), in joint venture with AWE Petroleum Pty Ltd (30.0%), CalEnergy (Australia) Limited (20%), Wandoo Petroleum Pty Ltd (12.5%) and Origin Energy Northwest Limited (5%).

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Clough is one of Australia's largest multi-disciplinary engineering and construction groups. Clough operates globally in industry sectors such as onshore and offshore oil and gas, petrochemicals, minerals, infrastructure and property and has a significant capability in project management and engineering.

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