Worley

19 January 2004

ASX Announcement

WORLEY (ASX: WOR)

Iraq Oil Infrastructure Contract Awarded to Worley Joint Venture

Worley is part of a joint venture that has been awarded a contract for the restoration of Iraq oil infrastructure by the US Army Corps of Engineers (USACE). The value of the contract is for a minimum of US$500,000 to a maximum of US$800 million and is for support of the northern region. The actual amount of the contract capacity that will be used will depend on the requirements based on conditions on the ground at the time and may or may not reach the contract maximum. The contract is an Indefinite Delivery Indefinite Quantity (IDIQ) cost plus award fee for a period of 24 months, with three one-year options to extend.

The bid was submitted by the Parsons Worley team comprising Parsons Corporation (20%), Parsons E&C (45%) and Worley (35%). Parsons Corporation is a full service planning, engineering and construction company based in Pasadena, California. Parsons E&C is a Houston-based international engineering and construction management organisation with which Worley has a joint venture, WorleyParsons Energy Services.

The contract covers a full range of services, including extinguishing oil well fires; environmental assessments and cleanup at oil sites; oil infrastructure condition assessments; engineering design and construction necessary to restore the infrastructure to a safe operating condition; oilfield, pipeline and refinery maintenance; procurement and importation of fuel products; distribution of fuel products within Iraq; technical assistance in marketing and sale/export; and technical assistance and consulting services to the Iraqi oil companies.

Worley Chief Executive Officer, Mr John Grill, said:

"The contract award recognises Worley's capability in major project management and delivery. It also consolidates our position in the Middle East and is a major boost for our relationship with Parsons E&C and our evolving partnerships with local Iraqi firms. Our focus is now on mobilisation of resources and clarifying task requirements with the US Army Corps of Engineers."

Worley, Parsons and Parsons E&C each have significant Middle East experience in oil and infrastructure projects, with offices in most major Middle East cities.

Worley

Worley, which listed on the Australian Stock Exchange in November 2002, is a leading provider of design and project services to the energy, resources and complex process industries. The company employs over 4,500 people throughout Australia, Asia Pacific, the Middle East and the Americas. Worley has an established track record of successfully executing major projects for a diverse range of substantial global organisations.

Attached is a copy of the US Army Corps of Engineers News Release dated 16 January 2004.

Further details on Parsons Corporation are available at www.parsons.com; Parsons E&C at www.parsonsec.com and Worley at www.worley.com.au.

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US Army Corps of Engineers

NEWS RELEASE

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U. S. Army Corps of Engineers Awards Contracts for Repair of Iraq's Oil Infrastructure

The U.S. Army Corps of Engineers announced today that it has awarded two contracts for future work restoring the Iraqi oil infrastructure to pre-war production levels. The two new contracts complete the pre-war acquisition plan to replace the non-competitive contract with full and open competitive contracts.

Both contracts are Indefinite Delivery Indefinite Quantity (IDIQ) cost plus award fee 24-month contracts with three one-year options. The contract for work in the southern area of Iraq was awarded to Kellogg Brown and Root of Arlington, Virginia and the other for work in the northern sector of the country was awarded to Parsons Iraqi Joint Venture (Parsons with its teaming subcontractor Worley Group of Australia), Houston, Texas. The two contracts have no geographical overlap. Each will have a minimum value of $500,000. As amended, the maximum value for the life of the contract for the northern oil fields will be $800 million and for the southern oil fields will be $1.2 billion. Those amounts are contract capacity amounts. The actual amount of the contract capacity that will be used will depend on the requirements based on conditions on the ground at the time and may or may not reach the contract capacity

The competition for the two contracts was full and open in accordance with the Federal Acquisition Regulation. This process provides for a fair and impartial evaluation of the offerors' proposals. The contractors were selected on the basis of best value to the government and qualifications to do the work described in the solicitation.

The new IDIQ contracts will cover a full range of services. These include, but are not limited to, extinguishing oil well fires; environmental assessments and cleanup at oil sites; oil infrastructure condition assessments; engineering design and construction necessary to restore the infrastructure to a safe operating condition; oilfield, pipeline and refinery maintenance; procurement and importation of fuel products; distribution of fuel products within Iraq; technical assistance in marketing and sale/export; and technical assistance and consulting services to the Iraqi oil companies.

The Corps of Engineers' mission is to restore the oil production, oil refining and gas processing capability to pre-war levels for the benefit of the Iraqi people. The mission includes humanitarian assistance. The Corps is providing emergency supplies of gasoline, LPG and other petroleum products to distribution points operated by the Iraqi Ministry of Oil for use by the Iraqi people. Exceeding their project goals, the Iraqi Ministry of Oil and the Corps, working together, have brought crude production to over 2.2 million barrels per day with up to 1.8 million barrels being exported daily.

See website for more information: http://www.hq.usace.army.mil/cepa/iraq/oilfires.htm